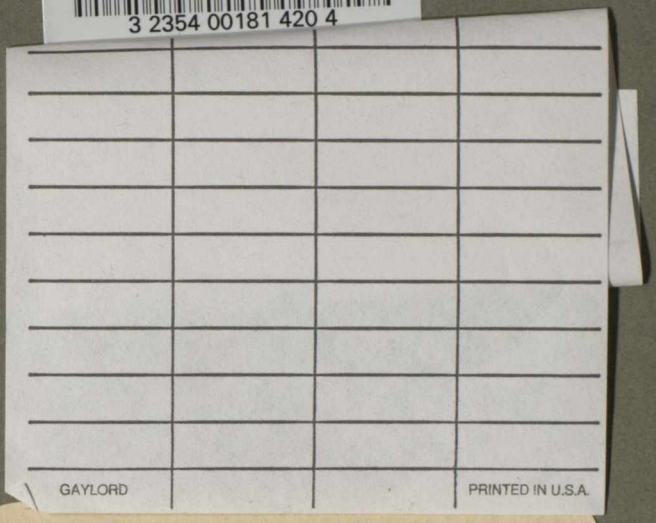

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VOLUME I.

FROM 15TH MAY TO 15TH JULY,

1891.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

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OTTAWA:
PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY.
1891.

THE

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

ORDER OF REFERENCE

AND

MINUTES OF PROCEEDINGS.

1891.

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PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY.

1891.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

ORDER OF REFERENCE.

Ordered, That Messieurs—

Adams,	Desaulniers,	Macdonald (Sir *John*),
Amyot,	Dickey,	McCarthy,
Baker,	Edgar,	McDonald (*Victoria*),
Barron,	Flint,	McLeod,
Beausoleil,	Fraser,	Mills (*Bothwell*),
Burdett,	German,	Moncrieff,
Cameron (*Huron*),	Girouard,	Mulock,
Chapleau,	Ives,	Ouimet,
Choquette,	Kirkpatrick,	Pelletier,
Coatsworth,	Langelier,	Tarte,
Costigan,	Langevin (Sir *Hector*),	Thompson (Sir *John*),
Curran,	Laurier,	Tupper,
Daly,	Lavergne,	Weldon, and
Davies,	Lister	Wood (*Brockville*).—42.

do compose the said Committee on Privileges and Elections.

Attest, J. G. BOURINOT,
Clerk of the House.

MONDAY, 11th May, 1891.

Ordered, That the following statements be referred to the Select Standing Committee on Privileges and Elections to enquire fully into the said allegations, and specially, but without limiting the scope of such enquiry, to investigate all circumstances connected with the several tenders, contracts and changes therein, and the payments and other matters mentioned in the statements hereinbefore made, with power to send for persons, papers and records, and to examine witnesses upon oath or affirmation, and that the Committee do report in full the evidence taken before them, and all their proceedings on the reference and the result of their enquiries:—

J. Israël Tarte, Esq., the Member representing the Electoral District of Montmorency in this House, having declared from his seat in the House that he is credibly informed, and that he believes, that he is able to establish by satisfactory evidence that:

QUEBEC HARBOUR DREDGING.

In 1882 the sum of $375,000 having been voted by the Parliament of Canada to carry out the works of the Harbour of Quebec, the Quebec Harbour Commissioners called for tenders in dredging in connection with the said works.

LARKIN, CONNOLLY & CO.' CONTRACT.

That Messrs. Larkin, Connolly & Co. tendered and were awarded the contract for the said dredging.

R. H. McGreevy, a partner.

That in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government of Canada, the firm of Larkin, Connolly & Co., with the knowledge of the said Thomas McGreevy, took as a partner, Robert H. McGreevy, his brother, giving him an interest of 30 per cent. in the firm.

That the said Thomas McGreevy consented to his brother becoming a member of the firm, and stated that he had first consulted the Hon. Minister of Public Works, Sir Hector L. Langevin, and secured his consent.

Work continued after expiration of time.

That the said contract, signed on the 25th of September, 1882, stipulated that the works thereunder were to be finished by the 1st of November, 1884, but that the said Larkin, Connolly & Co. continued to perform the work of dredging under the scale of prices therein mentioned up the close of the season of 1886.

That in order to help Larkin, Connolly & Co., to secure the said dredging contract, the said Hon. Thomas McGreevy agreed to give and did give, in an undue manner, his help as Harbour Commissioner to Larkin, Connolly & Co.

That the said contract was approved and ratified by an Order in Council based on a report of the Hon. the Minister of Public Works.

Messrs. Kinipple and Morris and W. Pilkington.

That up to the year 1883 aforesaid Messrs. Kinipple and Morris, of London, England, had acted as Engineers to the Quebec Harbour Commission, and that their resident Engineer for carrying out of the works was Mr. Woodford Pilkington.

That in concert with Larkin, Connolly & Co. the said Thomas McGreevy undertook to secure the removal of Messrs. Kinipple, Morris and Pilkington from their positions, and that they were in fact so removed in 1883, and replaced by Mr. Henry F. Perley and John Edward Boyd, with the consent of the Hon. Minister of Public Works.

Cross-Wall and Lock.

That in the same year, 1883, tenders were called for a cross-wall and lock in connection with the harbour works at Quebec in accordance with plans and specifications prepared in the Department of Public Works under the direction of Henry F. Perley, Esq.

That several tenders were made, and amongst others who tendered were Messrs. Larkin, Connolly & Co.

R. H. McGreevy, a partner.

That before tendering, and in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the Parliament of Canada and a member of the Quebec Harbour Board by appointment of the Government, Larkin, Connolly & Co. took into partnership with themselves Robert H. McGreevy, a brother of the said Hon. Thomas McGreevy, giving him a 30 per cent. interest in the firm, and this with the knowledge and consent of the said Hon. Thomas McGreevy.

Geo. Beaucage, John Gallagher.

That among the parties tendering were a contractor named George Beaucage, and one John Gallagher.

That it was on the suggestion of the said Hon. Thomas McGreevy that Beaucage consented to make a tender.

Tenders prepared by Larkin & Co.

That with the knowledge of the said Thomas McGreevy, the three tenders of Larkin, Connolly & Co., of Beaucage, and of Gallagher, were prepared by the members of the firm of Larkin, Connolly & Co., Beaucage being throughout deceived by the said Hon. Thomas McGreevy as to his position in the matter, as he alleges in an action recently entered by him against the said Thomas McGreevy in relation to the said contract in the Superior Court of Montreal.

That the said tenders were transmitted to the Department of Public Works of Canada for examination and extension.

That while all the tenders were being examined and the quantities applied in the Department of Public Works of Canada, the said Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, promised to obtain and did obtain from the Department of Public Works of Canada, and from officials of that Department, in relation to the said tenders, to figures in connection therewith, and to the amounts thereof, information which he offered to communicate before the result was officially known, and which he did communicate to the firm of Larkin, Connolly & Co., and to certain members of the said firm individually.

HON. T. McGREEVY TO OBTAIN INFORMATION FROM DEPARTMENT.

That to the knowledge of the said Thomas McGreevy, the tenders of Messrs. Gallagher and Beaucage were lower than those of Larkin, Connolly & Co., but that in consideration of the promise of the sum of $25,000 to be to him paid, he, the said Thomas McGreevy, agreed to secure the acceptance of the tenders of Larkin, Connolly & Co., and that he suggested to that firm and to certain members thereof individually, to make arrangements in connection with the said Gallagher and Beaucage and to so manipulate matters as to render the tenders of those two parties higher than those of the said firm, or at all events to secure the contract for Larkin, Connolly & Co., and that said arrangements and manipulations were carried out as suggested by him.

TO OBTAIN ACCEPTANCE OF LARKIN, CONNOLLY & CO.'S TENDER.

That in consequence of the said arrangement and manipulations wherein the said Thomas McGreevy directly participated, the contract for the cross-wall and lock in connection with the Quebec Harbour Works was awarded to Larkin, Connolly & Co., on a Report to Council made by the Hon. Minister of Public Works, under date 26th May, 1883.

CONTRACT AWARDED TO LARKIN, CONNOLLY & CO.

That a few days thereafter the sum of $25,000 was, in fulfilment of the corrupt arrangement above stated, paid to the said Thomas McGreevy in promissory notes signed by the firm of Larkin, Connolly & Co., which said notes were duly paid.

That about the same date, namely, the 4th June, 1883, a sum of $1,000 was paid by the firm of Larkin, Connolly & Co. towards "the Langevin Testimonial Fund"—a fund destined to be given to Sir Hector Langevin.

LANGEVIN TESTIMONIAL FUND.

That in the course of the carrying out of the works, the said Thomas McGreevy caused changes contrary to the public interest to be made in the conditions of the said contract.

CONDITIONS OF CONTRACT CHANGED.

That in 1884, Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, agreed with the firm of Larkin, Connolly & Co., and certain members thereof individually, to secure for them a contract for the completion of the Graving Dock of Lévis, one of the conditions of the agreement being that he, Thomas McGreevy, should receive any excess over the sum of $50,000 in the contract price.

LEVIS GRAVING DOCK.

That to the detriment of public interest, a contract was signed in or about the month of June, 1884, for the performance of the said works, and that subsequently the said Thomas McGreevy received the price stipulated in the corrupt arrangement above mentioned, namely, $22,000.

That in 1883 and 1884, tenders were asked for by the Government of Canada for the completion of the Graving Dock of Esquimalt, B.C.

ESQUIMALT GRAVING DOCK.

That the firm of Larkin, Connolly & Co. were among those who tendered and that the contract was awarded to them in pursuance of a Report to Council, dated 24th October, 1884, and signed by the Hon. Minister of Public Works.

CONTRACT.

That before tendering, the said Larkin, Connolly & Co. had with Thomas McGreevy, then and now a member of the Parliament of Canada,

HON. THOS. McGREEVY TO

GIVE ASSISTANCE AND TO OBTAIN INFORMATION.

communications and interviews wherein they secured his services to assist them in dealing with the Department of Public Works in order to secure the said contract.

That he agreed to help them, and that he did in fact help them in divers ways, and, amongst others, by obtaining from the Department of Public Works information, figures, and calculations which he communicated to them.

R. H. McGREEVY A PARTNER.

That to the knowledge and with the consent of the said Thomas McGreevy, and for the purpose of securing for themselves his influence, Larkin, Connolly & Co. took into partnership with themselves his brother, Robert H. McGreevy, giving him a 20 per cent. interest in their firm.

ALTERATIONS.

That during the execution of the said contract, the said Thomas McGreevy was the agent or one of the agents in the pay of Larkin, Connolly & Co. in dealing with the Department of Public Works; that he endeavoured to obtain, and did obtain for them, at their request, important alterations in the works and more favourable conditions.

That the said more favourable conditions and the said alterations enabled them to realize, to the detriment of the public interests, very large profits.

SUMS PAID TO HON. T. McGREEVY.

That during the execution of the works large sums were paid by Larkin, Connolly & Co., to Thomas McGreevy for his services in dealing with the Minister of Public Works, with the officers of the Department, and generally for his influence as a member of the Parliament of Canada.

INFORMATION FURNISHED.

That in consideration of the sums of money so received by him and of the promises to him made, the said Thomas McGreevy furnished to Larkin, Connolly & Co., a great deal of information; strove to procure and did procure to be made by the Department and the Hon. Minister of Public Works, in the plans of the Graving Dock and the excution of the works, alterations which have cost large sums of money to the public treasury.

ALTERATIONS.

TO INDUCE M. P.'S TO ASSIST.

That he himself took steps to induce certain members of the Parliament of Canada to assist him, the said Thomas McGreevy, in his efforts, in concert with Larkin, Connolly & Co., to obtain alterations and additional works, for which large sums of money were offered to him by the members of the firm.

MEMBERS APPROACHED.

That on his suggestion members of the Parliament of Canada were approached by members of the firm of Larkin, Connolly & Co.

That certain members of the said firm have declared that the said members of the Canadian Parliament on being so approached had asked for a certain sum of money for exerting their influence in favour of Larkin, Connolly & Co., with the Minister of Public Works, and that Larkin, Connolly & Co., had agreed to give them money for that purpose.

DISMISSAL OF CERTAIN OFFICERS SECURED.

That Thomas McGreevy, acting in concert with Larkin, Connolly & Co., did at their request corruptly endeavour to procure the dismissal from office, of certain public officers employed in connection with the works of the Graving Dock at Esquimalt in order to have them replaced by others who would suit Larkin, Connolly & Co., the former having for a time incurred the ill-will of Larkin, Connolly & Co., because they then compelled them to carry out the works in conformity with the specifications and contract and prepared their estimates according to the terms of the said contract.

WET BASIN.

That during the winter of 1886–87 the said Thomas McGreevy proposed to and made with the firm of Larkin, Connolly & Co., through certain members of the said firm, an arrangement whereby the said firm undertook to pay to him the sum of $25,000 on condition that he would obtain for the firm the sum of 35 cents per cubic yard for the dredging

of 800,000 cubic yards in area of the Wet Basin in the Harbour of Quebec.

PRICE OF DREDGING.

That dredging of the same kind, and even more difficult, had previously and up to that time, and to the knowledge of the said Thomas McGreevy, been executed for the sum of 27 cents per cubic yard, and even less, in the same works.

MR. MCGREEVY INFLUENCED MR. PERLEY.

That the said Thomas McGreevy used his influence as a member of this House with the Department of Public Works, and in particular with Henry F. Perley, Esq., to induce him to report to the Quebec Harbour Commission in favour of the payment of the said sum of 35 cents per cubic yard.

CORRESPONDENCE BETWEEN MR. PERLEY AND L., C. & CO.

That the correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co., before the Quebec Harbour Commissioners were consulted, took place at the suggestion of the said Thomas McGreevy, and was conducted with his knowledge and participation in such a manner as to conceal from the eyes of Parliament and of the Public the corrupt character of the contract, in connection with which he had received $27,000.

$20,000 PAID TO MR. MCGREEVY, AND $5,000 FOR HIS ELECTION.

That Larkin, Connolly & Co. paid in money to the said Thomas McGreevy the sum of $20,000 in fulfilment of the arrangement above mentioned, and that at his own request a sum of $5,000 was left, to secure the election of the said Thomas McGreevy to the House of Commons at the general election of 1887, in the hands of one of the members of the firm, who finding that sum insufficient, had to add thereto the sum of $2,000.

CONTRACT OBTAINED FOR LARKIN & CO.

That on the 23rd May, 1887, in fulfilment of the arrangement above mentioned, and through the effort, the influence and the intervention of the said Thomas McGreevy and without any public tender having been called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co., for all the necessary dredging and removal of material in the Wet Basin of the Quebec Harbour works.

MONEY PAID TO OFFICIALS.

That in the execution of the works of this contract extensive frauds were perpetrated, to the detriment of the public treasury, and sums of money were paid corruptly to officials under the control and direction of Henry F. Perley and appointed by the Quebec Harbour Commission.

STEAMER "ADMIRAL."

That by an Order in Council dated 10th May, 1888, the Government of Canada decided to pay a sum of $12,500 yearly during five years to Mr. Julien Chabot, on the condition of his causing the Steamer "Admiral" to ply between Dalhousie and Gaspé, forming a connection with the Intercolonial Railway.

That the said sum of twelve thousand five hundred dollars ($12,500)) has since been paid in the manner prescribed in the Order in Council and the contract made thereunder.

That the said Julien Chabot was merely a screen for the benefit of the said Thomas McGreevy, who then was and continued to be for a long time thereafter, the proprietor of the "Admiral" in whole, or at least in great part.

That previous to the 10th of May, 1888, to wit, since 1883, or 1884, the same subsidy of $12,500 was paid for the said steamer "Admiral," then also owned by men representing the said Thomas McGreevy.

That the said Thomas McGreevy received in that connection a sum of about $120,000, while being a member of the Parliament of Canada.

SOUTH WALL.

That in 1886, tenders were asked for by the Quebec Harbour Commissioners for the construction of a work called the "South Wall" or "Retaining Wall."

TENDERS. That Mr. Thomas McGreevy procured from public officials the tenders received, and showed them to Messrs. O. E. Murphy, Connolly and R. H. McGreevy, for whom he was acting, in order to give them an undue advantage over their competitors.

SOUTH WALL. That they had the said tenders in their possession during several hours, after which they were returned to Henry F. Perley, then in Quebec, by the said Thomas McGreevy.

CONTRACT AWARDED TO J. GALLAGHER That the contract was awarded to one John Gallagher, a mere figure head for the said Murphy, Connolly and R. H. McGreevy, who did the work for their own profit and advantage.

CHANGES MADE. That changes detrimental to the public interest, but of a nature to secure great profits to the contractors were made in the plans and the carrying out of the works and in the conditions and securities set out in the contract, through the influence and intervention of the said Thomas McGreevy.

HON. T. McGREEVY RECEIVES ABOUT $200,000. That from the year 1883 to 1890 both inclusive, the said Thomas McGreevy received from Larkin, Connolly & Co. and from his brother, R. H. McGreevy, for the considerations above indicated a sum of about $200,000.

AGENT OF L., C. & Co. That during the period aforesaid he was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Board of Commissioners, in Parliament, and in connection with the Department of Public Works.

BAIE DES CHALEURS RAILWAY. That the said Thomas McGreevy exacted and received out of the subsidies voted by Parliament for the construction of the Baie des Chaleurs Railway, a sum of over $40,000.

That the moneys expended in connection with the works mentioned in the present motion are moneys voted by the Parliament of Canada, and amount to about $5,000,000.

That the said Thomas McGreevy on several occasions demanded in the name of the Hon. Minister of Public Works and received from Larkin, Connolly & Co. sums of money.

MR. McGREEVY USED NAME OF MINISTER, &C. That from 1882 to the present Session the said Thomas McGreevy has always lived in the same house as the Hon. Minister of Public Works, and that he seems to have done so in order to put in the mind of Larkin, Connolly & Co. the impression that he had over said Hon. Minister an absolute control and that he was acting as his representative in his corrupt transactions with them.

That in fact on many occasions he used the name of the Hon. Minister of Public Works in his dealings with them, undertaking to obtain his co-operation or declaring that he had secured it.

That before the Board of Quebec Harbour Commissioners he often also used the name of the said Minister.

LARKIN & Co. PAID MONEY TO MINISTER. 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 that firm.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

MINUTES OF PROCEEDINGS.

FRIDAY, 15th May, 1891.

The Committee met.

PRESENT:

Messieurs

Adams,	Edgar,	Mills (*Bothwell*),
Amyot,	Flint,	Moncrieff,
Baker,	German,	Mulock,
Beausoleil,	Girouard,	Ross (*Lisgar*)
Burdett,	Kirkpatrick,	Tarte,
Chapleau,	Langelier,	Thompson (Sir *John*),
Coatsworth,	Langevin (*Sir Hector*),	Tupper,
Costigan,	Lavergne,	Weldon,
Curran,	McDonald (*Victoria*),	Wood (*Brockville*).—29.
Davies,	McLeod,	

On motion of Sir John Thompson, Mr. Girouard was chosen Chairman of the Committee for the present Session.

Mr. Girouard having taken the Chair, the Order of Reference was read by the Clerk.

Sir John Thompson moved, That leave of the House be asked to employ a shorthand writer for the purpose of taking down such evidence as the Committee may deem necessary.—Carried.

Sir John Thompson moved, That leave of the House be asked to have all the proceedings of, and evidence taken before, the Committee printed from day to day for the use of the members of the Committee.—Carried.

The Chairman having asked whether any of the parties affected were desirous of being heard by Counsel, Mr. Tarte, M.P., handed in the name of Mr. C. A. Geoffrion.

Ordered, That Mr. Tarte be heard before the Committee by Mr. C. A. Geoffrion, his Counsel.

Mr. Tarte moved, That the following documents be produced by the proper officer of the Department of Public Works, or of any other Department to which they may belong:—

"All papers, tenders, plans, contracts, correspondence, telegrams, Reports, Orders in Council and books which are in, or under the control of the Department, relating in any way to the following contracts and matters, or any of them:

"1st. The tenderings and contracts for dredging in the Harbour of Quebec in 1882 and 1887.

"2nd. The appointment and removal of Messrs. Kinipple, Morris and Pilkington from positions in connection with the Quebec Harbour Works and the Lévis Graving Dock, and any arrangement made with them.

"3rd. The appointment of Messrs. Henry F. Perley, John Edward Boyd and Boswell, and the removal of Henry F. Perley, Esq.

"4th. The calling for tenders and the awarding of the contract for a cross-wall and lock in connection with the Harbour Works, and for the "south wall", or "retaining wall" in the same works.

"5th. The construction of the Graving Dock at Lévis, together with the plans relating thereto, and all the papers in connection with the awarding of the contract for the said work and the changes in the same.

"6th. The tenders and contracts for the construction and completion of the Graving Dock at Esquimalt, B.C., and with reference to all changes and alterations in said works or the conditions thereof.

"7th. The dismissal of any officials employed by, or on behalf of the Department of Public Works in connection with the said Graving Dock at Esquimalt, B.C.

"8th. All Orders in Council and all correspondence, letters and papers in connection with the employment of the steamer "Admiral" in the public service.

"9th. All correspondence between the Imperial Government or any officers thereof, and the Canadian Government or any officers thereof, in connection with the construction, completion and alterations or proposed alterations in the Graving Dock at Esquimalt.

"10th. All letters, correspondence, telegrams, reports, Orders in Council relating to the execution of the various works above mentioned."—Motion agreed to.

Ordered, That all papers mentioned in the foregoing motion be brought from the Department and left in this Committee room, in charge of the proper officer, for inspection by Mr. Tarte and his Counsel, or by any other member of the Committee.

Sir John Thompson suggested that as the enquiry would, in all probability, cover a great deal of ground and extend over a long period of time, any witnesses summoned to appear before the Committee do attend *de die in diem*.—Which was agreed to.

Mr. Kirkpatrick suggested that Mr. Tarte should, after examining the papers moved for, give the Chairman the names of some of the witnesses he proposes to call, and that the Committee should sit again as soon as the witnesses were present. —Which was agreed to.

Mr. Langelier moved, That a summons be issued upon Edmond Giroux, Esquire, Chairman, and James Wood, Esquire, Acting Secretary of the Quebec Harbour Commissioners, to attend before this Committee, and produce all correspondence, books of record and account, papers, tenders, contracts and plans, estimates and reports, in the possession, or under the control of the Quebec Harbour Commissioners, relating directly or indirectly, to the letting of the contracts for, or the construction of, the Quebec Docks or the Lévis Graving Dock, from 1878 to 1891.—Motion agreed to.

The Committee then adjourned to the call of the Chair.

TUESDAY, 26th May, 1891.

The Committee met at 10.30.

PRESENT:

Messieurs

Adams,	Edgar,	McLeod,
Barron,	Flint,	Mills (*Bothwell*),
Chapleau,	German,	Mulock,
Costigan,	Kirkpatrick,	Tarte,
Davies,	Langevin (Sir *Hector*),	Thompson (Sir *John*)
Desaulniers,	Laurier,	Tupper.—20.
Dickey,	McDonald (*Victoria*),	

At 11 o'clock, a quorum not yet being present, Sir John Thompson suggested that the examination of witnesses and production of papers might be proceeded with, with consent.—Which was agreed to.

The Chairman not being present, Sir John Thompson moved that Mr. Kirkpatrick take the chair. Motion agreed to.

Sir John Thompson moved that the following gentlemen be heard before the Committee as counsel: Mr. H. McD. Henry, Q.C., for the Public Works Department; Mr. G. G. Stuart, Q.C., and Mr. C. Fitzpatrick, for Hon. Thomas McGreevy; Mr. Hector Cameron, Q.C. for Mr. Patrick Larkin. Motion agreed to.

The Chairman stated that in accordance with the understanding arrived at, at the last meeting of the Committee, Mr. Tarte had handed in the following names of persons whom he desired to have summoned to give evidence before the Committee, and to whom summonses were issued accordingly, viz.: Messrs. Owen E. Murphy, Quebec; Robert H. McGreevy, Quebec; Martin P. Connolly, Quebec; Nicolas K. Connolly, Quebec; Michael Connolly, Kingston; and Patrick Larkin, St. Catharines; all of whom were required to bring with them all the books, contracts, vouchers, letters, receipts and other documents in their possession, belonging to them or to the firm of Larkin, Connolly & Co., in connection with: 1st. The dredging of the Harbour of Quebec since 1882; 2nd. The cross-wall and lock in connection with the same harbour; 3rd. The dredging of the wet basin in the same harbour; 4th. The south wall or retaining wall in same harbour; 5th. The Graving Dock at Lévis; 6th. The Graving Dock at Esquimalt; 7th. The Langevin Testimonial Fund. Also, Mr. H. V. Noel, manager of the Quebec Bank at Ottawa, who was required to bring with him any receipts, letters, vouchers, contracts and any other documents and books in his possession and having connection with: 1st. The Langevin Testimonial Fund; and 2nd. The construction of the Baie des Chaleurs Railway. And also Messrs. A. Hector Verret, Quebec; and Richard Kimmet, St. Catharines.

Of the witnesses summoned the following were reported as present:

Messrs. Owen E. Murphy, Robert H. McGreevy, A. Hector Verret and H. V. Noel.

Mr. Hector Cameron, Q.C., stated that Mr. Patrick Larkin was unable, owing to a pressing engagement, to be present this morning, but would come to Ottawa when required by the Committee and produce all papers in his possession.

Messrs. Martin P. Connolly, Nicolas K. Connolly, Michael Connolly and Richard Kimmet not being present, it was

Ordered, That a second summons be issued for their attendance before the Committee at to-morrow's sitting.

Mr. James Woods, acting Secretary-Treasurer, Board of Harbour Commissioners, Quebec, being sworn, was examined by Mr. Geoffrion. During his examination the following papers and letters were produced and filed, viz.:—

EXHIBIT A—Contract of Larkin, Connolly & Co., for the building of the Graving Dock at Lévis, 17th August, 1878, and supplemental contract for the completion of the Graving Dock at Lévis, 23rd June, 1884.

EXHIBIT B—Tender of McCarron & Cameron, for the construction of works on the southern side of the Louise Basin.

EXHIBIT C—Envelope containing Exhibit B.

EXHIBIT D—Tender of Michael Connolly for the same work.

EXHIBIT E—Envelope containing Exhibit D.

EXHIBIT F—Tender of O. E. Murphy for the same work.

EXHIBIT G—Envelope containing Exhibit F.

EXHIBIT H—Contract of Messrs. Gallagher & Murphy for the building of the south wall, Quebec Harbour, 16th February, 1877.

EXHIBITI—Envelope containing accepted tender for south wall.

EXHIBIT J—Cheque of O. E. Murphy to order of N. K. Connolly for $25,000 dated 29th October, 1887.

EXHIBIT K—Receipt from O. E. Murphy to Secretary of Harbour Commissioners for certificate of deposit No. 0481, amounting to $25,627.67, dated 31st October, 1887.

EXHIBIT L—Letter from Thomas McGreevy to Mr. Verret, respecting Mr. Murphy's cheque, dated 27th October, 1887.

EXHIBIT M—Envelope containing Exhibit L.

EXHIBIT N—Letter from O. E. Murphy to James Woods, *re* return of cheque for $25,000, dated 13th March, 1891.

EXHIBIT O—Letter from Larkin, Connolly & Co., *re* return of security cheques for different contracts, dated 31st March, 1890 (figures in margin).

EXHIBIT P—Letter from James Woods to O. E. Murphy *re* return of security cheques for south wall, dated 23rd February, 1891.

EXHIBIT Q—Report of Special Committee of Harbour Board, *re* settlement of accounts with Messrs. Kinipple and Morris, dated 31st July, 1883.

EXHIBIT R—Letter from Messrs. Kinipple and Morris, *re* services for Harbour Improvements, dated 23rd August, 1875.

Ordered, That Mr. Woods do search for any papers, &c., required by Counsel, amongst the documents belonging to the Board of Harbour Commissioners, and that the same be scheduled and filed with the Clerk to be laid before the Committee at its next sitting.

The Committee then adjourned until to-morrow at 10.30.

WEDNESDAY, 27th May, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Amyot,	Edgar,	McLeod,
Barron,	Flint,	Mills (*Bothwell*),
Burdett,	German,	Moncreiff,
Cameron (*Huron*),	Ives,	Mulock,
Chapleau,	Kirkpatrick,	Tarte,
Costigan,	Langevin (Sir *Hector*),	Thompson (Sir *John*),
Curran,	Laurier,	Tupper,
Daly,	Lister,	Wood (*Brockville*).—26.
Davies,	McCarthy,	

The Chairman laid on the Table a synopsis of the papers selected by Counsel from amongst the papers and records of the Quebec Harbour Commissioners and filed with the Clerk of the Committee.

The said letters and papers (36 in number) were laid upon the Table by the Clerk, and were marked as Exhibits "S" to "A 2."

Mr. James Woods was recalled and further examined. He submitted a statement of amount paid on account of Louise Docks and Graving Dock contracts to 1st August, 1883. Marked Exhibit "A 2½."

The question of printing such papers as were laid before the Committee having arisen, it was

Resolved, That the selection of papers for printing be left in the hands of Counsel on both sides, and that, in the event of any disagreement, the decision be left to the Committee.

The Chairman read a telegram from Richard Kimmett, St. Catharines, stating that there was sickness in his family, but that he would attend as a witness, when required, if the amount of his expenses was advanced to him.

Ordered, That the Clerk do write to Mr. Kimmett and inform him, that it is contrary to practice to advance amount of expenses to witnesses, but that he would be paid all expenses after giving his evidence, and that, as there was sickness in his family, he would not be summoned to attend until actually required.

Mr. E. F. E. Roy, Secretary Public Works Department, was sworn and examined.

Mr. Robert H. McGreevy was sworn and examined. During his examination, certain letters, written by Hon. Thomas McGreevy to R. H. McGreevy, were read and filed as Exhibits "B 2" to "O 2."

A letter of 13th May, 1886, having been produced, Counsel for Mr. McGreevy objected to the letter being read, as irrelevant. After some discussion, it was

Resolved, That any letters, or parts of letters, to the relevancy of which objection is taken at the present sitting of the Committee, be left over for discussion until 1 o'clock, when the room can be cleared and the letters read and discussed with closed doors.

A letter of 9th March, 1886, being produced, objection was taken by Mr. McGreevy's Counsel to the reading of the postscript, as irrelevant.

Ordered, That the letter be read, without the postscript, and that the relevancy of the postscript be decided with closed doors.

Letter read, without the postscript, filed and marked Exhibit "P 2."

Letters of 18th June, 1885, and 19th March, 1886, were read, filed and marked as Exhibits "Q 2" and "R 2."

Mr. Geoffrion asked for permission to file, and prove by witness (R. H. McGreevy), letters which passed between members of the firm of Larkin, Connolly & Co., and especially one from Patrick Larkin to O. E. Murphy.

And objection being taken thereto, Mr. Geoffrion withdrew the letter, though stating that he did not abandon the principle.

The room having been cleared and the doors closed, the Committee considered the relevancy of the letters reserved.

After some discussion, it was

Resolved unanimously, That the letter of 13th May, 1886, be filed as part of the evidence, and that the postscript of the letter of the 9th March, 1886, being irrelevant, be not so filed.

(Letter of 13th March, 1886, filed and marked Exhibit "O 2½.")

The Committee then adjourned until Friday, the 29th instant, at 10.30 a.m.

FRIDAY, 29th May, 1891

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Curran,	Lister,
Amyot,	Davies,	McDonald (*Victoria*)
Baker,	Desaulniers,	Mills (*Bothwell*),
Barron,	Dickey,	Moncrieff,
Beausoleil,	Edgar,	Mulock,
Burdett,	Flint,	Ouimet,
Cameron (*Huron*),	Fraser,	Tarte,
Chapleau,	German,	Thompson (Sir *John*),
Coatsworth,	Kirkpatrick,	Tupper,
Costigan,	Langevin (Sir *Hector*),	Weldon,
Choquette,	Laurier,	Wood (*Brockville*).—33.

The minutes of the last sitting were read, amended and confirmed as amended.

Mr. Tarte stated that Mr. Geoffrion, his counsel, was unavoidably absent owing to illness in his family.

On motion of Mr. Tarte, it was

Ordered, That Pierre Vincent Valin, Esq., Quebec, be summoned to attend before the Committee on Tuesday next, the 2nd June.

Mr. Patrick Larkin, St. Catharines, being called, was sworn and examined briefly by Mr. Tarte and Mr. Lister. (Further examination postponed.)

Mr. Michael Connolly being called was sworn and examined.

Mr. Connolly not having brought with him any of the books and papers ordered by the Committee, it was

Ordered, That Mr. Michael Connolly produce before the Committee at its next sitting on Tuesday morning, the 2nd day of June, all the books and papers specified in the summons issued to him on the 20th May instant.

Mr. Nicholas Connolly being called did not respond.

The Chairman stated that Mr. Nicholas Connolly had been summoned by registered mail on 20th May, and by telegraph on the same day, the receipt of telegram being signed by Martin P. Connolly. That on the 26th May a second summons was sent to him by telegraph, the receipt for which was signed by P. Kelly at Mr. Connolly's office.

In reply to the Chairman Mr. Michael Connolly stated that he would undertake to say that Nicholas Connolly would be present at the next meeting of the Committee, with such books as might be in his possession.

Mr. Martin P. Connolly being called, made default.

The Chairman stated that Mr. Martin P. Connolly had been subpœned by registered mail on 20th May, also by telegram the same day, the receipt for the telegram being signed by himself at 3.30 p.m. the same day. That on the 26th May a second summons was sent him by telegraph, which was delivered at his office at 4.15 p.m. of the same day and signed for by P. Kelly.

Ordered, That a new summons (in duplicate) in the terms of the one sent to him on the 20th May (adding the words "or under your control" in the proper place) be issued for the attendance of Martin P. Connolly before the Committee on Tuesday next, the second day of June, and that an officer of the House be sent to Quebec and

one to Kingston, Ontario, with instructions to serve the subpœna upon the said Martin P. Connolly personally wherever he may be found.

Ordered, That a new summons, in the terms of the one sent to him on the 20th May (adding the words " or under your control " in the proper place) be issued for the attendance of Nicholas K. Connolly, before the Committee on Tuesday next the 2nd day of June, and that the same be served upon him personally, in the City of Kingston, by an officer of this House.

Ordered, That the clerk do communicate with the Postmaster at Quebec with a view of procuring proof of delivery of the summons sent to Martin P. Connolly, by registered mail on the 20th May.

Mr. O. E. Murphy, of Quebec, was sworn and examined. During his examination Exhibits "S2" to "W2" inclusive, were read and filed.

The Committee then adjourned until Tuesday next at 10.30 a.m.

TUESDAY, 2nd June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman.*

Adams,	Daly,	McDonald (*Victoria*),
Amyot,	Dickey,	McLeod,
Baker,	Edgar,	Mills (*Bothwell*),
Barron,	Flint,	Moncrieff,
Beausoleil,	Fraser,	Mulock,
Burdett,	German,	Ouimet,
Cameron (*Huron*),	Ives,	Tarte,
Coatsworth,	Langelier,	Thompson (Sir *John*),
Costigan,	Laurier,	Tupper,
Curran,	Lavergue,	Weldon,
Choquette,	Lister,	Wood (*Brockville*).—35.
Davies,		

The minutes of the last meeting were read and amended by inserting the name of Mr. Fraser in the list of members present on the 29th inst., and that of Mr. Beausoleil on that of the 27th inst., agreed to as amended.

Mr. Daly moved that Mr. Alex. Ferguson, Q.C., have audience before the Committee as counsel for Messrs. Michael Connolly and Nicholas K. Connolly.

Motion agreed to.

Mr. Ferguson, Q.C., counsel for Mr. Michael Connolly, stated that the books and papers which the Committe had, at its last sitting, ordered Mr. Connolly to produce, would arrive in the city by express at 1 o'clock this day and be laid before the Committee at its next session.

Mr. Nicholas K. Connolly being called, was present.

Mr. Martin P. Connolly being called, made default for the third time.

The clerk reported that J. B. George Sansom and Alexander Sharpe, the messengers sent to Quebec and Kingston, respectively, to serve a summons upon Mr. Martin P. Connolly had both returned, and that neither of them had succeeded in serving Mr. Connolly, or ascertaining anything as to his whereabouts.

The clerk reported that Mr. Nicholas K. Connolly had been personally served with a summons in Kingston on Saturday, the 30th May, by the messenger, Alexander Sharpe.

J. B. G. Samson and A. Sharpe were then both sworn and examined.

Mr. Michael Connelly was recalled and further examined.

Mr. Nicholas K. Connolly was sworn and examined.

Mr. Edgar moved that further steps be taken, either by telegram, letter or by employment of a detective or detectives, to serve a summons upon Mr. Martin P. Connolly.—Motion agreed to.

The Committee then adjourned till to-morrow (Wednesday) at 10.30 a.m.

WEDNESDAY, 3rd June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Davies,	Lavergne,
Amyot,	Desaulniers,	Lister,
Baker,	Dickey,	McDonald (*Victoria*),
Beausoleil,	Edgar,	McLeod,
Burdett,	Flint,	Mills (*Bothwell*),
Cameron (*Huron*),	Fraser,	Moncreiff,
Chapleau,	German,	Mulock,
Coatsworth,	Girouard,	Ouimet,
Costigan,	Ives,	Tarte,
Curran,	Kirkpatrick,	Thompson (Sir *John*),
Choquette,	Langelier,	Tupper,
Daly,	Laurier,	Weldon—36.

The minutes of the last meeting were read and confirmed.

Mr. Michael Connolly was recalled, and in answer to the Chairman, stated that the books and papers which he had been ordered to bring with him had arrived and he now produced them.

Mr. Ferguson stated, on behalf of the Messrs. Connolly, that they wished it to be understood that these books and papers were not produced before the Committee in the ordinary sense of the term. There was a great deal in the books which had no relevancy whatever with the subject under investigation, and the Messrs. Connolly did not think that their private books should be thrown open to the public, as they would be more or less, were they produced in the ordinary way. They were quite prepared to submit them to an expert accountant appointed by the Committee, or to search the books themselves and give any information required by the Committee, but they could not give up possession of the books.

This not being considered satisfactory, it was moved by Mr. Edgar, that the books of the firm of Larkin, Connolly & Co., now produced by the witness, Michael Connolly, be kept under the control of the Committee until further orders.—Motion agreed to.

Mr. Connolly submitted a list of the books and papers which he had with him; he then produced seven books and papers, which were filed and marked as Exhibits as follows:

Exhibit X2.—Specifications and Contract for Esquimalt Graving Dock.
do Y2.—Contract for closing and opening of Princess Louise Embankment.
do Z2.—Contract for dredging Quebec Harbour Works.
do A3.—Contract for Quay-wall and entrance for Wet Dock.
do B3.—Contract for dredging Wet Basin, Quebec Harbour.
do C3.—Contract for Lévis Graving Dock.
do D3.—Trial balance sheet, British Columbia Graving Dock.

Witness being ordered to produce cash books in connection with the Lévis Graving Dock, declined to do so; stating at the same time that he was willing to do with them as he had already suggested.

The Clerk being ordered to lay the said cash books on the Table, the witness declared that he would not allow any man to lay hands on the books, but he consented to have them marked and identified. And after some discussion the books were accordingly identified and marked as exhibits P3 to U3.

The Committee then adjourned till to-morrow, Thursday, at 10.30 a.m.

THURSDAY, 4th June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman.*

Adams,	Daly,	Laurier,
Amyot,	Davies,	Lavergne,
Baker,	Desaulniers,	McDonald (*Victoria*),
Barron,	Dickey,	Mills (*Bothwell*),
Beausoleil,	Edgar,	Moncreiff,
Burdett,	Flint,	Mulock,
Cameron (*Huron*),	Fraser,	Tarte,
Chapleau,	German,	Thompson (Sir *John*),
Coatsworth,	Girouard,	Tupper,
Costigan,	Ives,	Weldon,
Choquette,	Kirkpatrick,	Wood (*Brockville*).—35.
Curran,	Langelier,	

The Minutes of the last meeting were read, amended, and confirmed as amended.

Mr. Ferguson stated, in regard to the books belonging to the firm of Larkin, Connolly & Co., that, after the adjournment of yesterday's sitting, they had been put in a box in the next room (No. 50) under lock and key, the key being in the possession of Mr. Connolly, that they were still there, and that they were at the disposal of the Committee in the same way that they were yesterday.

Mr. Michael Connolly, being re-called, was ordered to produce the cash books in connection with the Lévis Graving Dock contract.

Having brought the books, and being requested by a member of the Committee to hand them to him that he might have an opportunity of examining their contents, Mr. Connolly refused to allow the books to pass out of his possession.

On motion of Sir John Thompson, it was

Resolved, That a sub-committee be appointed to report to the House the facts which have transpired in relation to the books of the firm of Larkin, Connolly & Co. from the Minutes and stenographer's notes, and that such sub-committee consist of the Chairman, Messrs. Mills (*Bothwell*), Langelier, Chapleau, and the mover.

Mr. A. Gobeil, Deputy Minister of Public Works, was sworn and examined.

During his examination certain letters and papers were read and filed, and marked as Exhibits B 3 to Q 4, both inclusive.

The Committee then adjourned until to-morrow at 10.30 a.m.

FRIDAY, 5th June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Daly,	Lister,
Amyot,	Desaulniers,	McDonald (*Victoria*),
Baker,	Dickey,	McLeod,
Beausoleil,	Edgar,	Mills (*Bothwell*),
Burdett,	Flint,	Moncreiff,
Cameron (*Huron*),	Fraser,	Pelletier,
Chapleau,	German,	Tarte,
Coatsworth,	Ives,	Thompson (Sir *John*),
Costigan,	Kirkpatrick,	Tupper,
Choquette,	Langelier,	Weldon,
Curran,	Laurier,	Wood (*Brockville*).—36.
Davies,	Lavergne,	

The Minutes of the last meeting were read and confirmed.

Ordered, That no person or persons, other than members of the Committee and the counsel authorized to be heard before the Committee, have access to any of the books or papers in the custody of the Committee, unless authorized to do so by resolution of the Committee.

Ordered, That Mr. John Hyde, accountant, have access to any of the books and papers in the custody of the Committee, on behalf of the counsel for Hon. Thomas McGreevy.

At the request of Mr. Fitzpatrick, it was

Ordered, That Mr. Owen E. Murphy be required to bring with him and produce at the next meeting of the Committee the following papers, viz.:—

1. Original statement or declaration signed O. E. Murphy, as published in *Le Canadien*, 30th April, 1890.

2. All bank books, cheque books, cheques, letter books, broker's statements, and all other books, papers or documents showing the financial transactions of said O. E. Murphy from 1st May, 1883, up till 1st March, 1884, and from 1st June, 1884, till 1st February, 1885, and from 1st July, 1885, till 1st April, 1888.

Mr. A. Gobeil, Deputy Minister of Public Works, was re-called and further examined.

During his examination certain letters and papers were produced and filed, and marked as Exhibits "R 4" to "Z 4" inclusive.

Mr. Owen E. Murphy was re-called and further examined.

During his examination certain papers were filed, and marked as Exhibits "A 5" to "D 5" inclusive.

The room having been cleared and the doors closed, the Sub-committee appointed at yesterday's sitting to report to the House the facts which have transpired in relation to the books of the firm of Larkin, Connolly & Co., from the Minutes and stenographer's notes, presented their report as follows:—

REPORT OF SUB-COMMITTEE.

HOUSE OF COMMONS, 5th June, 1891.

The Sub-Committee on Privileges and Election have unanimously agreed to the annexed Draft Report on the reference to them in the case of Michael Connolly, a witness refusing to produce certain books required by the Committee; and they recommend it to the Committee for adoption as the Report to be submitted to the House.

D. GIROUARD, *Chairman.*
JNO. S. D, THOMPSON,
J. A. CHAPLEAU,
DAVID MILLS,
F. LANGELIER.

"DRAFT REPORT SUBMITTED BY THE SUB-COMMITTEE.

"The Select Standing Committee on Privileges and Elections have the honour to report that in pursuance of the reference made to the Committee by the House on the eleventh day of May last, several witnesses have been in part examined, and a large number of documents have been produced.

"One of the witnesses so examined in part was Michael Connolly, a member of the firm of Larkin, Connolly & Co., mentioned in the reference. The said Michael Connolly's summons required him to produce the books and place them under the control of the Committee.

"This demand he distinctly refused to comply with. He was likewise required to hand certain of these books to a member of the Committee, who expressed a desire to look at them in order to put certain questions to the witness relating to certain matters of account which were supposed to be entered therein. This was also refused by the witness.

"The proceedings of the Committee and the testimony of the witness will appear more in detail by the Exhibits hereto annexed, marked "A" and "B," being the minutes of the proceedings of the Committee, and the shorthand writer's notes of the evidence.

"Alexander Ferguson, Esq., Q.C., referred to in the Exhibits, was counsel for the witness and for another member of the firm of Larkin, Connolly & Co.

"Your Committee, being of the opinion that the discharge of the duties of the Committee, imposed on them by the House, requires that the books should be placed under the control and in the possession of your Committee, and that the books be placed in the hands of members of your Committee for the purpose of interrogating the witnesses, report the refusal of Michael Connolly to obey the orders of your Committee in these particulars, and request the action of the House thereon."

Resolved, That the foregoing Draft Report be agreed to and adopted as the Report of the Committee, and that the said Report be presented to the House this day.

The Committee then adjourned till Tuesday next, the 9th instant, at 10.30 a.m.

TUESDAY, 9th June, 1891.
10.30 a.m.

The following Members were convened, viz. :—

Messieurs

Desaulniers,	McCarthy,	Tarte,
Dickey,	McLeod,	Thompson (Sir *John*), and
Fraser,	Mulock,	Wood (*Brockville*).—9.

A Quorum not being present no business was transacted.

FRIDAY, 19th June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Daly,	McDonald (*Victoria*),
Amyot,	Davies,	McLeod,
Baker,	Desaulniers,	Mills (*Bothwell*),
Barron,	Dickey,	Mulock,
Beausoleil,	Edgar,	Ouimet,
Burdett,	Flint,	Pelletier,
Cameron (*Huron*),	Fraser,	Tarte,
Choquette,	Kirkpatrick,	Thompson (Sir *John*),
Coatsworth,	Langelier,	Weldon,
Costigan,	Laurier,	Wood (*Brockville*).—32.
Curran,		

The Minutes of the 5th and 9th days of June instant were read and confirmed.

Mr. Martin P. Connolly being called, was present.

A letter from the Quebec Harbour Commissioners was read, enquiring if it were possible for them to get back the books and documents belonging to them and now in the possession of the Committee, as the want of them seriously interfered with the business of the Commission.

After some discussion the Clerk was ordered to inform the Commissioners that it would not be possible to return the books and documents at present.

Mr. O. E. Murphy was recalled and further examined.

During his examination certain papers were produced and fyled, and marked as Exhibits "E 5" to "M 5," both inclusive.

Ordered, That the statements and correspondence in reference to the Quebec Harbour Works, Esquimalt Graving Dock, &c., laid before Parliament on the 16th May, 1890, do form part of the case.

Blue-book containing foregoing statements and correspondence fyled and marked Exhibit "N 5."

On motion of Sir John Thompson, it was

Resolved, "That the books of account, handed in by Mr. Michael Connolly in obedience to the Order of The House, be referred to a Sub-Committee consisting of the Chairman and Messrs. Adams, Baker, Davies and Edgar.

"That the examination of the said books shall, subject to the further order of the Committee, be made in presence, or by order, of the Sub-Committee.

"That the Sub-Committee shall decide all questions of relevancy, &c., arising on the examination of the books.

"That Mr. Tarte and his counsel, and the other counsel admitted to be heard before the Committee, be heard before the Sub-Committee, and such other persons as the Sub-Committee may decide to hear.

"That the Sub-Committee have authority to examine witnesses under oath, and to employ accountants and short-hand writers, and to report to this Committee from time to time."

The Committee then adjourned till Monday next at 10.30 a.m.

MONDAY, 22nd June, 1891.
10.30 a.m.

The following members were convened, viz.:—

Messieurs

Adams,	Kirkpatrick,	McLeod,
Choquette,	Langelier,	Thompson (Sir *John*),
Davies,	Lavergne,	Tupper, and
Edgar,	Lister,	Weldon.—14.
German,	McDonald (*Victoria*),	

A Quorum not being present, no business was transacted.

TUESDAY, 23rd June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman.*

Adams,	Daly,	Laurier,
Amyot,	Davies,	Lavergne,
Barron,	Desaulniers,	McDonald (*Victoria*),
Beausoleil,	Dickey,	McLeod,
Burdett,	Edgar,	Mills (*Bothwell*),
Cameron (*Huron*),	Flint,	Mulock,
Choquette,	Fraser,	Tarte,
Coatsworth,	German,	Thompson (Sir *John*),
Costigan,	Kirkpatrick,	Tupper,
Curran,	Langelier,	Wood (*Brockville*).—31.

The Minutes of Friday, 19th June, and Monday, 22nd June, were read and confirmed.

Mr. A. Gobeil, Deputy Minister of Public Works, was recalled and further examined.

During his examination certain letters and telegrams were read and filed, and marked as Exhibits "O-5" to "N-6," both inclusive.

Ordered, That all papers necessary to enable Mr. Gobeil to prepare a statement respecting the $50,000 to be paid for plant by the contractors for the Esquimalt Graving Dock be returned to the Secretary of the Public Works Department, the said papers to be returned to the custody of the Clerk of this Committee as soon as the said statement is compiled.

Mr. Henry F. Perley, Chief Engineer Public Works Department, was sworn and examined.

During his examination two letters from Mr. Perley to Larkin, Connolly & Co. were read and filed, and marked as "Exhibits "O-6" and "P-6," respectively.

Ordered, That Mr. Perley produce before the Committee at its next sitting any letters received and copies of any letters sent by him, respecting the Quebec Harbour Improvements, Lévis Graving Dock and Esquimalt Graving Dock, and which have not already been placed in the custody of the Committee.

Mr. Patrick Larkin recalled and further examined.

A letter (without any signature) from P. Larkin to O. E. Murphy was produced and identified by Mr. Larkin.

Witness being asked by Mr. Geoffrion to read the letter,

Mr. Henry objected, on the ground that the letter was not admissable as evidence.

The Chairman declared the objection well taken.

Mr. Mills (*Bothwell*) appealed to the Committee from this ruling.

Ordered, That the room be cleared.

The room being cleared and the doors closed, the point raised was argued by Counsel.

After some further discussion by members of the Committee, on motion of Sir John Thompson, it was

Resolved, That the said letter be marked and identified by the Clerk, and left in his hands, to be open to examination by members of the Committee only, to enable them to judge as to the relevancy of the contents; its reception as evidence being left for future decision.

The Committee then adjourned till to-morrow, at 10.30 a.m.

WEDNESDAY, 24th June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman.*

Adams,
Amyot,
Baker,
Beausoleil,
Cameron (*Huron*),
Curran,
Davies,
Desaulniers,
Dickey,
Edgar,
Flint,
Fraser,
Kirkpatrick,
Langelier,
Lavergne,
Lister,
McDonald (*Victoria*),
McLeod,
Mills (*Bothwell*),
Mulock,
Pelletier,
Tarte,
Thompson (Sir John),
Tupper,
Wood (*Brockville*).—25.

Minutes of yesterday's meeting were read and confirmed.

Sir John Thompson moved that Mr. B. B. Osler, Q.C., be heard before the Committee as counsel with Mr. Henry, Q.C., for the Public Works Department. Motion agreed to.

Mr. Perley, Chief Engineer Public Works Department, was re-called and further examined.

During his examination certain letters and telegrams were read and filed, and marked as Exhibits "Q6" to "Z6," inclusive.

Ordered, That Mr. Richard Kimmitt, Accountant, have access to any of the books and papers in the custody of the Committee, on behalf of Mr. Tarte and his counsel.

The Committee then adjourned till to-morrow at 10.30 a.m.

THURSDAY, 25th June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Edgar,	McDonald (*Victoria*),
Amyot,	Flint,	McLeod,
Baker,	Fraser,	Mills (*Bothwell*),
Cameron (*Huron*),	German,	Mulock,
Choquette,	Kirkpatrick,	Pelletier,
Curran,	Langelier,	Tarte,
Davies,	Lavergne,	Thompson (Sir *John*), and
Desaulniers,	Lister,	Tupper.—26.
Dickey,		

The Minutes of last Meeting were read and amended, and confirmed as amended.

In reply to the Chairman, Mr. Michael Connolly stated that the keys of the tin boxes containing vouchers, &c., had been telegraphed for, but had not yet been received.

Ordered, That, to prevent unnecessary delay in the proceedings of the Committee, the locks of the said boxes be opened by a locksmith.

Mr. Henry F. Perley was recalled and further examined by Mr. Geoffrion; he was also cross-examined by Mr. Osler and Mr. Stuart.

During his examination, certain letters and papers were read and filed, and marked as Exhibits "A 7" to "E 7" inclusive.

Mr. O. E. Murphy was recalled and further examined.

Mr. Murphy stated that he desired to make a correction to the answer given to the second question, on page 43, of the Evidence, by striking out the word "yes," and inserting "I gave the notes to R. H. McGreevy."

The Committee then adjourned till to-morrow at 10.30.

FRIDAY, 26th June, 1891.

The Committee met at 10.30 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Desaulniers,	McLeod,
Amyot,	Edgar,	Mills (*Bothwell*),
Beausoleil,	Flint,	Mulock,
Burdett,	Fraser,	Tarte,
Coatsworth,	Kirkpatrick,	Thompson (Sir *John*),
Curran,	Langelier,	Tupper,
Davies,	Listei,	Weldon.—24.
Daly,	McDonald (*Victoria*),	

The Minutes of last meeting were read and amended, and confirmed as amended.

Mr. O. E. Murphy was recalled and further examined.

During his examination certain letters were read and filed, and marked as Exhibits "F 7" to "M 7" inclusive.

The Sub-Committee appointed to examine the books of account handed in by Mr. M. Connolly in obedience to the Order of the House, presented their First Report, reporting the desire of Mr. Tarte and his counsel to have Mr. O. E. Murphy present during the examination of the books of account, and the objection thereto of the counsel for Mr. McGreevy and the Messrs. Connolly; also submitting all minutes of evidence taken by the Sub-Committee up to date. (For Report and Evidence, *See* GRANITE PAPER).

Resolved, That the question of the propriety of Mr. Murphy being present during the examination of the account books be left to the decision of the Sub-Committee.

Ordered, That all reports of, and minutes of evidence taken by, the Sub-Committee be printed separately as an appendix to the evidence of the Standing Committee.

Mr. Michael Connolly was recalled and examined as to certain vouchers, notes, cheques and papers which had not yet been produced by him in accordance with the order of the Committee.

Mr. Edgar moved: That Mr. Patrick Kelly, clerk in the Quebec office of the Messrs. Connolly, be summoned to attend before the Committee at its next sitting, and to bring with him and produce all cheques, notes, stubs, bills payable books and papers in his possession, or under his control, belonging to the firm of Larkin, Connolly & Co. Motion agreed to.

Mr. Edgar moved: That Mr. Charles Fitzpatrick, M.P.P., Quebec, and Mr. Nicholas K. Connolly, Kingston, be ordered to attend before the Committee at its next sitting with all cheques, notes, cheque-stubs, bills payable books, and papers in their possession, or under their control, belonging to the firm of Larkin, Connolly & Co. Motion agreed to.

Ordered, That all papers, vouchers, &c. (excepting the books of account referred to the Sub-Committee) in the custody of the Committee, belonging to the firm of Larkin, Connolly & Co., be accessible to members of the Standing Committee.

On motion of Sir John Thompson, it was

Resolved, That when the Committee adjourns this day, it do stand adjourned until such day next week as the House may re-assemble, and thereafter to meet on every day in which there is a sitting of the House.

The Committee then adjourned.

TUESDAY, 30th June, 1891.

The following members were convened, viz.:—

Messieurs

Adams,	Edgar,	McLeod,
Cameron (*Huron*),	Flint,	Mills (*Bothwell*),
Curran,	Fraser,	Thompson (Sir *John*),
Davies,	Lister,	Weldon.—14.
Dickey,	McDonald (*Victoria*),	

There being no Quorum present no business was transacted.

WEDNESDAY, 1st July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs

Adams,	Fraser,	Mills (*Bothwell*),
Amyot,	German,	Moncreiff,
Baker,	Kirkpatrick,	Mulock,
Coatsworth,	Langelier,	Tarte,
Davies,	Lister,	Thompson (Sir *John*),
Dickey,	McDonald (*Victoria*),	Tupper, and
Edgar,	McLeod,	Weldon.—22.
Flint,		

The Chairman being absent, Mr. Baker (on motion of Sir John Thompson), took the Chair.

The Minutes of Friday, 26th instant, and of Tuesday, the 30th instant, were read and confirmed.

The Clerk reported that, in obedience to the Order of the Committee of Friday last, he had issued, by telegraph, a summons *duces tecum* to C. Fitzpatrick, M.P.P.; N. K. Connolly and Patrick Kelly; that the summons required their attendance for Thursday next, the 2nd instant; that subsequently he had telegraphed to C. Fitzpatrick and N. K. Connolly, requiring their attendance on Tuesday, the 30th June, instead of Thursday, 2nd July.

Mr. Osler, Q.C., stated that Mr. Fitzpatrick was unable to leave Quebec in time to be here for to-day's sitting, but that he would be here to-morrow with all papers required.

Messrs. N. K. Connolly and P. Kelly not being present, it was moved by Mr. Mulock, "That a summons *duces tecum* be issued to the said N. K. Connolly and P. Kelly, requiring their attendence before the Committee on Friday next, and that the said summons be sent to the Sheriff of Quebec, with instructions to serve the same." Motion agreed to.

Mr. A. Gobeil was recalled and further examined.

During his examination, certain letters and papers were read and filed, and marked as Exhibits "N 7" to "V 7" inclusive.

At the suggestion of Mr. Geoffrion, it was

Resolved, That papers relating to Progress Estimates, Esquimalt Graving Dock, be put in *en bloc*, to be examined by Counsel and marked as Exhibits by the Clerk, after the adjournment of the Committee.

The Committee then adjourned till 10 o'clock to-morrow.

THURSDAY, 2nd July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs

Adams,
Amyot,
Baker,
Barron,
Cameron (*Huron*),
Choquette,
Coatsworth,
Curran,
Daly,
Davies,
Desaulniers,
Dickey,
Edgar,
Flint,
Fraser,
Kirkpatrick,
Langelier,
McDonald (*Victoria*),
McLeod,
Mills (*Bothwell*),
Moncreiff,
Mulock,
Pelletier,
Tarte,
Thompson (Sir *John*),
Tupper,
Weldon,
Wood (*Brockville*).—28.

The Chairman not being present, Mr. Baker moved that Mr. Kirkpatrick take the Chair—Motion agreed to.

Mr. Kirkpatrick having taken the Chair, the Minutes of the last meeting were read and confirmed.

Mr. N. K. Connolly and P. Kelly being called, were present.

Mr. Kelly was sworn and examined as to the cheque-stubs, vouchers, &c., which he was required to produce.

Mr. C. Fitzpatrick produced certain cheques, notes, vouchers, &c., belonging to the firm of Larkin, Connolly & Co., which were in his possession as counsel in the conspiracy case against O. E. Murphy and R. H. McGreevy. These papers were filed, and marked as Exhibits "X 7" to "D 8," inclusive.

Mr. Martin P. Connolly was recalled, and produced cheque books with stubs, and bill book of firm of Larkin, Connolly & Co., which were filed, and marked as Exhibits "E 8" and "F 8," respectively.

Ordered, That all papers placed in the custody of the Committee by Mr. Kelly be put in *en bloc*, to be examined subsequently by counsel, and marked as Exhibits by the Clerk after the adjournment of the Committee.

Mr. O. E. Murphy was recalled and further examined.

During his examination certain letters were read and filed, and marked as Exhibits "G 8" to "G 9," inclusive.

At the request of Mr. Stuart it was

Ordered, That a summons *duces tecum* be sent to Mr. James McNider, Quebec, to attend and give evidence before the Committee on Saturday next.

At the request of Mr. Geoffrion it was

Ordered, That a summons *duces tecum* be issued to Mr. Edward Moore, Portland, Maine, to attend and give evidence before the Committee.

The Committee then adjourned till to-morrow, at 10 a.m.

FRIDAY, 3rd July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Flint,	Mills (*Bothwell*),
Amyot,	Fraser,	Moncrieff,
Baker,	German,	Mulock,
Choquette,	Ives,	Ouimet,
Coatsworth,	Kirkpatrick,	Pelletier,
Curran,	Langelier,	Tarte,
Daly,	Lavergne,	Thompson (Sir *John*),
Desaulniers,	Masson,	Tupper,
Desjardins (*L'Islet*),	McDonald (*Victoria*)	Weldon,
Dickey,	McLeod,	Wood (*Brockville*).—32.
Edgar,		

The minutes of yesterday's meeting were read and confirmed.

At the request of Mr. Geoffrion, Q.C., it was

Ordered, That summonses be issued to Mr. Simon Peters, Quebec, and to Mr. Charles McGreevy, Quebec, to attend and give evidence before the Committee, the former to bring with him and produce all papers under his control having reference to the Quebec Harbour Improvements since 1882.

Mr. Geoffrion stated that upon examining the papers and vouchers produced yesterday, by the witness Kelly, he had been unable to find the bank pass-book, stubs of cheques on Union Bank of Canada prior to 1887, cheques, &c., the production of which he considered necessary to prove his case.

Messrs. John Hyde, Martin P. Connolly and N. K. Connolly were sworn and examined as to the said pass-book and stubs, &c.

Ordered, That Mr. Martin P. Connolly be sent to Quebec to get the said bank pass-book and all cheques, stubs of cheques, letter books and books of account of the firm of Larkin, Connolly & Co., since its formation on 17th August, 1878, and not yet produced; also Mr. O. E. Murphy's bank pass-book prior to 1886.

Mr. O. E. Murphy was recalled and further examined by Mr. Geoffrion.

During his examination two cheques dated 2nd November, 1887 and 21st November 1887, were produced and marked as Exhibit "H 9," and another cheque dated 20th March, 1886, marked Exhibit "I 9."

Mr. Murphy's cross-examination was then begun by Mr. Osler, Q.C.

At 1 o'clock the Committee adjourned till to-morrow at 10 a.m.

SATURDAY, 4th July, 1891.

The Committee met at 10 a.m.

PRESENT :

Messieurs Girouard, *Chairman*,

Adams,	Edgar,	McLeod,
Amyot,	Flint,	Mills (*Bothwell*),
Baker,	Fraser,	Moncreiff,
Choquette,	German,	Mulock,
Curran,	Ives,	Pelletier,
Daly,	Kirkpatrick,	Tarte,
Davies,	Langelier,	Thompson (Sir *John*),
Desaulniers,	Lavergne,	Tupper,
Desjardins (*L'Islet*),	Masson,	Weldon.—30.
Dickey,	McDonald (*Victoria*),	

The Minutes of last meeting were read and confirmed.

Mr. O. E. Murphy was re-called, and his cross-examination continued by Mr. Osler, Q.C.

During his cross-examination he produced twelve diaries for the years 1880 to 1890, which were fyled and marked as Exhibits "K9" to "V9"; also a cheque, a bank pass-book and three notes, marked as Exhibits "W9," "X 9" and "Y9," respectively.

The Sub-Committee appointed to examine the books of account handed in by Mr. Michael Connolly in obedience to the Order of the House, presented their Second Report, submitting additional evidence taken by them on the second and third days of July. (For Report and Evidence, *see* GRANITE PAPER.)

Mr. William Brown, chief accountant of the Quebec Bank, was sworn, and produced a statement of R. H. McGreevy's account with the Quebec Bank from 2nd January, 1883, to 14th December, 1887, which was fyled and marked Exhibit "Z9." statement of Larkin, Connolly & Co.'s account with the Quebec Bank from 23rd January, 1884, to 20th June, 1885, marked Exhibit "A10," and Requisition for draft on New York for $1,000 in favour of Henry Clews & Co., signed O E. Murphy, marked Exhibit "B10."

Mr. James MacNider, broker, Quebec, was sworn, and produced a statement of O. E. Murphy's account with James MacNider & Co., from 11th January, 1883, to 17th October, 1883, marked Exhibit "C10."

Mr. Ludovich Brunet, Clerk of the Peace, Quebec, was sworn, and produced promissory note for $400,000 to the order of O. E. Murphy, and signed by Michael Connolly, marked Exhibit "D10."

The Committee adjourned at 2 o'clock p.m. till Monday, at 10.30 a.m.

MONDAY, 6th July, 1891.

The Committee met at 10.30 a.m.

PRESENT :

Messieurs

Adams,	Edgar,	Mills (*Bothwell*),
Amyot,	Flint,	Moncrieff,
Barron,	Fraser,	Muiock,
Cameron (*Huron*),	German,	Pelletier,
Choquette,	Ives,	Tarte,
Costigan,	Kirkpatrick,	Thompson (Sir *John*),
Daly,	Laurier,	Tupper,
Davies,	Lavergne,	Weldon.—26.
Desjardins (*L'Islet*),	McLeod,	

The Chairman being absent, Mr. Kirkpatrick was moved into the Chair.

The minutes of Saturday's meeting were read, amended, and confirmed as amended.

Mr. Tarte moved that Mr. Bradley, Secretary of the Department of Railways and Canals, be summoned to appear and produce all Orders in Council, correspondence and papers in the Department relating to the steamer *Admiral*. Motion agreed to.

A discussion having arisen as to who should, or should not, have right of access to the books of account handed in by Mr. Michael Connolly in obedience to the Order of the House, it was

Resolved, That the said question be referred for decision to the Sub-Committee appointed to examine the said books.

Ordered, That the letters and papers contained in the bag belonging to Mr. O. E. Murphy be examined by counsel on both sides, in Mr. Murphy's presence, for the purpose of selecting such papers as are relevant to this inquiry, the papers so selected to be laid before the Committee at is next meeting; in the event of any difference of opinion arising as to the relevancy of any paper, the question of relevancy to be settled by the Sub-Committee appointed to examine the books of account.

Attention having been drawn to the irregular manner in which certain witnesses had been summed (viz., by order of the Chairmain, at the request of counsel), it was

Resolved, That in future all summonses to witnesses shall issue upon order of the Committee only.

Ordered, That Exhibit "Z 9," being a statement of the account of Mr. R. H. McGreevy with the Quebec Bank, &c., shall not be open to inspection by any person until further orders.

The Clerk reported that the plans for the Cross-wall in the Harbour of Quebec, were not in the Department of Public Works, but were in the possession of the Quebec Harbour Commission, and that he had telegraphed to the Secretary of the Harbour Board to send them up by first express; he had also telegraphed for the progress of final estimates for the same work.

The Committee then adjourned till to-morrow, at 10 a.m.

TUESDAY, 7th July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Amyot,	Edgar,	Mills (*Bothwell*),
Beausoleil,	Flint,	Mulock,
Cameron (*Huron*),	Fraser,	Ouimet,
Choquette,	German,	Pelletier,
Coatsworth,	Ives,	Tarte,
Costigan,	Kirkpatrick,	Thompson (Sir *John*),
Curran,	Langelier,	Tupper,
Daly,	Lavergne,	Weldon, and
Davies,	Lister,	Wood (*Brockville*).—30.
Desjardins (*L'Islet*),	McLeod,	

The Minutes of yesterday's meeting were read and confirmed.

The Clerk reported that he had received a letter from the Speaker stating that he had issued an order for the use, by this Committee, of the Railway Committee Room on such days as the Railway Committee is not sitting.

The Chairman laid upon the table the letters and papers selected by counsel from the papers contained in Mr. O. E. Murphy's bag, in accordance with the resolution adopted at yesterday's sitting of the Committee.

The Chairman presented the Third Report of the Sub-Committee appointed to examine the books of account, submitting a resolution authorizing certain persons to have access to the said books of account. (For Report, *see* GRANITE PAPER.)

Mr. Martin P. Connolly was recalled, and placed in the custody of the Committee certain books and papers which he had brought with him from Quebec in obedience to the order of the Committee of Friday last, the 3rd instant.

Ordered, That the said books and papers be open to inspection in the same manner as the other books and papers of the firm already in the custody of the Committee.

Mr. A. P. Bradley, Secretary of the Department of Railways and Canals, was called and sworn, and produced an Order in Council and an agreement with Julien Chabot respecting the Steamer "Admiral," which were filed and marked as Exhibits "E 10" and "F 10," respectively.

Mr. O. E. Murphy was recalled, and his cross-examination continued.

At the request of Mr. Stuart, Q.C., it was

Ordered, That Mr. R. H. McGreevy be required to produce before the Committee the following papers, viz.:

1. Original statement or declaration signed R. H. McGreevy, as published in *Le Canadien*, 30th April, 1890.

2. All bank books, cheque books, cheques, letter books, brokers, statements, and all other books, papers or documents showing the financial transactions of the said R. H. McGreevy from 1st January, 1883, to 1st January, 1888; also, statement of all transactions between R. H. McGreevy and O. E. Murphy during the said period.

3. Original of transfer from George Beaucage to Larkin, Connolly & Co., or any members of said firm.

At the request of Mr. Stuart, Q.C., it was.

Ordered, That an order do issue on the Prothonotary of the Superior Court for the District of Quebec to produce the original record in *re* Thomas McGreevy *vs.* R. H. McGreevy, action of assumpsit.

At the request of Mr. Geoffrion, Q.C., it was

Ordered, That Mr. G. Saucer, Accountant, have access to any of the books and papers in the custody of the Committee on behalf of Mr. Tarte and his counsel.

The Committee then adjourned till to-morrow at 10 a.m.

WEDNESDAY, 8th July 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Dickey,	McDonald (*Victoria*),
Amyot,	Edgar,	McLeod,
Baker,	Flint,	Mills (*Bothwell*),
Beausoleil,	Fraser,	Ouimet,
Choquette,	German,	Pelletier,
Coatsworth,	Ives,	Tarte,
Costigan,	Kirkpatrick,	Thompson (Sir *John*),
Curran,	Langelier,	Tupper,
Daly,	Lavergne,	Weldon,
Davies,	Lister,	Wood (*Brockville*).—33.
Desaulniers,	Masson,	

The Minutes of yesterday's meeting were read and confirmed.

The Chairman read a telegram signed by Hon. Charles Langelier and Mr. E. Pacaud, Quebec, to the effect that certain newspapers had stated that proof had been adduced before the Committee that the firm of Larkin, Connolly & Co. had paid a note of $700 for them, and asking that they be heard before the Committee on oath in refutation of the charge. Mr. Fitzpatrick, on behalf of the Messrs. Connolly, stated that the note alluded to had come before the Committee by the merest accident, and further, that the note had never been paid by the firm of Larkin, Connolly & Co., but by the maker and endorser, etc.

Ordered, That the said statement be communicated to Messrs. Langelier and Pacaud by the Clerk.

At the request of Mr. Osler, Q.C., it was

Resolved, That Mr. Tarte, M.P., be requested to produce before the Committee all original statements signed by O. E. Murphy and R. H. McGreevy, respectively, and published in *Le Canadien*.

At the request of Mr. Geoffrion, Q.C., it was

Resolved, That Hon. Thomas McGreevy, M.P., be requested to lay before the Committee all his bank books, letters received by him from Robert H. McGreevy, Larkin, Connolly & Co., or any members of said firm, and Henry F. Perley, between 1883 and 1890; also, the accounts, correspondence and vouchers between him and Julien Chabot, of Lévis, in connection with the steamer "Admiral."

At the request of Mr. Geoffrion, Q. C., it was

Ordered, That summonses be issued to Mr. Joseph Lessard and Mr. Fabien Vanasse to attend before the Committee and bring with them a statement of all moneys paid or advanced by Hon. Thos. McGreevy or Sir Hector Langevin to "La Compagnie d'Imprimerie du *Monde*," since 1883; also, a statement of the shares held by the said Hon. Thos. McGreevy and Sir Hector Langevin in the capital stock of the said company.

At the request of Mr. Geoffrion, Q.C., it was

Ordered, That Mr. Nicholas K. Connolly be required to produce before the Committee his private bank accounts between 1883 and 1890, inclusive.

Mr. Tarte produced statement (in typewriting) of Mr. O. E. Murphy, which was filed and marked Exhibit "G10."

Mr. O. E. Murphy was recalled, and further cross-examined by Mr. Osler and Mr. Stuart. This concluded Mr. Murphy's cross-examination so far.

During his examination two letters and a cheque were produced, and marked Exhibits "H10," "I10" and "J10."

Mr. Murphy was ordered to be in attendance on Tuesday next, the 14th instant.

Mr. Nicholas K. Connolly was recalled and examined by Mr. Geoffrion.

On motion of Sir John Thompson, it was

Ordered, That a summons *duces tecum* do issue to Henry Birks, jeweller, Montreal, to be in atendance before the Committee on Tuesday next, the 14th instant, and that he be required to produce all books of account showing his sales during the month of January, 1887; also, to the Ottawa agent of the Canadian Express Company, requiring him to produce on the same date all receipts for goods received and delivered for and to Mr. or Mrs. Henry F. Perley in the month of January, 1887.

The Committee then adjourned till to-morrow, at 10 a.m.

THURSDAY, 9th July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Davies,	McDonald (*Victoria*),
Amyot,	Desaulniers,	McLeod,
Baker,	Edgar,	Mills (*Bothwell*),
Barron,	Flint,	Moncrieff,
Burdett,	Fraser,	Mulock,
Cameron (*Huron*),	German,	Ouimet,
Choquette,	Ives,	Tarte,
Coatsworth,	Kirkpatrick,	Thompson (Sir *John*),
Costigan,	Langelier,	Tupper,
Curran,	Lister,	Weldon.—33.
Daly,	Masson,	

The Minutes of Wednesday's meeting were read and confirmed.

Mr. Henry F. Perley was recalled and examined as to the statement made concerning him by Mr. O. E. Murphy at yesterday's sitting.

Mr. Nicholas K. Connolly was recalled and examined by Mr. Geoffrion, Q.C.

On motion of Sir John Thompson, it was

Resolved, That leave of the House be obtained for this Committee to sit during the time in which the House is in session.

On motion of Sir John Thompson, it was

Resolved, That the order of yesterday requiring the attendance before the Committee on Tuesday next, of Henry Birks, Montreal, and the Agent of the Canadian Express Company, Ottawa, be rescinded.

At the request of Mr. Stuart, Q.C., it was

Ordered, That a summons be issued to Mr. L. C. Marcoux, Secretary-Treasurer of La Caisse d'Economie de Notre-Dame de Québec, to attend and produce before the Committee a statement of the account of Mr. R. H. McGreevy with that institution from 1st January, 1883, to 1st January, 1890.

On motion of Mr. Tarte, it was

Ordered, That a summons *duces tecum* be issued to Mr. St. George Boswell, Resident Engineer, Quebec Harbour, to attend before this Committee, and produce all reports of inspectors of dredging from 1883 to 1889, progress estimates of dredging for same period, progress estimates in connection with the Cross-wall, and all papers and correspondence in connection with the same works.

Ordered, That the Third Report of the Sub-Committee appointed to examine the books of account be referred back for further consideration.

The Committee then adjourned till to-morrow, at 10 a.m.

FRIDAY, 10th July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Davies,	McDonald (*Victoria*),
Amyot,	Dickey,	McLeod,
Baker,	Edgar,	Mills (*Bothwell*),
Barron,	Flint,	Moncreiff,
Beausoleil,	German,	Ouimet,
Cameron (*Huron*),	Ives,	Pelletier,
Coatsworth,	Kirkpatrick,	Tarte,
Costigan,	Langelier,	Thompson (Sir *John*),
Curran,	Lister,	Tupper,
Daly,	Masson,	Weldon.—31.

The Minutes of Thursday's sitting were read and confirmed.

The Chairman informed the Committee that leave of the House had been obtained for the Committee to sit during the time that the House is in Session.

At the request of Mr. Geoffrion, Q.C., it was

Ordered, That a summons do issue to Mr. Julien Chabot, Levis, to attend before the Committee and produce all accounts, letters and vouchers which passed between him and the Hon. Thomas McGreevy from 1883 to date in connection with the steamer "Admiral," and also all bank accounts, pass books, &c., in which were entered the monies belonging to the running of the said steamer during the same period.

On motion of Mr. Amyot, it was

Ordered, That a summons be issued to John Hanlan, Quebec, to attend and give evidence before the Committee on Tuesday next, the 14th instant.

On the suggestion of Mr. Osler, Q.C., it was

Resolved,—1. That two expert accountants be appointed by the Committee whose duty shall be to examine, and report upon oath to the Committee, upon the dealing of Larkin, Connolly & Co., Owen E. Murphy the Hon. Thomas McGreevy and Robert McGreevy as appearing in the books of account, vouchers and exhibits produced and to be produced with reference to the charges and enquiries before the Committee.

2. That further evidence with reference to the said books, accounts and vouchers may from time to time be given at the instance of any of the parties or of any member of the Committee or at the request of the accountants before the sub-committee.

3. That all the books of account, exhibits and vouchers now before the Committee shall be at the disposal of the said accountants for the purposes aforesaid.

4. It is ordered that the Hon. Thomas McGreevy, Robert McGreevy, Charles McGreevy, Nicholas K. Connolly, Michael Connolly and P. Larkin forthwith produce on oath before the sub-committee all their books of accounts, bank books, cheque stubs, notes, drafts and all other documents and papers bearing upon the question under enquiry and that when so produced the same shall be placed at the disposal of the said accountants for the purposes aforesaid.

5. That at their own motion or at the request of the Committee the said accountants may from time to time make interim reports to the Committee.

Mr. Nicholas K. Connolly's examination was continued by Mr. Geoffrion, Q.C., and several members of the Committee.

During his examination a statement of British Columbia Graving Dock, Quebec Harbour Improvements and profits of R. H. McGreevy's accounts, was filed and marked as Exhibit "L 10," also five letters written by N. K. Connolly to O. E. Murphy, marked as Exhibits "M 10" to "Q 10" inclusive.

The Committee then adjourned till to-morrow at 10 a.m.

SATURDAY, 11th July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs

Adams,	Fraser,	Moncreiff,
Amyot,	Lister,	Tarte,
Cameron (*Huron*),	Masson,	Thompson (Sir *John*),
Costigan,	McDonald (*Victoria*),	Tupper,
Desjardins (*L'Islet*),	McLeod,	Weldon—17.
Flint,	Mills (*Bothwell*),	

The Chairman not being present, on motion of Sir John Thompson, Mr. Masson took the Chair.

The Minutes of Friday's sitting were read and confirmed.

Mr. Nicholas K. Connolly's examination was continued by Mr. Tarte and other members of the Committee; he was also cross-examined by Mr. Fitzpatrick and others.

During his examination three letters were filed, one from N. K. Connolly to O. E. Murphy, marked Exhibit "R10," one from M. Connolly to his brother, marked Exhibit "S10," and copy of letter from Larkin, Connolly & Co. to Mr. Trutch, marked Exhibit "T10," also Transfer O. E. Murphy to N. K. and M. Connolly, 11th May, 1889, marked Exhibit "U10."

The Committee then adjourned till Tuesday, the 14th instant, at 10 a.m.

TUESDAY, 14th July 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman.*

Amyot,	Dickey,	McLeod,
Barron,	Edgar,	Mills (*Bothwell*),
Beausoleil,	Flint,	Mulock,
Cameron (*Huron*),	Fraser,	Ouimet,
Choquette,	German,	Pelletier,
Coatsworth,	Kirkpatrick,	Tarte,
Costigan,	Lavergne,	Thompson (Sir *John*),
Curran,	Lister,	Tupper,
Daly,	Masson,	Weldon,
Davies,	McDonald (*Victoria*),	Wood (*Brockville*).—32.
Desjardins (*L'Islet*),		

The Minutes of Saturday were read and confirmed.

At the suggestion of Mr. Osler, Q.C., it was

Resolved, That two engineers be appointed by the Committee, whose duties shall be

1. To examine and report upon the tenders, contracts and final estimates for the work known as the Cross-wall—the subject of the contract of 6th June, 1883.
2. Therein to compare the quantities shown by the plans and profiles with the quantities applied to the several tenders for the works.
3. To show all changes made in the execution of the work and the reduction or increase of quantities thereby occasioned.
4. To compare the quantities shown in the final estimate with the quantities shown in the plans and profiles, with the result in money.
5. To examine and report on such further matters as may be referred to them by the Committee from time to time.

At the request of Mr. Geoffrion, Q.C., it was

Ordered, That a summons be issued to Mr. Robert H. McGreevy, jun., Quebec, to attend and give evidence before the Committee.

Engineer's final estimate on Cross-wall was filed and marked Exhibit "V 10."

Mr. H. V. Noel, Manager Quebec Bank, Ottawa, was sworn and examined as to Baie des Chaleurs Railway and the Langevin Testimonial Fund. During his examination Mr. Noel produced a statement of amounts paid into Quebec Bank on account of Baie des Chaleurs Railway, marked Exhibit "W 10;" also seven letters marked as Exhibits "X 10" to "D 11," inclusive; also statement of payments made by the Dominion Government to the Quebec Bank on power of Attorney from Baie des Chaleurs Railway Company, marked Exhibit "E 11."

Mr. Noel was ordered to produce at the next meeting of the Committee a copy of the account of the Langevin Testimonial Fund as contained in the books of the Quebec Bank.

Mr. Simon Peters, Quebec, was sworn and examined.

During his examination Mr. Peters produced a letter from himself to Deputy Minister of Public Works, respecting his tender for the construction of the Cross-wall and the reply of the Deputy Minister to the same, marked as Exhibits "G 11"

and "H 11," respectively; also original notes (in pencil) comparing his tender for the same work with that of Larkin, Connolly & Co., marked Exhibit "I 11," and a summary statement (in ink) based upon the said notes marked Exhibit "J 11."

Mr. Peters was ordered to produce at the next meeting of the Committee a copy of his contract for the construction of the Louise Embankment, Quebec Harbour.

Mr. O. E. Murphy was recalled and examined as to the name of the clerk to whom he alleged he had given the sum of $100.

Mr. Murphy was then discharged subject to recall at any time.

On motion of Sir John Thompson, it was

Ordered, That a summons be issued, requiring Mr. F. C. Lightfoot, of the Public Works Department, to attend before the Committee at to-morrow's sitting.

The Committee then adjourned till to-morrow at 10 a.m.

WEDNESDAY, 15th July, 1891.

The Committee met at 10 a.m.

PRESENT :

Messieurs Girouard, *Chairman.*

Adams,	Desjardins (*L'Islet*),	McDonald (*Victoria*),
Amyot,	Dickey,	McLeod,
Baker,	Edgar,	Mills (*Bothwell*),
Barron,	Flint,	Moncreiff,
Beausoleil,	Fraser,	Mulock,
Chapleau,	German,	Ouimet,
Choquette,	Ives,	Tarte,
Coatsworth,	Kirkpatrick,	Thompson (Sir *John*),
Costigan,	Langelier,	Tupper,
Curran,	Lister,	Weldon,
Davies,	Masson,	Wood (*Brockville*).—35.
Desaulniers,		

The Minutes of Tuesday were read and confirmed.

Ordered, That the sub-committee appointed to examine the books of account, do meet at 3 o'clock, p.m., this day, and that the Hon. Thomas McGreevy, Robert McGreevy, Charles McGreevy, Nicholas K. Connolly, Michael Connolly and P. Larkin forthwith produce on oath before the sub-committee all their books of account, bank books, cheque stubs, notes, drafts and all other documents and papers bearing upon the question under enquiry.

Mr. H. V. Noel was further examined as to Langevin Testimonial Fund Account at the Quebec Bank. He submitted a statement of account showing a portion list of subscribers to the Fund, which was inclosed in a sealed envelope until further orders.

Mr. F. C. Lightfoot of the Public Works Department was sworn and examined as to the sum of $100 given him by O. E. Murphy.

The Chairman stated that Mr. Jennings, C.E., of Toronto, was present and had consented to act as one of the Engineers to be appointed under the resolution adopted at yesterday's meeting, but that Mr. Walter Shanly, C.E., who had been asked to act with Mr. Jennings had expressed his inability to undertake the work, owing to pressing engagements.

Ordered, That Mr. Jennings be directed to begin forthwith the work required under the resolution, and that another Engineer would be selected later.

Mr. Simon Peters was recalled and his cross-examination concluded for the present; Mr. Peters was then discharged subject to recall.

Ordered, That Exhibit "U," Tabular Statement of Tenders received by the Quebec Harbour Commissioners for certain dredging and timber work, be printed.

At the suggestion of Mr. Osler, Q.C., it was

Ordered, That the clerk communicate with Mrs. Boyd, widow of the late Mr. J. E. Boyd, with a view of obtaining from her any copies of papers, notes or plans belonging to her late husband, and referring to the Quebec Harbour Works, which may be in her possession at the present time.

Mr. Nicholas K. Connolly was recalled and further examined.

On the suggestion of Mr. Osler, Q.C., it was

Resolved, That Exhibit "Z 9," statement of account of R. H. McGreevy with the Quebec Bank (which was enclosed in a sealed envelope by order of the Committee) be referred to the sub-committee with instructions to report upon what action should be taken thereon.

On motion of Mr. Edgar, it was

Ordered, That a summons be issued to Mr. E. E. Webb, Cashier of the Union Bank of Canada, Quebec, requiring him to attend before the Committee on Friday next, and to produce the private bank accounts of Messrs. Thomas McGreevy, N. K. Connolly, Michael Connolly and O. E. Murphy from 1st January, 1882, to 1st January, 1889; and the bank account of Larkin, Connolly & Co. from 1st January to 3rd June, 1889.

On motion of Mr. German it was

Resolved, That the House be asked to reduce the quorum of the Committee from 22 to 11 members.

The Committee then adjourned till to-morrow at 10 a.m.

SELECT STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS.

APPENDIX

CONTAINING REPORTS OF AND

MINUTES OF EVIDENCE

TAKEN BY

THE SUB-COMMITTEE

APPOINTED TO EXAMINE THE

BOOKS OF ACCOUNT.

OTTAWA:
PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY.

1891.

FIRST REPORT

OF THE

SUB-COMMITTEE

APPOINTED TO

EXAMINE THE BOOKS OF ACCOUNT.

FRIDAY, 26th June, 1891.

The Sub-Committee of the Select Standing Committee on Privileges and Elections to which was referred, for the purposes of examination, the books of account handed in by Mr. Michael Connolly in obedience to the order of the House, beg leave to present the following as their First Report:

That the proceedings of your Sub-Committee have been conducted with closed doors.

That during the deliberations of the Sub-Committee the following persons only were admitted to the room: Mr. Tarte and his counsel; the other counsel admitted to be heard before the Committee; the Accountants authorised to have access to all the papers, etc., in the custody of the Committee; Messrs. Michael Connolly and Martin P. Connolly; the stenographers and the clerks.

That during the examination of Mr. Hyde, Mr. O. E. Murphy entered the room at the request of Mr. Tarte and his counsel, whereupon Mr. Stuart and Mr. Ferguson made objection.

It being after 3 o'clock, and the House sitting, the objection was reserved for the decision of the Standing Committee. Mr. Murphy, in the meantime, retiring from the room.

The Sub-Committee also submit herewith all the minutes of evidence taken by them up to date.

All which is respectfully submitted.

D. GIROUARD,
Chairman.

SECOND REPORT.

SATURDAY, 4th July, 1891.

The Sub-Committee of the Select Standing Committee on Privileges and Elections to which was referred, for the purposes of examination, the books of account handed in by Mr. Michael Connolly in obedience to the order of the House, beg leave to present the following as their Second Report :

That since presenting their First Report on 26th June, 1891, your Sub-Committee have had two sessions for the purpose of further examining the said books of account, and beg to submit herewith the minutes of evidence taken before them at both sittings.

All which is respectfully submitted.

D. GIROUARD,
Chairman.

THIRD REPORT

TUESDAY, 7th July, 1891.

The Sub-Committee of the Select Standing Committee on Privileges and Elections, to which was referred, for the purposes of examination, the books of account handed in by Mr. Michael Connolly in obedience to the order of the House, beg leave to present the following as their Third Report:

In accordance with the Resolution adopted by the Standing Committee on the 6th instant, your Sub-Committee have had under consideration the question of what persons shall, or shall not, have access to the books of account of the firm of Larkin, Connolly & Co., and have adopted the following Resolution, viz.:

Resolved, That during the time that Mr. Todd is in his office all books be open to the inspection of the owners, Mr. Tarte and his Counsel, and the experts authorized by the General Committee from time to time.

All which is respectfully submitted.

M. ADAMS,
Acting Chairman.

MINUTES OF EVIDENCE

TAKEN BEFORE THE SUB-COMMITTEE.

HOUSE OF COMMONS, SATURDAY, 20th June, 1891.

The Sub-Committee met with closed doors. Present:—Mr. Girouard in the chair, Messieurs Adams, Baker and Davies, members of the Committee; and Messieurs Tarte, Henry, Ferguson, Stuart, Fitzpatick, M. Connolly, John Hyde and Martin P. Connolly; two stenographers and two clerks.

Mr. MARTIN P. CONNOLLY sworn:

By Mr. Tarte:

Q. There was an entry made, I think in April, 1885, for an amount of $25,000?—A. Yes, sir.

Q. Will you show us that entry in the books of Larkin, Connolly & Co., giving the name of the book and the page where the entry appears?—A. It is in Exhibit "N 3," page 9, Journal of the late firm of Larkin Connolly & Co., Quebec Harbour Improvements.

Mr. DAVIES—Counsel should say now whether there is anything on that page which is objectionable.

WITNESS—I should say the first entry is objectionable to anybody outside the members of the firm.

By the Chairman:

Q. The first entry on the top of the page?—A. Yes, sir.

By Mr. Tarte:

Q. Was it made by you?—A. Yes, sir; by me.

By Mr. Davies:

Q. Is this next entry posted from any other book?—A. No; it was explained to me in this way——

Q. Never mind how it was explained to you. Is it posted from any other book?—A. It is posted from no other book that I know of.

Q. At whose suggestion or request was it entered?—A. As I understand it, it was entered at the suggestion of Mr. O. E. Murphy.

Q. This is the original entry?—A. As far as I know, it is the original entry.

By Mr. Adams:

Q. You made the entry yourself?—A. I did.

By the Chairman:

Q. Read it, please?—

"LEVIS, 30th April, 1885.

"Expense—

"To Graving Dock, $25,000, for incidental notes paid for Q. H. I."

Q. What does Q. H. I. mean?—A. Quebec Harbor Improvements.

Q. Who wrote that entry in the books?—A. I did.

Q. At whose request did you write it?—A. To the best of my knowledge, it was at Mr. O. E. Murphy's request.

Q. You got instructions from him?—A. I did.

Q. Was it written according to the instructions you received?—A. Yes; at that time.

By Mr. Davies:

Q. Had you any personal knowledge enabling you to write it?—A. Certainly, I must have had it; otherwise it would have been impossible for me to have entered it.

By the Chairman:

Q. But did you know of yourself?—A. No, except in this way. Mr. O. E. Murphy came to me and told me to charge up $25,000.

Q. He dictated the entry to you?—A. Yes; I was to charge up for incidental notes $25,000. I made it up for incidental notes, according to the contract.

By Mr. Adams:

Q. Will you be particular as to what Mr. Murphy said to you?—A. To the best of my knowledge he told me to charge up $25,000 to Quebec Harbour Improvments for incidental notes.

Q. And you made the entry accordingly?—A. Yes.

By Mr. Tarte:

Q. Will you look at the next entry on the same page? It is for $15,000. Was that entry made by you?—A. It was.

Q. Was it done on the same day?—A. It is impossible for me to say that.

Q. Is there no date?—A. Yes; it is the same date. The entry reads as follows:

"Cash

"Nix." To N. K. Connolly..... $15,000

For three $5,000 notes charged for incidental expenses from above..... 25,000"

The next entry also refers to the above $25,000. It reads as follows:

"Cash

To O. E. Murphy..... 10,000

For two $5,000 notes charged to incidental expenses from above..... 25,000"

Q. There appears on the page across the second entry, as a memorandum the word "Nix" in blue pencil? By whom was that written?—A. It was written by Mr. Peter Hume, the engineer for Larkin, Connolly & Co.

Q. Was it written in your presence?—A. Yes.

By the Chairman:

Q. What does it mean?—A. I suppose it means that the entry was wrong.

By Mr. Davies:

Q. In Hume's opinion?—A. Yes.

By Mr. Tarte:

Q. When was this word "Nix" written there?—A. Some time after the entry was made; I do not remember when.

By the Chairman:

Q. Is it more than a year ago?—A. Oh, yes.

By Mr. Tarte:

Q. How many years ago?—A. I could not tell you. Judging—it must have been shortly after the entry was made.

Q. Judging by what?—A. Nothing in particular, except my own knowledge.

Q. Was the memorandum "Nix" made in your presence? Do you swear?—A. To the best of my knowledge it was.

Q. When was it made, then?—A. A short time after the entry was made.

Q. What do you mean by a short time?—A. I do not remember exactly how long.

By Mr. Adams:

Q. At the time you made the first entry of $25,000 you say it was done by the direction of Mr. O. E. Murphy? Was he the business manager of the firm at that time?—A. Yes, sir.

Q. Was he the cashier of the firm?—A. I believe he was.

Q. Have you any doubt that he was the cashier?—A. I have not the least doubt that he was the cashier.

Q. And the business manager of the firm?—A. And the business manager.

Q. And it was by his direction that the entry of $25,000 was made?—A. Yes, sir.

Q. You say that the word "Nix" was written by Hume in your presence, a short time after the original entry was made. Can you swear to it inside of a year?—A. To the best of my knowledge it was within a year.

Q. Have you any doubt about it yourself?—A. I do not remember exactly when it was.

Q. Are you quite certain it was within a year?—A. I am almost certain it was inside of the year.

Q. Was it within two, three or six months?—A. The original entry was made in 1885; to the best of my recollection the memo. was put there when Mr. Hume was examining the books in the following winter. Mr. Kimmitt and Mr. Hume were the auditors, and it must have been made at the time they were examining the books.

Q. That would have been about a year, then?—A. Yes.

By Mr. Tarte:

Q. Will you kindly look at the entry, 1885, $22,000?—A. It appears in the Journal, Exhibit "F3," page 290, the first entry.

"Levis, 30th April, 1885.

"Expense—

"Dr. $22,000.

To Cash ..... $22,000.

For incidental expenses paid for notes."

Q. Can you find somewhere else in your books any other entries incidental to this item of $22,000, or connected with it?—A. On page 9 of the Journal, Exhibit "N3," there are two entries. The first one reads as follows:

"Graving Dock—

"To M. Connolly..... $2,000

"For one $2,000-note charged to incidental expenses, from $22,000 charged to Dock."

The next entry, same date, 30th April, 1885.

"Cash

To P. Larkin..... $8,000

For $8,000, in notes charged to incidental expenses from $22,000, charged to Dock."

Q. Are there any other entries in the books connected with this item of $22,000?—A. Not that I know of; I would have to look up my ledger; (after searching) I find in ledger, Exhibit "M3," at page 104, the following entry:

"O. E. Murphy, 30th September, 1884, note No. (page 69, cash book) $5,000

By Mr. Baker :

Q. To what does that entry refer ?—A. I cannot find that it refers to anything else but the entry of $22,000.

By Mr. Davies :

Q. How did you come to that conclusion ?—A. On account of the fact of having done the work—that is, helping the auditors that year to audit the books for the year previous.

Q. From the information and knowledge gained by you as book-keeper and assisting the auditors that year, do you come to the conclusion that that $5,000 relates to and forms part of the $22,000 ?—A. Yes, sir.

By the Chairman :

Q. In whose handwriting is the entry of that $5,000 ?—A. To the best of my knowledge it is in Mr. Shea's handwriting.

Q. Who is Mr. Shea ?—A. He was the former book-keeper.

Q. Where is he to be found to-day ?—A. I believe he lives in St. Catharines.

Q. And the other two entries in the journal, in whose handwriting are they ?—A. They are in mine, I believe.

Q. All these entries in the journal were made under the instructions of O. E. Murphy ?—A. Yes, sir.

By Mr. Tarte :

Q. Will you take communication of two entries on page 69 of the cash book, Exhibit "K3,"

"30th September, 1884—O. E. Murphy, Note No. 2, $5,000.
do M. K. Connolly, Note No. 3, $5,000."

Do you know anything about those items ?—A. Not any more than I do about the others. I have no knowledge of them.

By the Chairman :

Q. Is the second note a portion of the $22,000 item ?—A. No; it is not.

By Mr. Tarte :

Q. Do you swear positively that it has no reference to the $22,000 ?—A. I cannot swear positively, because it was not made by me or in my time.

Q. Did you make this entry yourself ?—A. I did not.

Q. And you understand as much about the first note of $5,000 as you know of the last one ?—A. I understand it in that way.

Q. When you were assisting the auditors to audit the books were you informed about the second $5,000 as you were informed about the first $5,000 ?—A. I do not know that I was informed about the first $5,000 note at all. I may have come to a conclusion myself.

Q. Were you informed in some way for the two notes ?—A. I do not remember, I do not remember getting any information about them.

Q. Will you kindly look again to see if you have any other entries connected with the item of $22,000 in April, 1885 ?—A. I have no other entries.

Q. I find an entry on page 299 of Exhibit "F 3." Has it any reference to the $22,000 or the $25,000 transaction ?—A. It is impossible for me to say. These are the credits charged to the account of each of the members of the firm.

By the Chairman :

Q. Read the entry ?—A. The entry is as follows :

"April 30, 1885—Cash, Dr. to sundries $38,000

To N. K. Connolly	$15,000
P. Larkin	8,000
M. Connolly	5,000
O. E. Murphy	10,000

For incidental notes charged to their accounts now credited back.

Q. Will you tell us if the items just read refer in any way to the $25,000 notes or the $22,000 notes that we have spoken of?—A. I do not know whether they do or not.

Q. Will you tell me if the entry in your journal of 1885 (Exhibit "N 3," page 9), of $15,000, has reference to, or is connected in any way with, this item of $15,000, made in the journal (Exhibit "F 3," at page 299) ?—A. I believe it is the same.

Q. Have you any doubt about it?—A. I cannot say that I have.

Q. Did you make the two entries yourself?—A. Yes; the $8,000 to P. Larkin and the $10,000 to O. E. Murphy, as far as I know, refer to the same entries.

Q. Will you kindly tell us if the $5,00) to M. Connolly, entered at page 299 of Exhibit "F 3," has any connection with the items of $25,000 or $22,000 that we have spoken of?—A. I cannot say positively.

By Mr. Davies:

Q. What is your opinion?—A. I believe it has.

By Mr. Tarte:

Q. Have you any entries in your books about this same item of $25,000?—A. No not that I am aware of, except that they are in the books prior to my time.

Q. Will you kindly tell us if there is an entry in any of your books for a sum of $27,000 dated the 28th March, 1887?—A. There is no entry for any such amount.

Q. Will you tell me if this entry for $25,000 in the journal (Exhibit "N 3)" page 282, has any connection with the entry made by you in the paper filed before this Committee as Exhibit "B 5"?—A. Yes; it has.

Q. Read the entry?

"Suspense—Dr.
"To Esquimalt Dock, $25,000.

"For error in charging B.C. with the following cheques:—

Feb.	4, B.N.A. Bank,	jour. fol.	268	$5,000
do	4, Union Bank	do	268	5,000
do	14, B.N.A. Bank	do	269	5,000
do	16, Union Bank	do	270	5,000
do	28 do	do	272	5,000"

By Mr. Davies:

Q. Will you turn up the different folios referred to in this entry and show the committee what the entries are?—A. Folio 268 of the same book, has the following:

"Esquimalt Dock..... $10,000
To Cash.
Union Bank cheque No. 156, and B.N.A. Bank cheque No. 86157, disbursed."

Q. That is relative to the same thing?—A. Yes, sir.

Q. Now page 269?—A. The entry is

"Esquimalt Dock
To cash..... $5,000
For British North America Bank cheque disbursed on account of division."

Q. Now page 270?—A. "Esquimalt Dock—$5,000.
Cheque to O. E. M., B. C. division."

Q. Now page 272?—A. "Esquimalt Dock—$5,000.
Cheques drawn by O. E. M. on account B. C. division."

Q. That makes the whole sum of $25,000?—A. Yes.

Q. Where did you get the other $2,000 from?—A. It is found on page 272 of the same book, dated 28th February, 1887, as follows:

"Suspense Dr.
To Cash.
"Cheques drawn by O. E. M. in excess of B. C. division of $25,000."

By Mr. Adams:

Q. I hold in my hand Exhibit "B 5" in your handwriting, dated 28th March, 1887, in which the sum of $27,000 appears—that is not for Esquimalt Graving Dock, is it, but was charged against the Quebec Harbour Improvements?—A. It is charged against the Quebec Harbour Improvements.

Q. In your ordinary day-book and ledger?—A. The journal entry was first charged to the Esquimalt Dock, and another entry was made correcting it.

Q. You charged it where it ought to be—to Quebec Harbour Improvements?—A. I do not know if it ought to be there.

Q. Who told you to put that item of $27,000 in this statement? Who gave you instructions?—A. Mr. O. E. Murphy.

Q. Did anyone else give you instructions?—A. No, sir.

By Mr. Davies:

Q. Who directed you to add the $25,000 and the $2,000 together?—A. It was Mr. O. E. Murphy.

Q. You mean Mr. O. E. Murphy told you not to keep the two sums separate, but to put them in one lump?—A. He told me that.

By Mr. Adams:

Q. Did not O. E. Murphy at the time he told you to make out a statement tell you to put down the $27,000 in a lump sum, and not put down the items comprising it?—A. He told me that prior to the time I made out the statement. He asked me for the statement, and I gave it to him.

Q. This statement was made as Mr. Murphy directed you, in a lump sum?—A. Yes.

By Mr. Tarte:

Q. Mr. Connolly, will you state when Mr. Murphy asked you to make such a statement? When did he call on you to get that statement?—A. He called on me some time prior to the date on that statement.

Q. What did he ask you?—A. He asked me to give him a statement of moneys that had been expended, from the books, for which I had no vouchers.

Q. He did not tell you to put $25,000 or $20,000, or anything of the kind—he simply asked you to make a statement of money spent from the books?—A. Yes, sir.

Q. For which there were no vouchers?—A. Yes.

Q. Will you kindly refer to the entry of the 31st December, 1888: "$3,000 per N.K.C."?—A. I find in Exhibit "L3," page 507, under the date of the 31st December, 1888, the entry:

"Suspense, donations..... .... $3,000"

By Mr. Davies:

Q. That is the original entry, is it not?—A. Yes, sir.

Q. Made by you?—A. Yes, made by me.

Q. In what book?—A. The cash book.

By Mr. Adams:

Q. Is there any other original entry in any other book at all? Did you understand that Mr. Davies' question referred to this being the entry?—A. Of course it is journalized and posted in the usual way.

By Mr. Davies:

Q. This is the first entry made of it?—A. Yes, sir.

Q. In what portion of the books shall we find the entry "per N.K.C."?—A. I may explain that the reason why I marked "per N.K.C." was because the cheque was drawn to the order of N. K. Connolly. I am pretty positive that is it. The journal in which the entry is posted is not here.

Q. The journal you refer to is only for the year 1888, is it not?—A. The journal I spoke of began in October and goes right along.

Q. I want you to find the entry of 30th September, 1886, of $5,000?—A. I find that entry in the journal, Exhibit "N3," page 206.

Q. Read it?

"September 30th, 1886

"Suspense, Dr.

To expense.....$5,000

For an amount charged to expense account in error, as cannot say at present which is the proper account this item is to be charged to."

By Mr. Tarte:

Q. Have you any other entries of that $5,000 in any of the other books?—A. Yes, on page 204 of the same book. There is an item under the date of 30th September:

"Sundries Dr.

To cash—Expenses, donation.....$5,000"

Q. That is the same item?—A. It is the same item as far as I know.

Q. Would you look at the entry for 13th October, 1886, of $3,000.—A. This is the same book, Exhibit "N3," page 213, 13th October:

"Suspense, Dr.

To cash—donation..... $3,000

As yet cannot say which is proper account to charge this to."

Q. Is there any other entry in this book or any other book relating to that $3,000?—A. No; it is posted into the ledger.

Q. I see in the statement, Exhibit "B5," an entry: P. Valin, $150, and immediately after $3,000 ditto.?—A. Oh, yes; but that ditto is not seen on my statement. The $3,000 of my statement is dated October, 1886, and is $3,000 nothing more or less. The dittos are not mine.

Q. Will you look at the entry of 3rd August, 1887, and read it, please?—A. This is Exhibit "N3," folio 348, 3rd August, 1887. The entry is:

"Suspense, Dr.

To cash—Union Bank Cheque, No. 290..... $1,000"

Q. Now will you look at the entry on the 8th August, 1887, of $4,000?—A. It is in the same book, page 351, on 8th August, 1881:

"Suspense, Dr.

To cash—Cheque No. 305 to order of N. K. C..... $4,000 00"

Q. What do you mean by N. K. C.?—A. N. K. Connolly, I believe.

By the Chairman:

Q. Have you any doubt?—A. No; the cheque was to the order of N. K. Connolly.

Q. Will you kindly look at the entry in August, 1885, of $1,000?—A. In Exhibit "R3," page 62, I find the following entry:

"Expenses..... $4,000

N. K. C. draft, 3rd June 1,000

do do 2,000

do do ..... 1,000"

Q. Do you know in whose hand writing that is in?—A. No, sir, I do not.

Q. It is a British Columbia matter?—A. Yes.

By Mr. Tarte:

Q. Will you kindly look at the entry of the 8th February, 1886, of $3,000?—A. I do not see any entry of February, 1886, of $3,000.

By Mr. Adams:

Q. Can you get any items to go to make up the sum of $3,000?—A. Yes.
Q. Can you find them?—A. It would take me some little time.

By Mr. Tarte:

Q. Now, then, turn up the entries of April, 1886, of $1,000?—A. I will require a little time to look that up.
Q. Well, please look at the entry on March, 1887, of $17,000 for the Esquimalt Dock?—A. I find that on page 282, of Exhibit "N3."

"Esquimalt Dock Dr. To Sundries.

Total to be divided	$72,000
Less disbursed	17,000"

Q. Where did you get that statement from of $72,000 less $17,000?—A. From Mr. O. E. Murphy. He made this up himself. He had a sum of $71,800, and he said, "We will take $200 and add that to it." I do not know how he made it up, but he said it would be divided up amongst the members.
Q. Have you any books showing how these disbursements are made up? The Esquimalt books do not show these $17,000 of disbursements?—A. I. will look that up. I do not remember exactly.

The Sub-Committee then adjourned.

WEDNESDAY, 24th June, 1891.

The Sub-Committee met at 2 p.m., with closed doors.

Present:—Mr. Girouard, in the Chair, and Messieurs Adams, Davies and Edgar; also, Messieurs Tarte, Geoffrion, Stuart, Henry, Ferguson, Hyde, Kimmitt, Michael Connolly, Martin P. Connolly, two stenographers and two clerks.

Mr. MARTIN P. CONNOLLY, re-called and further examined.

By the Chairman:

Q. You were requested, I believe, on Saturday to prepare certain information. Have you that information with you?—A. I have, sir.
Q. Well, please give it?
MR. DAVIES.—Not in that way. Produce the book, if you please, from which you took those entries you have got in that paper.
WITNESS—Let me explain for a moment. I think the Chairman asked me to copy the entry on page 9, Exhibit——
THE CHAIRMAN—Produce the books. As you are requested to compare the entries you will be able to do so.

By Mr. Davies:

Q. Where do you find that $17,000, regarding which you were asked at the last meeting to obtain information?—A. That $17,000 consists in part of an entry dated 31st January, 1887, page 266 of this book, Exhibit "N3," reading as follows:

"Graving Dock, Dr $5,000
To Cash.
Union Bank cheque, No. 148, dated 3rd January, to be charged to Graving Dock as agreed."

Also at page 264 there is this entry:

"QUEBEC, 24th January, 1887.

Sundries Dr. to cash	$3,000
Graving Dock	1,000
Esquimalt Dock	1,000"

This makes $2,000 of the above $3,000 included in the $17,000. On page 281 I find the entry reading:

"QUEBEC, 28th March, 1887.

Esquimalt Dock ..... $5,000"

"This item of $5,000 is now charged to B. C. It was for a cheque dated 20th March, 1886, and was then charged to expense Q. H. I, Journal folio 117, and Ledger folio 176. It has now to be charged to B. C., as instructed by the mem. of firm."

By Mr. Edgar:

Q. Do those letters "mem." mean members of the firm?—A. Yes. The other $5,000 I take to be part of an entry credited to N. K. Connolly of $6,640.

By Mr. Davies:

Q. Is there anything on those books that would enable an expert or yourself to say that that constituted the $17,000, or is it from personal recollection or from anything you were told by any other party?—A. It is from personal recollection.

Q. Of the facts?—A. Yes, sir.

By Mr. Edgar:

Q. Is there anything particular about it, that you should have a personal recollection that it meant anything like that?—A. No.

Q. Did you audit the accounts?—A. Yes; but not at that time.

By Mr. Davies:

Q. Will you look at page 282, and read the entire entry?

"QUEBEC, 28th March, 1887.

Esquimalt Dock Dr. to Sundries, $20,560.00:

To R. H. McGreevy	$ 3,000 00
N. K. Connolly	6,640 00
P. Larkin	1,640 00
O. E. Murphy	1,640 00
Michael Connolly	1,640 00
Graving Dock	6,000 00"

By Mr. Edgar:

Q. Can you tell us what that was for—that cheque 148 that you charged up in that way—$5,000?—A. No, sir; I do not know of my own knowledge what it was for.

Q. Where did you get it from to make that entry?—A. I was told by some of the members of the firm to charge that to the Graving Dock at the time, and then they contradicted that, and had it charged to the Esquimalt Dock.

Q. Have you the cheque?—A. I have not.

Q. Will you tell us all you know about that matter now?—A. I know nothing further than that the cheque was written out as cheques ordinarily are and filled in for $5,000.

Q. Who wrote it out?—A. I cannot say until I see the cheque.

Q. Who signed the cheque?—A. To the best of my recollection, I probably filled it in, because I was the clerk.

Q. Who signed it?—A. I do not remember.

Q. In whose favour or to whose order was it drawn?—A. I cannot say.

Q. When you made that entry had you not seen the cheque?—A. Certainly.

Q. Did you not see to whose order it was payable?—A. Certainly.

Q. Did that not guide you in charging it?—A. No.

Q. Was it payable to the order of anybody? What was it influenced you in charging it up?—A. I do not know now.

Q. The cheques have not been produced?

Mr. MICHAEL CONNOLLY—I sent a despatch down for the vouchers and letter-books, but we have not the keys of the boxes. We have telegraphed for the keys, and expect them here in a few days. Our cheque books will be there to.

Q. When you get the cheques back from the bank at the end of the month, or at any other time you get them back, did you gum them on to the stubs?—A. No, sir; I did not.

Q. What did you do with them?—A. I bound each month together with a brad.

Q. Were the cheques of the firm in relation to all their works issued out of one cheque book, or was there a separate cheque book for each contract?—A. The cheques in relation to all the works at Quebec were issued from the one book.

Q. On what bank was that?—A. We had for a portion of the time two—the Bank of British North America and the Union Bank.

Q. The Esquimalt business—what bank was that account kept in?—A. I do not know.

Q. Was that business transacted in Quebec? Was it looked after in the Quebec office?—A. All we did with reference to the British Columbia work was to audit the books twice.

Q. All the cheques then, as far as you know, have been preserved?—A. As far as I know, they have.

Q. They were under your charge until now?—A. They were in my charge, until some time in May.

Q. Where?—A. At Quebec.

Q. And as far as you know they were all there then?—A. As far as I know they were all there.

By Mr. Tarte:

Q. The notes were there, too—the promissory notes that were paid?—A. Yes; as far as I know.

Q. Then, among the documents that we hope will be produced when the keys arrive there are also the notes of the firm that have been taken up. While you were the book-keeper of the firm were the notes of the firm which were taken up and retired kept?—A. They were.

Q. You had charge of them until May last?—A. Yes.

Q. Notes and renewals, and all?—A. Yes.

Q. Had you any book showing bills payable by the firm?—A. We had.

Q. Is that produced?—A. I do not know.

Q. Was it a large book?—A. No; it would be an ordinary bill-book, with very few entries.

Q. When did you see the bills-payable book last?—A. I cannot exactly remember.

Q. Have you seen it since you examined the books up here?—A. No.

Q. Did you see it in May?—A. We did not have occasion to use a bill-book, and probably there were not more than three or four entries in it.

Q. When did you last see it—that is the question?—A. I do not remember.

Q. Did you see it in May?—A. I do not remember whether I did or not.

Q. Where did you last see it?—A. In the safe in the office.

Q. Were the entries in it all made by you?—A. I think they were.

By Mr. Davies:

Q. Before we leave this entry, will you turn me up ledger, Esquimalt Dock, expense account, showing you have posted that $17,000 to the debit of that account?

—A. Esquimalt Dock. I find it on page 171 of the ledger, marked Exhibit "M J-3" in the following entries :—" 24th January, 1887, Esquimalt Dock was debited to cash, 264 page of journal, $1,000."

Q. I want to see where the $17,000 was charged ?—A. That is $1,000. Then on 28th March, " To expense, $5,000." That makes $6,000. And in an entry, same page, " To sundries $20,560"—the $5,000 is included.

Q. In this memorandum to which you called our attention, page 282 of the journal, Exhibit " N3," you say that N. K. Connolly should receive from the $17,000, for sum of disbursement to private fund, $5,000. Did he receive that ?—A. Yes.

Q. Show me the entry ?—A. It is there in the $6,640.

Q. That was posted to his credit ?—A. Yes; posted to his credit.

Q. For sum disbursed to private funds. Do you know what were the private funds ? What is the meaning of that ?—A. No, sir.

Q. Did you know at any time ?—A. I may have, but I do not remember now exactly.

Q. Can you state now that you did not know ? Did you know at the time of making the entry, or any other time, what the meaning of that phrase was ?—A. I understood that it meant—because it is in my own handwriting—$5,000 that Mr. Connolly had disbursed from his private fund.

Q. For what object ?—A. I do not know ; it is impossible for me to say.

Q. Did you ever know ?—A. No, sir ; I did not.

By the Chairman :

Q. Do you know it now ?—A. No, sir.

By Mr. Davies :

Q. Did you know anything about $5,000 disbursed by Mr. Connolly from private funds for any purposes, whether this $5,000, or any other $5,000 ?—A. I understand from the fact of that entry that that $5,000 was disbursed from Mr. Connolly's private fund. What the purpose was I do not know.

Q. As to the proportion of Mr. Connolly's $5,000 from private fund for any specific object ?—A. No, sir.

Q. From a document I hold in my hand there appears to be an entry, March, 1883, $5,000 ; opposite it, in your handwriting, the words, " Three Rivers." Can you turn to any entry in the book from which you abstracted that ?—A. I cannot.

By Mr. Adams :

Q. Why can't you produce that ?—A. Because the statement I made out at that time was wrong.

Q. Did you copy the $5,000 on this piece of paper on which appears the words " Three Rivers " out of any book ? Did you put it there of your own accord or at any one's authority ? How did you come to mark " Three Rivers " in front of the account you made out ?—A. I do not remember.

Q. Was it a mistake ?—A. The words " Three Rivers " must have been a mistake.

Q. Was it in the book from which you made a copy of the account ?—A. It was not.

Q. How did you put it there, then ?—A. To the best of my recollection, I put it from a conversation I overheard.

Q. At the time you were here the other day you told me that Mr. O. E. Murphy was the gentleman who asked you to make out a copy of that account ?—Yes, sir.

Q. Have you any knowledge that you can give to the Committee as to who authorized you to put the words " Three Rivers " there ?—A. No, sir ; I cannot.

By Mr. Davies :

Q. You stated that you put that in from a conversation you overheard between parties. What parties ?—A. Members of the firm in the office.

Q. Do you remenber what members of the firm?—A. No. There were so many $5,000 and I could get so little information, I tried to take up all the little knowledge I could gather.

By Mr. Adams:

Q. Will you tell me whether anything happened between members of the firm with reference to this $5,000 that caused you to have that opinion. Were there any disputes about the charging of the items in the books?—A. I do not remember any to-day; I do not remember any disputes.

By the Chairman:

Q. How was it you undertook to make an entry in the books so that it bore the words "Three Rivers," without any actual knowledge?—A. This was a copy I was giving to Mr. Murphy for his information.

Q. Where did you get the "Three Rivers"? Why did you put those words there?—A. I understood that $5,000 had been expended for Three Rivers.

Q. Did you understand that prior to making out the account?—A. Prior.

Q. How was it spent in Three Rivers?—A. I do not know; I do not know that it was spent in Three Rivers.

By Mr. Tarte:

Q. Can you show us in any of your books any entry for $5,000 or $10,000 which had been charged, first to the Graving Dock at Lévis or to the Quebec Harbour works, and transferred to the Esquimalt Graving Dock account?—A. Yes; on page 266 there is an entry of $5,000, which was charged to the Quebec Dock and afterward charged to the Esquimalt Graving Dock.

By Mr. Edgar:

Q. About the $2,000, the second item which you explained to us—the two items of $1,000 each, making $2,000 in that $17,000—can you tell us all you know about those disbursements?—A. All the explanation I can make is written here in the journal. It is "For cheque drawn by O.E.M. and charged one-third Graving Dock, one-third B.C. and one-third to O.E.M." I understand that was a cheque for $3,000 drawn by O. E. Murphy, from whom I received instructions to charge it up in that way.

Q. Do you know what it was for?—A. I do not.

Q. Did you at any time?—A. I never did.

Q. Who was present when you were told?—A. I do not know. We might have been alone; there might have been others there.

Q. You do not know whether other members of the firm were there?—A. I do not.

Q. Do you know when you were given information which led you to make that charge?—A. It must have been some time in January, 1887. It is entered up 24th January, but I would not swear that that was the date I received the information.

Q. There was a cheque for $3 000?—A. Yes.

Q. Made by the firm?—A. Yes, sir; it must have been made by the firm.

Q. To Mr. Murphy?—A. The way I understood it, Mr. Murphy signed the cheque "Larkin, Connolly & Co." himself.

Q. And made it payable to his own order?—A. I do not know whether it was or not.

Q. You do not know whose order it was made payable to?—A. No, sir; I do not.

Q. What about the next sum of $5,000, on page 281?—A. I explained that the journal entry reads "This item of $5,000 is now charged to B.C. It is for cheque charged 20th March 1886, and was then charged to expense Q.H.I., journal folio 117 and ledger folio 176. It is now to be charged to B.C., as instructed by mem. of firm."

Q. Is that the same item Mr. Tarte asked you a question about a few minutes ago.—A. That is the same item that was put in that photograph document, with the words "Three Rivers" opposite.

Q. The next item of $5,000—part of $6,000, and odd—how did you come to charge that there? What was the disbursement there?—A. I do not know. I must have been told by some member of the firm, I do not know who, to credit Mr. Connolly with $5,000 and charge it up to the Esquimault Dock; but when Mr. Murphy asked me for a statement I included it in the $17,000.

Q. Had you no particular discussion with the members of the firm as to what it was for?—A. No, sir; I had not.

By Mr. Davies:

Q. You now think the $5,000 contained in the photograph copy of the account, or memorandum certified by you as correct, and opposite which is marked "Three Rivers," forms a part of the $17,000?—I think so now, and thought so for some time back.

Q. When you gave that certified account did you think so?—A. I did not.

Q. How did you make up the $17,000 of which you gave a certified account?—A. I do not remember exactly how I did it at the time. I must have taken $17,000 and charged up $5,000.

Q. You see you have entered $17,000 by itself, and in addition to it and immediately under it you have put this other $5,000, opposite which you have put "Three Rivers." At that time you evidently thought they were separate and different amounts?—A. Yes, sir.

Q. Now you made it up from the books. Show me how you made it up?—A. I cannot show you.

A. If the $17,000 did not consist of the items you have marked and shown to us to-day, what did they consist of?—A. I do not remember. I may have written them in a hurry and taken this $17,000 in a lump sum, and taken this $5,000 afterwards. I kept trace of that, and after they were published I went carefully over it and found out I had made a mistake. I am very sorry for it.

Q. When was that you spoke of their being published?—A. It was in May, 1889.

Q. Was it this certified account?—A. No; but I know exactly what it was. Here is my impress copy of it.

By Mr. Adams:

Q. Are you satisfied now you did make a mistake?—A. I am.

By Mr. Davies:

Q. This $35,000, according to your opinion, should be $5,000 less?—A. Yes-making it $30,000.

Q. There is another item of March, 1888, of $2,000. That is all right, is it?—A. Yes.

By Mr. Adams:

Q. Then the $5,000 marked "Three Rivers" should not be there, but forms a part of the $17,000?—A. It should not be there in addition to the $17,000. I do not know what $5,000 should be marked "Three Rivers."

By Mr. Davies:

Q. Now look into your account to see the item of $2,000, which follows?—A. Here is where I got the $2,000 entered Esquimalt Dock account, page 172 ledger, Exhibit: "M-3;" "31st January, expense, 458 folio, $2,000." The entry is in journal as follows: "Quebec, January 31st, 1888. Esquimalt Dock to expense, $2,000, for entry on journal folio 454 in error. This sum of $2,000 should be charged to British Columbia dock, as it was originally."

Q. Look at entry 454?—A. January 31st, 1888: "Expense Dr. to Esquimalt Dock, $2,000. For error in amount transferred to British Columbia Dock, March, 1887, now credited back to British Columbia."

Q. The books do not state for what purpose this $2,000 was appropriated?—A. That $2,000, as I understand it and as it struck me, and from looking at the entries posted in March, 1887, I find no other $2,000, except what I have explained in the $17,000.

By Mr. Adams:

Q. Is that $2,000 wrong, too?—A. Yes.

Q. Did I hear you aright in saying that $71,000 was the balance of Esquimalt Graving Dock?—A. No, sir; you did not. I said, "This entry was made to square the division of $71,800 received on account of final B. C."

By the Chairman:

Q. Is that all the evidence you have collected at the command of the Committee since last Saturday?—A. No, sir; I think I have collected everything I was asked for. There was an item of $1,000 that wanted explanation. The entry for same is to be found in Exhibit "N3," folio 130, dated Quebec, 1st April, 1886. I find at folio 130, Exhibit "N3," an entry: "Quebec, 1st April, 1886—Esquimalt Dock Dr. O. E M., $1,000, for amount omitted to be credited to O. E. M. and charged to B. C., being portion of $10,000, and so far can show up but $9,000."

By Mr. Davies:

Q. Did you find the information about the $3,000, of February, 1886, which the Chairman asked you for on Saturday last. What are the items?—A. I have found that in Exhibit "R-3," page 98: "Esquimalt Dock, B. C., December, 1885—Expense account Dr. to M. Connolly, $3,000, from Q. H. I."

By the Chairman:

Q. How can that refer to the 8th February, 1886?—A. That was the one you were discussing for February, 1886.

A. Have you any other explanation to give which you were requested to get?—A. I do not remember that there is anything else.

The Committee then adjourned.

THURSDAY, 25th June, 1891.

The Sub-Committee met at 2 p.m. with closed doors. Present: Messieurs Girouard (in the Chair), Adams and Edgar, also Messieurs Tarte, Geoffrion, Henry, Stuart, Ferguson, Michael Connolly, Martin P. Connolly, John Hyde, Richard Kimmitt, one stenographer and two clerks.

MR MARTIN P. CONNOLLY recalled:

By Mr. Geoffrion:

Now that Connolly's boxes are open will you look into them and see whether you can put your hand on all past due promissory notes, cheques, stubs of cheques, and bills payable books, of Larkin, Connolly & Co., which you mentioned as having been among the papers of Larkin, Connolly & Co. when you last saw them in May.

By Mr. Edgar:

Q. First of all let me ask you—did you pack those boxes?—A. I did not, Sir. After examining the papers in the three boxes produced I cannot find the cheques, promissory notes, bill book or stubs.

Q. Are there none at all—no cheques whatever?—A. No, sir; no cheques whatever.

Q. No notes, no stubs, and no bills whatever?—A. No, sir.

By Mr. Geoffrion:

Q. Are these three boxes the only ones containing the vouchers accompanying the papers of Larkin, Connolly & Co. filed before the Committee?—A. They are the only ones produced, so far as I know.

Q. Had you anything to do with packing these books?—A. Not when they were shipped from Quebec here; but I packed them originally some years ago, when each year's work was finished.

By Mr. Edgar:

Q. And were the cheques, and the stubs, and the notes, and the bill books, all in these boxes?—A. No, sir; they were not.

Q. And where were they?—A. I generally put them in the safe.

Q. So they were not in these boxes, and you never saw them or put them into the boxes yourself?—A. No, sir.

Q. Not at any time?—A. No, sir.

By Mr. Geoffrion:

Q. Did you go back to Quebec and pack them?—A. I did not, sir.

Q. Do you know whether what was in the safe was put into the boxes that reached here and the contents of which were fyled?—A. I don't know, sir.

By Mr. Edgar:

Q. Do you know anything about it?—A. No, sir; I do not.

By Mr. Geoffrion:

Q. Have you seen that safe lately?—A. Yes.

Q. When did you last have access to the inside of the safe?—A. In the latter end of the month of May.

Q. Of this year?—A. Yes.

Q. Did you see the cheque-books, the stubs, the bill-book or any of them there then?—A. Yes; I think they were there. The old cheques were in the safe, and the cheque-book with the stubs, I kept that in a kind of a bureau at the back of my desk.

By Mr. Tarte:

Q. And the notes were there too?—A. The notes, as far as I know, were in the safe.

By Mr. Adams:

Q. And the last time you examined the safe did you find the cheques returned from the bank? Did you notice the cheques?—A. I did not notice what was in the safe, but as far as I could see the cheques were just the same as they had been from day to day. I did not see any change.

Q. And the bill-book?—A. It was a very small book in the corner, and I might not have seen it.

Q. Have you any knowledge about the stubs of cheques you say were in the drawer in the bureau? Did you notice them during your visit at the end of May?—A. They had been using the cheque-book right along. I suppose they may have been there.

By Mr. Edgar:

Q. When did you see it last used?—A. I used it myself on the 20th May.

By Mr. Geoffrion:

Q. Who would be in charge of these papers since you left Quebec?—A. Mr. Kelly was there as time-keeper.

By the Chairman:

Q. What is his name?—A. Patrick Kelly.

By Mr. Tarte:

Q. Where does he live?—A. 66 St. Louis Street.
Q. With whom?—A. Mr. Connolly.
Q. What Connolly?--A. N. K. Connolly.

By Mr. Geoffrion:

Q. And when did you leave Quebec?—A. I think it was 20th May this year.
Q. Have you been back since then?—A. Yes.
Q. You did not go back to the office of the firm?--A. I did.
Q. In what capacity?—A. In no capacity, except as a visitor.

By Mr. Tarte:

Q, You did not do anything for the firm?—A. Notwithstanding the statement of *Le Canadien* to the contrary, I did not.
Q. You did not do anything for the firm?—A. Not a thing, good, bad, or indifferent.

By Mr. Edgar:

Q. You were constantly around the office, Mr. Connolly, what did you see?—A. I saw the desk most the same as usual.
Q. What day would that be about?—A. I went in there three or four times I guess.
Q. But what days?—A. I was at the office on the 6th June.
Q. That was one day; now the next?—A. I was there on the 8th.
Q. Any other day?—A. I could not tell you whether I was there on the 9th or not, but I think I was.

By the Chairman:

Q. Was the safe in the same condition as it was in on your last visit?—A. It was, on the outside.
Q. You did not examine it carefully?—A. No, I did not go near it.

By Mr. Edgar:

Q. You did not see the inside of it on any of those days?—A. I may have seen it, I made no examination of the safe, I may have seen it open. I saw it from a distance of 10 or 12 feet away.

By Mr. Tarte:

Q. When you left Quebec upon a telegram from Mr. Connolly did you leave the safe open?—A. No, sir, I did not.
Q. With whom did you leave the key?—A. There was no key for the safe, it is a combination.
Q. You know what I mean?—A. I repeat it does not open with a key it is a combination.

By Mr. Edgar:

Q. With whom did you leave the combination?—A. Mr. Kelly knew the combination.

By Mr. Geoffrion :

Q. Did any other party know that combination ?—A. I cannot say that anybody else knew the combination of that safe.

By Mr. Edgar :

Q. Except Kelly ?—A. Yes.

Q. Or the different members of the firm ?—A. They may not have known.

Q. You are not aware they knew it ?—A. No.

Q. You never saw them open it, did you ?—A. I would like to explain that both the Messrs. Connolly never went to open the safe whilst I was in their employ and they never interfered with the safe.

Q. Did they interfere with the books ?—A. No; except to look over them occasionally.

Q. When you were in the office on these three occasions, who was in charge of the office and the safe ?—A. Mr. Kelly may have been on those three occasions.

By Mr. Tarte :

Q. I would like to ask how you understood when you left Quebec, that all those notes and cheques were still in the safe ? Did any one ask you for the notes paid and for the cheques ?—A. I knew they were all there with the exception of some that had been handed to Mr. Fitzpatrick some time during the previous summer, with reference to the case Mr. Connolly had against Messrs. McGreevy and Murphy as to the lawsuit over the $400,000 note case.

Q. Can you tell us what notes and cheques were then given to Mr. Fitzpatrick ? —A. No, sir.

Q. Were those notes and cheques asked from you ?—A. No, sir, they were not.

Q. Then you do not know from whom they were asked ?—A. No, sir.

By Mr. Edgar :

Q. Who selected them ?—A. I think it was Mr. Hyde, the accountant.

By Mr. Tarte :

Q. Did you keep the numbers of those notes or cheques given away at that time ?—A. No, sir, I did not.

Q. You did not select them yourself ?—A. No, sir.

Q. Were you there when they were selected ?—A. Yes, sir, I was there.

Q You said on two or three different occasions that you left the Quebec notes and the cheques connected with this inquiry in the safe ? Did you not say that ?—A. Yes, I understood so.

Q. Then those cheques and notes were not those given to Mr. Hyde ?—A. I did not see what Mr. Hyde took exactly. He may have taken some that had a bearing on the case. It is impossible for me to say.

By Mr. Geoffrion :

Q. In the usual course of business besides the notes which were handed to Mr. Hyde, at the request of Mr. Fitzpatrick, all other notes, I suppose, and cheques and stubs would be in the safe ?—A. Yes, sir.

By Mr. Adams :

Q. At what time did Mr. Hyde get these notes ?—A. I think, speaking from memory, either in September or October last year.

Q. Did Mr. Hyde go down to Quebec more than once to your office ?—A. Yes, sir, he came to our office more than once.

Q. Did he go to Quebec after that date of September or October mentioned by you ?—A. Yes, I saw him in Quebec in April last year.

Q. Did you say in April ?—A. I think so, sir.

Q. Did he go for papers in your office then?—A. I do not remember, he may have done so.

Q. But he may have?—A. Yes; I remember him coming to the office, but whether he got any papers I cannot say.

By Mr. Tarte:

Q. Do you know whether he has been to Quebec since the meeting of this House?—A. Yes; I believe he did.

Q. Were you there in the office when he went down to Quebec the last time, or since the House met?—A. Yes; I saw him in the office.

Q. But to your knowledge did he look into the papers?—A. To my knowledge he examined some papers, but not those in the safe. They were locked in a box, behind the desk.

Q. What was in that box?—A. Some papers.

Q. All papers?—A. I could not say.

Q. The cheques were not there?—A. I do not know.

Q. Did you put the cheques there yourself? A. No, sir.

Q. Nor notes?—A. No, sir.

Q. Was the firm in the habit of giving many notes?—A. Well, they gave some, I could not tell you how many?

Q. Is it not a fact they were making their financial business by over-drawing their accounts in the banks?—A. At times an account was overdrawn.

Q. But as a matter of fact is it not true that for their business they did not make any discount?—A. No; it is not a matter of fact.

Q. Can you swear they discounted notes overdrawn in business?—A. Yes.

Q. Where is the book where these notes given are entered?—A. They will be in the bill-book, probably.

Q. Have you that bill-book here?—No, sir; I was looking for it, but cannot find it.

Q. It is not here?—A. Not to my knowledge.

Q. Did you look into all the papers that were brought up?—A. All the papers I was told to bring up.

Q. Told by whom?—A. Told by this Committee.

Q. Did you look into all the boxes and books that you were to bring up?—A. Yes.

Q. Then you don't find in any of these books or boxes that were brought up either the notes paid or the cheques returned from the bank, or the bill-books?—A. No, sir.

By Mr. Edgar:

Q. Mr. Connolly, have you any reason to know where these are now, or where they have been since you saw them last?—A. No, sir; I have not.

Q. No reason whatever?—A. Not the slightest.

By the Chairman:

Q. When did you see Mr. Hyde in Quebec? Since this enquiry has been commenced?—A. On the 6th June I saw him.

Q. On the 6th June you saw Mr. Hyde in the office in Quebec?—A. Yes, sir.

Q. Can you say whether he looked into these cheques, cheque-books and papers?—A. No, sir; I cannot.

Q. If you went down to Quebec do you think you would be able to find more papers if they are not here?—A. I think I would be able to find them without the slightest trouble.

Q. Can you pick or select any paper having reference to the books, either in the shape of vouchers or otherwise?—A. As far as I know, there is nothing in these books having any reference to the subject of investigation, they are papers and vouchers.

By M. Tarte:

Q. How then can you know?—A. Because I packed those boxes with the vouchers myself, and as far as I can see they have not been disturbed.

Mr. JOHN HYDE sworn.

By Mr. Edgar:

Q. You have heard the witness speak about notes, cheques, stubs and bill-books of the firm—have you seen those at any time?—A. Yes.

Q. When did you see them last?—A. I saw them last April, I think it was—at the time of the criminal court in Quebec.

Q. Where did you see them?—A. I saw them in the office of Larkin, Connolly & Co.

Q. What was it you saw there?—A. I saw a large number of cheques, stubs, cheque books, and a number of notes.

Q. How—were you examining them?—A. I was examining them in my professional capacity, to assist in connection with the prosecution of the criminal trial.

At this point Mr. O. E. Murphy entered the room, at the request of Mr. Tarte and his counsel, when Mr. Stuart and Mr. Ferguson made objection.

Mr. FERGUSON.—I object on the ground that Mr. Murphy has no right to be present and should not be allowed to be present.

Mr. STUART.—As counsel for Mr. Thomas McGreevy, I desire to state that I consider that Mr. Murphy's presence here is calculated to do injustice to the persons under trial, as giving him information which he would not have if he were, under, ordinary circumstances, a witness before a court of justice.

It being after 3 o'clock, and the House sitting, the objection of Counsel was reserved for the decision of the Standing Committee, to be reported at its next sitting (Mr. Murphy in the meantime retiring from the room).

Examination of witness resumed:

By Mr. Edgar:

Q. There were certain cheques and notes taken by you in connection with the prosecution of the criminal suit, were there not?—A. No, sir.

Q. By whom?—A. Counsel in the case.

Q. Was it Mr. Fitzpatrick?—A. Yes, sir.

Q. What became of the rest?—A. As far as I know, they were left in the office.

Q. Have you not seen any of them since?—A. I have not seen them since.

Q. Not at all?—A. Not at all.

Q. None that were left or none that were taken away?—A. No.

Q. Have you any knowledge of where they are?—A. I do not know where they are.

Q. Have you had any reason or any information from anyone which leads you to suspect or believe where they are?—A. I am not prepared to say what I suspect or believe.

Q. We want the information here?—A. Well, I do not know where they are.

Q. Has anyone spoken to you about them since?—A. Yes; they have been spoken about.

Q. Who has spoken?—A. Several parties.

Q. Who are they? Name them?—A. I have spoken to the Connolly's about them, and asked them if they had them, and also to the counsel in the case.

Q. And have you heard from them where they are?

Counsel objected.

The CHAIRMAN.—We do not admit the privilege of the profession here. The question must be put.

By Mr. Edgar:

Q. Have you heard from anyone where those papers are, or have been since this enquiry has been going on?—A. I have had no direct information as to where they are or anything else.

Q. Have you had any indirect information where they are, or where they have been?—A. I understood they were in Kingston.

By the Chairman:

Q. How did you understand that?—A. I understood from information and conversation with parties that they were in Kingston.

Q. Conversation with whom?—A. Conversation with Mr. Connolly.

Q. What did he tell you?—A. He did not admit they were there, and he did not deny they were there.

By Mr. Edgar:

Q. But you believed they were?—A. I assumed they were there.

By the Chairman:

Q. Do you know who brought them to Kingston?—A. No, sir.

Q. He did not tell you?—A. No, he did not admit that they were got to Kingston.

By Mr. Edgar:

Q. But you believed from his conversation they were?—A. I thought they would be in Kingston.

Q. When?—A. Since I have been up here this last ten days.

Q. Do you believe they are there now?—A. They may be, for anything I know to the contrary.

Q. They are not in Ottawa?—A. I do not know.

Q. And you have no reason to suppose they are?—A. They may be, for all I know. I have no reason to believe they are here. I do not know where they are at all. All that I know is any suspicion I may have.

By Mr. Adams:

Q. On the 6th June you were in the office of Larkin, Connolly & Co. at Quebec, were you not?—A. I was.

Q. You heard young Martin Connolly give his evidence?—A. Yes.

Q. You have heard him swear he saw you examining some papers in a box in the office?—A. Yes.

Q. Were the papers you examined in the office that day connected in any way with this inquiry?—A. I went down there for the purpose of seeing whether there were any papers in connection with the inquiry which had not been sent up and there was one book containing departmental officers' letters, which was put to one side.

Q. Did you examine the book on the 6th June?—A. I did not.

Q. Did you examine the book between the time you handled the cheque and the 6th June?—A. Not at all.

By the Chairman:

Q. What kind of book was it you saw?—A. It was one of those scrap-books in which you simply put letters.

Q. Letters received from the Department?—A. Yes; sent or received from the Department. It was a scrap-book.

Q. Have you seen that book here?—A. I have not seen it.

Q. Not before the Committee?—A. Not yet.

Q. Did you see it in Ottawa here?—A. No.

Q. Who took charge of that book in Quebec when you saw it last?—A. I left it there.

By Mr. Adams:

Q. Who sent you there?—A. I went down there with the counsel in the case.

Q. Was the counsel with you when you were examining it?—A. No.

By the Chairman:

Q. What is the name of the counsel?—A. I went down with Mr. Fitzpatrick.

Q. And who else?—A. Mr. Martin P. Connolly. He went down the same night.

Q. Now, after the examination of papers you found this book? Who was in the office when you found it?—A. Mr. Martin P. Connolly was there, and I think Mr. Nicholas Connolly and Mr. Kelly.

Q. When you found the book what did you do with it?—A. I put it by and said, "You want it sent up to Ottawa; it is wanted in connection with the inquiry."

Q. Will you please tell me how you came to speak to Mr. Connolly about these notes?—A. Because I thought the notes should be produced.

By Mr. Edgar:

Q. As an accountant?—A. As an accountant.

Q. When did you speak to him—after the examination of papers on the 6th June or prior?—A. I spoke to him, I think before the 6th June, and since.

Q. Well, did he give you an intimation before the 6th June where they were?—A. No he did not.

Q. Did you ask Martin P. Connolly for the combination of the safe? To see if you could not examine the safe?—A. No Sir, I had no right to examine it.

Q. How did you have a right to examine papers?—A. By Nicholas Connolly's consent I examined the papers to see if there was anything there that could be got.

Q. Have you ascertained the notes were not there?—A. I asked about the notes and they were not there.

By Mr. Geoffrion:

Q. You mention a book wherein letters were posted, &c. Do you know whether the book is here?—A. I have not seen the book. I may say the letters were not posted in but put between the leaves. It is not here.

Q. As far as you have verified it it is not?—A. No, Sir, it is not.

By Mr. Edgar:

Q. To whom did you say the order was sent to produce the books and papers?—A. Mr. Nicholas Connolly and Mr. Michael Connolly instructed Mr. Kelly to send on anything that was wanted. The only thing I could find was that letter book that had no reference to it. It was a scrap-book with letters between the leaves.

By Mr. Tarte:

Q. Can you point out to us, what papers you selected for the counsel in the criminal case when you were in Quebec?—A. If they were here I could say what they were, but I cannot recall them.

Q. Did you pick up notes and cheques?—A. There were certain notes and certain cheques.

Q. You do not remember what they were at all?—A. I do not remember what they were, but I remember some of them. There would be in the neighbourhood of 10 notes and probably 20 or 25 cheques.

By Mr. Edgar:

Q. Would the notes relate to any of the charges?—A. Some of them would and some would not.

Q. Which of the charges would they relate to?

The Chairman:

Q. Was there one relating to the $25,000 matter?—A. There were some relating to the $25,000 matter.

Q. Given to the counsel?—A. Those notes were in possession of counsel.

Q. You do not know whether they have been returned by counsel or not?—A. I did not know anything about them.

Q. What was the nature of the criminal trial?—A. It was a trial against Mr. Tarte for libel and a trial against Mr. O. E. Murphy and Mr. Robert H. McGreevy for conspiracy with the $400,000 note.

Q. Some of the notes, I believe referred to the $25,000 charge, and there were some notes, I think, in connection with the $22,000.

Q. But about the cheques? Some of them, I believe, referred to the donations? A. Some, I believe, referred to the donations.

Mr. Michael Connolly examined:

By the Chairman:

Q. Mr. Connolly, you have heard the evidence given a moment ago by Mr. Hyde and Mr. Martin P. Connolly. Do you know where are to-day the notes, cheques, bill books, stubs of cheques and letter book referred to by those two witnesses?—A. I know nothing, further than I sent a telegram when directed to produce the books here before the Committee, to our agent in Quebec, asking him to send all letters, letter books and vouchers to Ottawa at once and in reply to that telegram I got these books.

By Mr. Edgar:

Q. Do you think by the telegram sent to your agent, he would take it to include the cheques and bill book?—A. I would think so, as I call a cheque a voucher. It is a bank voucher. I will get a copy of the telegram I sent if you wish. I believed up to the time these boxes were opened, we had all these things here. I wish to state here we have no desire to protract this investigation one moment.

By Mr. Adams:

Q. Inasmuch as you have heard these things are not here now go to work this evening and get them here by to-morrow morning?—A. I will take means to get them here to-morrow morning if they are in our possession.

Q. Is Mr. Kelly there at Quebec?—A. He is. He has the key of the office and the combination of the safe.

By Mr. Edgar:

Q. Mr. Hyde, thinks they are probably in Kingston?—A. A man can think what he pleases.

Q. You do not think the same?—A. No I do not.

By the Chairman:

Q. Mr. Hyde says he thinks Mr. Nicholas Connolly told him they had gone to Kingston?—A. I heard Mr. Hyde say he instructed a party to send them up here.

Ordered,—That Mr. M. Connolly do obtain from his counsel, Mr. Fitzpatrick, all notes, cheques and other papers which were given to him for the purposes of the criminal trial against O. E. Murphy and R. H. McGreevy.

Mr. Martin P. Connolly—On again searching this box, I find a bundle of cheques for the year 1887.

The sub-committee then adjourned.

THURSDAY, 2nd July, 1891.

The Sub-Committee met at 2.30 p.m.

Present: Messieurs Girouard (Chairman), Adams and Edgar; also, Messieurs Tarte, Geoffrion, Ferguson, Henry, Stuart, Fitzpatrick, Michael Connolly, N. K. Connolly, Martin P. Connolly, Hyde, Kimmitt, Kelly, three stenographers and two clerks.

Mr. MARTIN P. CONNOLLY recalled:—

By Mr. Tarte:

Q. Will you look at a note for $5,000, dated Quebec, 1st May, 1883:—On demand we promise to pay to order of ourselves at the office, Graving Dock Lévis, $5,000, signed Larkin, Connolly & Co. per O. E. M., and endorsed, Larkin, Connolly & Co. per O. E. M., and tell us if you find trace of such a note in your books?—A. I find no reference to any such note. There is no entry in the cash book referring to a note of $5,000 in May, 1883.

Q. You found the other day for sub-committee entries for 5 notes of $5,000 each. Find them again please.—A. The only entry I found the other day was one in Exhibit "N 3," 30th April, 1885, "expenses to Graving Dock, $25,000."

Q. You cannot find any other entry than this one?—A. There is none that I know of that has any relation to the note except one following immediately.

Q. Will you look at the first note signed by Larkin, Connolly & Co. per O. E. M., and endorsed Larkin, Connolly & Co. per O. E. M., and say if it went through the bank?—A. Not apparently.

Q. I am asking you if it did.—A. It did not.

Q. Look at page 33 of the cash book, Exhibit "E 3" and give us the date of that entry.—A. May 31st, Michael Connolly, cheque May 14th; No. 1, $5,000.

Q. Is it that note?—A. It may refer to that note.

Q. But you do not know whether the entry refers to that note or not.—A. No, Sir, I do not.

Q. You have no knowledge of it at all?—A. I have no knowledge of anything prior to April, 1885.

Q. You have no knowledge of anything that occurred before April, 1885, when you became book-keeper for the firm?—A. No.

Q. Does the entry of $5,000 that you made apply to those five notes of 1883 mentioned by Mr. Tarte?—A. They may or they may not.

Q. I do not want that answer. Answer the question.—A. I do not know.

By Mr. Tarte:

Q. Look at the entries following and say if they refer to the notes of $5,000 each.—A. Whether the entries refer to these particular notes or not it is impossible for me to answer; the date is April 30th, 1885.

Q. Will you look for a note of $3,000. Quebec, 28th November, 1884. Six months after date for value received we promise to pay Michael Connolly or order, at the Union Bank, Quebec, the sum of $3,000. No. 1652. Signed, Larkin, Connolly & Co. per O. E. M. and endorsed Michael Connolly, R. H. McGreevy, per pro Ross & Co., Jas. Geggie?—A. There is no entry during the month of November, 1884.

Q. No, but can you find some trace of this note in those books? The entries were always made later on.—A. There would be no other entry except the one in regard to the other amount which has any relation to it.

Q. There was no round entry, if I may so express it, for the $22,000?—A. None except that that I know of.

Q. Will you look at the entry for the $22,000 again?—A. I find in Exhibit "F 3," at page 290, the following:—Levis, 30th April, 1885, expenses to cash, $22,000.

Q. But there are some entries about notes in reference to the way the $22,000 is divided?—A. The only details I have of that entry are those same details you have seen already in Exhibit "N 3," page 9.

Q. And there is nothing else that you can find?—A. No.

Q. When you gave a cheque what kind of an entry did you make?—A. We made an entry in the cash book.

By the Chairman:

Q. Did not you make an entry on the stubs in the cheque book?—A. Certainly.

By Mr. Tarte:

Q. Will you look for a cheque dated 14th May, 1883, "Pay M. Connolly or order $5,000," signed by Larkin, Connolly & Co., per O. E. M., and endorsed by Michael Connolly?—A. I find an entry in Exhibit "E 3," page 22, dated 14th May, 1883, "Union Bank Cheque to M. Connolly, $5,000."

Q. Will you look for a cheque dated 4th December, 1883: "Paid Quebec Bank for note $5,000."?—. A. I find in Exhibit "E 3," page 150, 4th December, 1883, cheque, Quebec Bank, 5,000.

Q. For a note?—A. No. It does not say in the cash book what it is for.

Q. Then 4th February, 1884, $5,0 0, "to pay note"?—A. I find an entry in Exhibit "E 3," 4th February, 1884, "Union Bank cheque to retire note $5,000."

Q. Can you tell us what note was due on that day?—A. No, sir, I cannot.

Q. You cannot by referring to the books?—A. No, sir, I cannot.

Q. Will you look, if you please for a cheque dated Quebec, 25th January 1887, on the Bank of British North America, "Pay N. K. Connolly, $10,000," signed Larkin Connolly, & Co., and endorsed N. K. Connolly?—A. There is no entry in the cash book.

Q. But is there in any other book?—A. I find an entry in Exhibit "N 3," page 265, of the journal, "Quebec 25th January, 1887; Esquimalt Dock to Bank of British North America, $10,000, for cheque No. 86151 paid on account of division of British Columbia surplus."

Q. Now, Quebec, 3rd January, 1887; Union Bank of Canada, N. K. Connolly or order, $5,000; signed Larkin, Connolly & Co. It is endorsed, "N. K. Connolly, per O.E.M." These words have been erased and the words N. K. Connolly substituted, with an illegible name following, Taylor or Naylor?—A. I find an entry in Exhibit "L 3," in page 126, dated 3rd January, 1887, Union Bank cheque, order of N. K. C., to be charged to dock, $5,000.

Q. Now, then, 24th January, 1887, O. E. Murphy or order, $3,000; signed Larkin, Connolly & Co. and endorsed O. E. Murphy?—A. I find in Exhibit "L 3," at page 126, 24th January, "Union Bank cheque to order of O. E. M., $3,000."

Q. Now, 4th February, 1887, pay N. K. Connolly or order, $5,000; signed Larkin, Connolly & Co. and endorsed N. K. Connolly?—A. I find an entry, Exhibit "L 3," page 132, dated 4th February, 1887, $5,000, cheque to order of N. K. Connolly, B.C. div.: This entry forms part of the $27,000, as far as I know. The $10,000 mentioned by me a little while ago "as B.C. div.," does not, to the best of my knowledge, refer to the item of $27,000.

Q. You are ready to swear that to the best of your knowledge the $10,000 does not refer to this entry?—A. Yes; to the best of my knowledge.

By Mr. Tarte:

Q. You have been ordered to make the entry, and you made the entry?—A. As far as I know this entry referred to the $27,000.

Q. In the statement which you gave under your signature to Mr. Murphy in connection with the Graving Dock at Lévis, you have entered under date November,

1887, $10,000. Will you refer to the books and see how you explain that charge ?—A. I find an entry in Exhibit " F 3," page 334 reading :

" Quebec, 30th November 1887. Expense, cash, $10,032.89.
" Cheque to order of N. K. C., 2nd, $5,000.
do do 21st, $5,000."

By Mr. Tarte :

Q. Is that all there is about that entry there ?—A. Yes.

Q. Where are those two cheques of $5,000 to the order of N. K. Connolly ?—A. I now fyle a cheque upon the Union Bank dated, 2nd November, 1887, No. 406, drawn on Larkin, Connolly & Co., to the order of N. K. Connolly, which appears to have been paid by the Union Bank on the same date, and endorsed by N. K. Connolly.

Q. Will you look for the other cheque ?—A. I also find amongst a bundle of British North America Bank cheques, one dated Quebec, 21st November, 1887, to the order of N. K. Connolly for $5,000, No. 86,230, signed Larkin, Connolly & Co., and endorsed N. K. Connolly.

Q. Will you explain the meaning of the following pencil figures at the back of the cheque, viz. : " 10 x 100 extended 1,000 ; 6 x 500, extended 3,000 ; 1 x 1,000 ; total 5,000 "?—A. It is the way the money was drawn.

By Mr. Adams :

Q. By whom would the money be drawn from the appearance of that cheque ? Who would get the money ?—A. Myself, probably.

By Mr. Edgar :

Q. Did you endorse it ?—A. No, sir.

By Mr. Geoffrion :

Q. If you received the money you handed it to some of the partners ?—A. Yes, sir.

By Mr. Edgar:

Q. Do you know whom you handed it to ?—A. I do not remember but when any cheques, which were included in the sums I have given in the statement to Mr. Murphy, would be drawn to the order of N. K. Connolly, and endorsed by him, I generally went to the bank myself, got the money and handed it over to Mr. Murphy or Mr. Robert McGreevy.

By Mr. Adams :

Q. In the case of that cheque who would get the money ?—A. Mr. Owen Murphy or Robert McGreevy.

Q. You got the money. Have you any recollection of what was done with it ?—A. To the best of my knowledge I gave it back to O. E. Murphy or Robert Henry McGreevy, or to both.

Q. Will you explain from the book an entry in Exhibit " B 5," dated 8th August 1887, $4,000 ?—A. I find an entry in Exhibit " N. 3," Quebec, 8th August, 1887. Suspense, cash, $4,000, cheque No. 305, to order of N. K. Connolly.

Q. Do you find the cheque ?—A. I find a cheque upon the Union Bank of Canada, dated Quebec, 8th August, 1887, to the order of N. K. Connolly for $4,000, signed Larkin, Connolly & Co., and endorsed by N. K. Connolly.

By Mr. Tarte :

Q. There is a word in pencil on the body of the cheque ?—A. That word is " Suspense. "

By the Chairman:

Q. What is the meaning of that word?—A. It means that cheque was to be charged up to the suspense account.

Q. Who told you to write that?—A. I do not remember.

By Mr. Tarte:

Q. And it was charged in the suspense account?—A. Yes.

By Mr. Geoffrion:

Q. Who had control of the cash and the books in August, 1887?—A. In the month of August Mr. Nicholas Connolly had the management of the cash and books.

Q. Since you left?—A. Since the previous audit in August 1887.

By Mr. Adams:

Q. Who kept the books before the audit you mentioned just now?—A. I kept the books all along, but Mr. Murphy had the handling of the cash.

Q. How came it to be changed from Mr. Murphy to Mr. N. K. Connolly? What was the reason of that?—A. I don't know positively the particulars. They could not agree Mr. Murphy should handle the cash any longer.

By the Chairman:

Q. Had they agreed that Mr. Murphy should not handle the cash any longer? Do you know anything about it personally?—A. I know that Mr. Connolly took charge of the cash by whatever authority he had to do it.

By Mr. Ferguson:

Q. Do you know why he did it?—A. No; I do not.

By the Chairman:

Q. Did he tell you why?—A. I don't remember now.

By Mr. Ferguson:

Q. You spoke of managing, that would give the idea that Nicholas Connolly kept the books.

Mr. EDGAR—He said they were the cashiers. Is that what you meant, Mr. Connolly?—A. Yes; he was the cashier.

By Mr. Geoffrion:

Q. He directed the entries as far as the cash was concerned?—A. No; he may not have directed the entries.

By Mr. Edgar:

Q. Did he sign the cheques?—A. Yes.

By Mr. Tarte:

Q. Is this cheque signed by him?—A. Yes; it is.

By Mr. Geoffrion:

Q. The name of the firm is signed by him?—A. The words Larkin, Connolly & Co. are in his handwriting.

By Mr. Tarte:

Q. And endorsed by him?—A. Yes; endorsed by him.

By Mr. Geoffrion:

Q. Whilst you are at the book what about the little entry of $1,000?—A. I find an entry, Exhibit N 3, page 348:

"QUEBEC, 3rd August, 1887.

"Suspense—cash, $1,000—Union Bank, cheque No. 290."

Q. Will you find the cheque?—A. Here it is.

Q. This cheque also bears the name of the firm, signed and endorsed by Nicholas Connolly?—A. Yes.

Q. Will you also say in whose handwriting is the signature of the firm at the foot of the cheque, dated 21st November, 1887, upon the British North America Bank?—A. The handwriting is that of Mr. Nicholas Connolly.

Q. And it is filled in in your handwriting?—A. In my handwriting; yes, sir.

Q. Please refer to the cheque dated 2nd November, 1887, and say in whose handwriting is the signature of the firm?—A. In Mr. Nicholas K. Connolly's.

By Mr. Adams:

Q. The two cheques you mention for $5,000 each, one on the B.N.A. Bank, and the other on the Union Bank—are these the two cheques that Mr. Murphy swore about the other day?—A. To the best of my knowledge they are the two cheques I put in the statement.

Q. You now exhibit the cheque which was drawn covering 20th March, 1886?—A. Yes, sir.

Q. The cheque for $5,000 is dated the same day, and the name of the firm is in whose handwriting?—A. O. E. Murphy.

Q. And the body of the cheque?—A. In the same handwriting.

Q. And the cheque was made payable to the order of the firm?—A. Yes sir.

Q. And the name of the firm is also endorsed in the handwriting of Mr. Murphy?—A. Yes, sir, Mr. Murphy.

Q. Now look at the cheque dated 30th September, 1886.—A. I don't find the Quebec cheque for 1886.

Q. You cannot find the cheque dated 30th September, 1886?—A. No.

Q. Will you look in the books of that date?

By Mr. Edgar:

Q. Look at the stub.—A. I don't see the stub for that year.

By the Chairman:

Q. Well, look at the books as Mr. Geoffrion suggests.

By Mr. Geoffrion:

Q. Take the 20th March, 1886.—A. I find an entry in Exhibit "K 3," dated 20th March, 1886.

"Union Bank cheque to ourselves, $5,000."

By Mr. Edgar:

Q. That is under cash is it?—A. Yes, sir, under cash.

By Mr. Adams:

Q. Ourselves, what does it mean?—A. To the firm.

Q. The cheque, what does it say?—A. "Pay to the order of ourselves."

By Mr. Edgar:

Q. That was merely your account of cash with the Bank, was it? A. Yes.

Q. What account was it carried into?—A. Charged to the expense account.

Q. It remained there in the expense account, or was it carried anywhere else?—A. It may have been carried somewhere else.

Q. Do you know whether it was transferred?—A. I think it was.

Q. To what?—A. I will see. It was transferred from expense account to Esquimalt Dock.

By Mr. Geoffrion:

Q. Now make the same verification for 30th September, 1886, to see what entries you have. The amount is $5,000.—A. I find an entry, but no cheque. In Exhibit "L 3" I find: "30th September, expense, donation, $5,000."

By Mr. Adams:

Q. See to whom it was payable?—A. It is not in the book 30th September. It must be a mistake.

By Mr. Geoffrion:

Q. You find a donation, 30th September, $5,000, but no cheque?—A. No.

By Mr. Adams:

Q. Have you anything in your book by which you can show the Committee that that $5,000 entry was paid by cheque? How did you come to make that entry?—A. From some writing or something I was told about. Here is the entry: "Expense, donation, $5,000."

Q. Let me see that book. Turn now to the 1st of October and see if you find anything for that $5,000?—A. That (pointing to an item) may be the same.

Q. Read it.—A. In Exhibit "L 3," "October 1st, Union Bank, O. E. M., being cheque to donation $5,000."

Q. Is that the item Mr. Geoffrion is asking you about?—A. I think it is.

Q. Are you satisfied about it?—A. Yes; I am satisfied.

Q. Can you find the cheque?—A. No. It is included in the 1886 cheque.

Q. Did you look beyond September?—A. I cannot find any for the whole year, except those few that Mr. Fitzpatrick had.

Q. The cheque dated 20th March, 1886, is drawn by Murphy—is in Murphy's handwriting. See if it is not.—A. It is signed Larkin, Connolly & Co.

Q. Whose handwriting is that?—A. O. E. Murphy.

Q. Is it paid to Nicholas K. Connolly?—A. No.

Q. Is it endorsed by Nicholas K. Connolly?—A. No.

By the Chairman:

Q. By whom?—A. It is endorsed by Larkin, Connolly & Co.

Q. And written by whom?—A. O. E. Murphy.

By Mr. Adams:

Q. Have you anything about that cheque of 30th September, 1886?—A. No, sir.

Q. Have you any means of informing the Committee by reference to your books as to that item of 30th September, 1886, $5,000, by the entry of the cheque and to whom it was payable?—A. On 1st October, the entry in the cash book reads: "Cheque to order, O. E. M."

Q. Are there two of $5,000 each in 1887, written by Nicholas K. Connolly in his own handwriting and payable to his order?—A. Yes.

Q. Therefore, there is only one cheque out of the whole $20,000, that is payable to O. E. Murphy?—A. Yes; as far as the number we have gone through.

By Mr. Geoffrion :

Q. 31st December, 1888, $3,000, in Exhibit "B 5"—explain that entry.—A. That $3,000, I find to be $3,050, on page 498 of Exhibit "L 3"—"Cheque to order N. K. C., office use, $3,050."

Q. Is there any other entry?—A. It is journalized.

Q. What is the meaning of "office use" there?—A. Use for the general office, as far as I understand.

Q. Look further to see if you can find an exact entry tallying with this $3,000. —A. I think we found that before in these other books.

Q. Have you got the cheque of 31st December, 1888?—A. It is not in either December or January among the cheques. Here it is: "Quebec, 30th December, 1888. Union Bank cheque to order Nicholas K. Connolly, signed Larkin, Connolly & Co. for $3,050."

Q. Are you satisfied that this justifies the entry you have made in Exhibit "B 5" of 31st December, 1888, of $3,000, in expense?—A. To the best of my knowledge it is.

Q. How can you explain the fact that you entered it in expense when it was office use?—A. I must have been told to charge it up to office account.

Q In 1888? Who would have told you that?—A. Mr. Connolly.

Q. To charge it to the expense account you must have been told by Nicholas Connolly in the usual routine?—A. Yes.

Q. Was the name of the firm signed in his handwriting?—A. Yes; it is signed Larkin, Connolly & Co., in the handwriting of Mr. Nicholas Connolly.

Q. And endorsed by him?—A. Yes.

Q. You have also mentioned in Exhibit "B 5" certain amounts under the names of Pelletier, Germain and Brunel. By whose order did you make those entries and charges in the books?—A. I do not remember now.

Q. Who ought to have given you those orders in 1887 or 1888?—A. Mr. Hume, I think.

Q. Had he any control over you, or would he not report to Mr. Nicholas Connolly before you made any entries in the books?—A. I do not know, but I do not think so. Any orders I took from Mr. Hume I considered him the same as a member of the firm.

Q. But you are not positive it was Mr. Hume's order?—A. No; I can't say.

The Sub-committee then adjourned.

HOUSE OF COMMONS, FRIDAY, 3rd July, 1891.

The Sub-Committee met at 2.30 p.m. with closed doors.

PRESENT: Messieurs Girouard (in the Chair) Adams, Baker, and Edgar; also Messieurs Tarte, Geoffrion, Stuart, Fitzpatrick, Henry, Ferguson, N. K. Connolly, M. Connolly, M. P. Connolly, Hyde, Kimmitt, O. E. Murphy, two stenographers and two clerks.

Mr. MARTIN P. CONNOLLY recalled.

By Mr. Edgar:

Q. Mr. Connolly, amongst those books of the firm are there any accounts in the ledger showing the bank business in connection with the British North America Bank—that is showing all the debits and credits ?—A. We have, sir.

Q. Will you get it for us, please?—A. I find the Bank of British North America Account in Exhibit "M 3," on page 178.

Q. Where does it begin?—A. There is a deposit in April, 1885.

Q. Can you, by referring to the cash book, Exhibit "K 3," and referring to the ledger accounts with the British North America Bank in this book, pick out the items which represent cheques paid out by the firm or money paid out by the firm in which you have charged, or were directed to charge, against either the expense or suspense account?—A. I think I can.

Q. Well, begin in January, 1886, with the Bank of British North America.—A. I find on the 30th January an entry "Five hundred dollars cheque, to William Sharples." I also find on March the 20th, 1886, an entry: "Five thousand dollars, cheque to ourselves, Union Bank."

By Mr. Adams:

Q. What do you say that five thousand dollars is for?—A. I do not know.

By Mr. Edgar:

Q. Go on please.—A. I find an entry dated June the 6th of a cheque on the Union Bank, O.E.M. Private use, $5,100.

Q. Is that the one you had charged to expense account?—A. It was lent to Mr. Murphy for his private use.

On page 68 (Exhibit "L 3") I find an entry 1st October, 1886. Union Bank cheque; cheque to O.E.M. charge to "expense," $5,000, being donation.

At page 70 of the same book, under date 9th October, there is an entry, cheque to O.E.M. for private use, $5,000.

At page 70, there are two cheques, both dated 13th October; cheque to O.E.M. $1,000, ditto $2,000.

At page 90, under date 11th November, 1886, cheque O.E.M., $5,100.

3rd January, 1887, page 126, Union Bank cheque to order of N. K. Connolly to be charged to Dock, $5,000.

4th February, 1887, page 132, there are two cheques. The first is on the Union Bank to the order of N. K. Connolly, B. C. division, $5,000. The other is, British North America Bank cheque to order of N. K. Connolly, B. C. Division, $5,000.

On the 14th of February, British North America Bank cheque to order of O.E.M., B.C. Division, $5,000.

17th February, cheque to O.E.M. for B.C. Division, $5,000.

Another dated the 18th February, cheque to O.E.M. for B.C. Division, $2,000.

3rd March, cheque to order of N.K. Connolly for private use, $5,280.
4th March, cheque to O.E.M. for private use, $5,000.
12th March, page 140, Union Bank cheque to O.E.M. for capital, E. W.—$5,042.24.
1st April, 1887, page 148, cheque to order of O.E.M. for Q.H.I. Division, E.W., $7,000.
3rd August, 1887, page 220, cheque to O.E. Murphy for private use, $5,000.
On the same date, there is also a cheque to N.K.C. for $1,000. The blank is there, because I did not have any explanation for what the money was for.
8th August, page 222, cheque to N. K. Connolly for $4,000.

By Mr. Geoffrion :

Q. You had no explanation as to that entry either?—A. No, sir.

By the Chairman :

Q. Can you say whether any of the above entries which you have given just now has any reference to the matters under investigation before the Committee?—A. I cannot.

By Mr. Tarte :

Q. Will you kindly look in the books for the item March, '88, $2,000?—A. There is no cheque for $2,000 in March.
Q. Is there an entry in the books?—A. There is an entry in the books.
Q. Read it, please?—A. Exhibit "L 3," page 346; 8th March, 1888, N. K. Connolly for amount of his private cheque for donation *re* B. C. as agreed, $2.000.

By Mr. Edgar :

Q. Is that a cheque?—A. No, sir.

By Mr. Adams :

Q. How did you pay him?—A. I did not pay him.
Q. Who told you to make the entry?—A. It was agreed by the members of the firm that Mr. Connolly should get $2,000, which I suppose he had expended.
Q. You do not know whether he paid it or not? You were simply ordered to make the entry in the books?—A. Yes.
Q. Without any knowledge on your part as to whether he got a cheque from the firm or not?—A. The fact of crediting Mr. Connolly with $2,000 is sufficient evidence for me that he got it. Whether he paid it or not, I do not know.

By Mr. Edgar :

Q. What book does that appear in?—A. The cash book.
Q. Is that the first book it was in?—A. Yes; this was the first book.
Q. Did you carry it forward?—A. Yes; into the journal and ledger.

By Mr. Adams :

Q. Would it not be a cash payment? You say, "paid to N. K. Connolly?"—A. This entry does not show it.
Q. Was it by cheque, then?—A. I do not know. I only placed it to his account.

The sub-committee then adjourned.

1891.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
A	Aug. 17, '78..	CONTRACT of Larkin, Connolly & Co., for the building of the Graving Dock at Lévis; and supplemental contract for the completion of the Graving Dock at Lévis, dated 23rd June, 1884.
B	Dec. 21, '86..	TENDER of McCarron & Cameron for the construction of works on the southern side of the Louise Basin.
C	.....	ENVELOPE containing Exhibit "B."
D	Dec. 21, '86..	TENDER of Michael Connolly for the same work.
E	.....	ENVELOPE containing Exhibit "D."
F	Dec. 21, '86..	TENDER of O. E. Murphy for the same work.
G	.....	ENVELOPE containing Exhibit "F."
H	Feb. 16, '77..	CONTRACT of Gallagher & Murphy for the building of the South Wall, Quebec Harbour.
I	....	ENVELOPE containing accepted tender for South Wall.
J	Oct. 29, '87..	CHEQUE of O. E. Murphy to order of N. K. Connolly for $25,000.
K	Oct. 31, '87..	RECEIPT from O. E. Murphy to Sec'y of Har. Com. for certificate of deposit No. 0481, amounting to $25.627.67. (Printed on Page 10 of the Evidence.)
L	Oct. 27, '87..	LETTER from Thos. McGreevy to Mr. Verret, respecting Mr. Murphy's cheque. (Printed on Page 11 of the Evidence)
M	.....	ENVELOPE containing Exhibit "L."
N	Mar. 13, '91..	LETTER from O. E. Murphy to James Woods, *re* return of cheque for $25,000. (Printed on Page 11 of the Evidence.)
O	Mar. 31, '90..	LETTER from Larkin, Connolly & Co., *re* return of security cheques for different contracts—(figures in margin). (Printed on Page 12 of the Evidence.)
P	Feb. 23, '91..	LETTER from J. Woods to O. E. Murphy, *re* return of security cheques for South Wall. (Printed on Page 12 of the Evidence.)
Q	July 31, '83..	REPORT of Special Committee of Harbour Board, *re* settlement of accounts with Messrs. Kinipple & Morris.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
R	Aug. 23, '75..	LETTER from Messrs. Kinipple & Morris, *re* services for harbour improvements.
S	July — '82..	ENVELOPE containing Exhibit "T."
T	July -- '82..	TENDERS received by Har. Com. for dredging in connection with the harbour works in the River St. Charles; for closing the opening on the inside end of the Princess Louise Embankment, and for completing junction with the gas-house wharf.
U	July 7, '82..	SCHEDULE of tenders received by Har. Com. to do certain dredging and timber work.
V	July 10, '82..	LETTER from Sec'y Har. Com. to Fradet & Miller, informing them that their tender will be accepted, provided they make cash deposit of $10,000, &c.
W	July 11, '82..	LETTER from Sec'y Har. Com. to Poupore & Charlton, informing them that their tender for closing the opening on the inside end of the Princess Louise Embankment will be accepted, provided a cash deposit of $3,000 is made, &c.
X	July 12, '82..	LETTER from Geo. Beaucage to Sec'y Har. Com., requesting to be allowed to withdraw his tender for dredging in connection with harbour works and for closing opening on the inside end of the Princess Louise Embankment.
Y	July 12, '82..	LETTER from Poupore & Charlton to Sec'y Har. Com., acknowledging receipt of letter of 11th inst., and stating that they are willing to comply with the condition imposed of a cash deposit of $3,000, provided they be allowed to amend their tender.
Z	July 14, '82..	LETTER from Sec'y Har. Com. to J. E. Askwith, informing him that Commissioners are prepared to accept his tender, provided he makes a cash deposit of $10,000, &c.
A1	July 14, '82..	LETTER from Sec'y Har. Com. to Larkin, Connolly & Co., informing them that Harbour Commissioners are prepared to accept their tender for closing the opening of the Princess Louise Embankment, provided they make a cash deposit of $2,000, &c.
B1	July 17, '82..	LETTER from Sec'y Har. Com. to Geo. Beaucage, acknowledging receipt of letter of 12th inst., and informing him that request made by him for withdrawal of his tender has been granted.
C1	July 17, '82..	LETTER from Larkin, Connolly & Co. to Sec'y Har. Com., transmitting cheque for $2,000 deposit for the due performance of their contract.
D1	July 17, '82..	LETTER from Sec'y Har. Com. to Poupore & Charlton, acknowledging letter of 12th inst. *re* deposit of $3,000, and informing them that their request cannot be complied with.
E1	July 21, '82..	TELEGRAM from Sec'y Har. Com. to Larkin, Connolly & Co., requesting to be informed whether they are prepared to make cash deposit of $10,000 in the event of contract for dredging being awarded them.
F1	July 22, '82..	LETTER from Larkin, Connolly & Co. to Sec'y Har. Com., transmitting certified bank cheque for $10,000 as security for the dredging work they have tendered for.
G1	July 18, '82..	LETTER from J. E. Askwith to Sec'y Har. Com., transmitting cheque for $10,000 as security for the dredging work tendered for.
G1½	July 20, '82..	LETTER from Sec'y Har. Com. to J. E. Askwith, acknowledging receipt of his letter of the 18th inst., and informing him that Commissioners cannot allow him any further time to consider acceptance or refusal of contract, and requesting an answer within 24 hours.
H1	July 24, '82..	TELEGRAM from J. E. Askwith to Sec'y Har. Com., withdrawing his tender.
I1	July — '82..	LETTER from Fradet & Miller to Sec'y Har. Com., *re* $10,000 cash deposit.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
J1	Sept. 25, '82..	CONTRACT, &c., between Quebec Har. Com. and Larkin, Connolly & Co. for dredging required in connection with harbour works in course of construction in the River St. Charles, &c.
K1	1883.... . .	TENDER of John Gallagher for the construction of a Quay Wall and entrance to the Wet Dock, and other works in connection therewith.
L1	1883.....	TENDER of Geo. Beaucage for work above described.
M1	1883.....	TENDER of Peters & Moore for work above described.
N1	1883..... .	TENDER of Samson & Samson for work above described.
O1	May 28, '83..	COPY of Order in Council awarding contract to Larkin, Connolly & Co. for the construction of the proposed Cross-wall.
P1	May 30, '83..	LETTER from Secretary Public Works Dept. to Sec'y Har. Com., transmitting foregoing Order in Council (Exhibit O1).
Q1	June 6, '83..	CONTRACT between Que. Har. Com. and Larkin, Connolly & Co. for the construction of a Quay Wall and entrance for the Wet Dock in the harbour of Quebec
R1	June 6, '83..	NOTARIAL notification from Que. Har. Com. to Messrs. Kinipple & Morris, dispensing with their services.
S1	June 6, '83..	LETTER from Sec'y of Pub. Wks. Dept. to Sec'y Har. Com. returning John Gallagher's cheque for $7,500 which accompanied his tender for Cross-wall.
T1	June 13, '83..	LETTER from Kinipple & Morris to Sec'y Har. Com. acknowledging receipt of notification informing them that Commissioners have dispensed with their services.
U1	June 19, '83..	NOTIFICATION and Protest—Wm. Rae *vs.* Har. Com., *re* dismissal of Kinipple & Morris, engineers of the Quebec Harbour Works.
V1	Aug. 15, '81..	AGREEMENT and Discharge, Quebec Harbour Commissioners and Kinipple & Morris.
W1	May 24, '84..	LETTER from Chief Engineer Public Works Dept. to Sec'y Har. Com. transmitting copy of correspondence exchanged between himself and contractors of the Graving Dock *re* offer for completion of Dock this year, and recommends acceptance of their offer.
X1	May 24, '84..	LETTER from Chief Engineer of Public Works Dept. to Sec'y Har. Com., recommending that to ensure efficiency and future usefulness of Graving Dock the entrance works be shifted a further distance of 25 feet.
Y1	May 6, '87..	LETTER from Chief Engineer Public Works Dept. to Sec'y Har. Com. transmitting copy of correspondence exchanged between himself and contractors "Larkin, Connolly & Co.," in relation to the dredging to be done in the Wet Dock, a portion of which it is desirable should be done during the ensuing summer.
Z1	May 23, '87..	CONTRACT between Que. Har. Com. and Larkin, Connolly & Co. for dredging and removing materials from Wet Basin.
A2	Feb. 23, '91..	LETTER from Acting Sec'y Har. Com. to O. E. Murphy, *re* return of security cheque deposited in connection with his tender for South Wall.
A2½	Aug. 1, '83..	STATEMENT of amounts paid on account of Louise Docks and Graving Dock contracts. (Printed on Page 17 of the Evidence.)
B2	May 5, '83..	LETTER from Hon. T. McGreevy to R. H. McGreevy, respecting sitting of Intercolonial Commissioners and tenders for Cross-wall. Larkin informed that Beaucage's tender must be adhered to. (Printed on Page 20 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
C2	May 7, '83..	LETTER from Hon. T. McGreevy to R. H. McGreevy, respecting Intercolonial matters; result of cross-wall tenders; O'Brien's work on Examining Warehouse; waterpipes to Lorette. (Printed on Page 21 of the Evidence.)
D2	May 17, '86 (?)	LETTER from Hon. T. McGreevy to R. H. McGreevy, as to Morris coming back; plan to bring tenders of Gallagher & Beaucage over that of L., C. & Co. Sir C. Tupper agreed to fix a day for considering R. H. McGreevy's claim. (Printed on Page 21 of the Evidence.)
E2	April 16, '87..	LETTER from Hon. T. McGreevy to R. H. McGreevy: To discuss report on dredging with Perley, before sent to Har. Com. Public Works office to be opened in Quebec. O'Donnell to write to Fuller, &c. (Printed on Page 22 of the Evidence.)
F2	April 26, — .	LETTER from Hon. T. McGreevy to R. H. McGreevy: Perley to report on 35 cents for dredging. Conversation with Mr. Shakespeare about lengthening of B. C. Dock. (Printed on Page 22 of the Evidence.)
G2	May 2, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Perley telegraphs Trutch *re* estimates of B. C. Graving Dock. Engineer Bennett does not suit; asked to recommend someone else. North Shore question settled. (Printed on Pages 22, 23 of the Evidence.)
H2	May 4, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy: No estimate received for B. C. Graving Dock. Perley tries to get another engineer sent out at once, and dismiss Bennett. (Printed on Page 23 of the Evidence.)
I2	Mar. 17, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Estimate for February passed; $75,000 gone out within a month. Edgar asks about Baie des Chaleurs Railway; other questions to follow. (Printed on Page 24 of the Evidence.)
J2	Mar. 1, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Refers to Lortie's contract for levelling and grading around the Hall. Has a long interview with Perley on Harbour Works and Graving Dock, British Columbia. Will be shown Fleming's report as soon as signed. Will have interview with Minister as to future. Graving Dock at British Columbia to be lengthened—$150,000 in Estimates. (Printed on Page 24 of the Evidence.)
K2	Mar. 11, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Estimates for December an January enclosed. Advance on drawback to be sent to B.C. Estimate for February not telegraphed yet. (Printed on Page 24 of the Evidence.)
L2	May 13, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy, *re* sale of stone to Rousseau. Kerrigan & Co. receive plumbing contract for Marine Hospital. Stanley, Smith & Lindsay to be paid $300. Bradley says he sent to L., C. & Co. what they asked for. Riopel to make beginning on Baie des Chaleurs Ry. (Printed on Page 25 of the Evidence.)
M2	Feb. 26, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Kent House to be given to Mrs. Poumier. Minister would be glad to recommend Murphy for Halifax Graving Dock. Shearer to put matters right. Capt. Bowie says Robitaille has contracted for Baie des Chaleurs Railway with partner of Isbester. Armstrongs unable to put up the money they promised. (Printed on Page 25 of the Evidence.)
N2	Mar. 3, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Minister of Justice almost decided to grant fiat; to meet Chabot and Senecal in Montreal. Minister wanted him to come to terms on Baie des Chaleurs Railway. Hears of Refel & Armstrong working on line. (Printed on Page 26 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
O2	Mar. 8, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Robitaille to be in Quebec. Isbester will have nothing to do with B. des C. Railway contract. Sir Hector wants him to make some proposition in the matter. Irvine arrives. Judgment given in Berlinguet case. (Printed on Page 26 of the Evidence.)
O2½	May 13, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Tenders for Cape Tormentine work opened. The lowest is Perkins, $134,000. Perley says estimate of work is $170,000. April estimate for B.C. passed, $36,000 net. (Printed on Page 27 of the Evidence.)
P2	Mar. 9, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Letter from Marine Department to be read to Fradet. Meeting with Ministers *re* B. des C. Railway. Sir Hector insisted on an understanding. McGreevy refuses and says Robitaille must make a proposition himself. Control of road to St. Ann's, with subsidy, is offered, if opposition to B. des C. Railway is withdrawn. Armstrongs cannot get anyone to touch them. (Printed on Page 27 of Evidence.)
Q2	June 18, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Valin telegraphs to give Beaucage the jacks. Amount to credit of Com. on 15th June, $220,000. Estimate for $23,000 comes out, leaving about $200,000 for harbour works alone, and about $100,000 for dock for the season. (Printed on Page 28 of the Evidence.)
R2	Mar. 19, '86..	LETTER from Hon T. McGreevy to R. H. McGreevy: Encloses letter from Stephen Ryan. Larkin & Murphy have been in Ottawa. Pope answered Edgar's enquiry as to B. des C. Railway contract. No answer received yet about balance of work on Citadel. Lease of Kent House to be signed. (Printed on Page 28 of the Evidence.)
S2	.....	SCHEDULE of rates, Cross-wall tenders Nos. 1, 2 and 3.
T2	May 17, '83..	LETTER from Henry F. Perley to tenderers for construction of Cross-wall, drawing attention to error in price for "sheet-piling" and for pile-driving in the tenders. (Printed on Page 43 of the Evidence.)
U2	May 19, '83..	LETTER from Larkin, Connolly & Co. to Henry F. Perley, acknowledging receipt of foregoing (Exhibit "T2"), and stating that they will accept contract, if awarded them, at the figures mentioned in their tender. (Printed on Page 48 of the Evidence.)
V2	May 19, '83..	LETTER from John Gallagher to Henry F. Perley, stating prices for "sheet-piling, &c." (Printed on Page 48 of the Evidence.)
W2	May 21, '83..	LETTER from George Beaucage to Henry F. Perley, correcting errors for sheet-piling and pile-driving in his tender for Cross-wall. (Printed on Page 48 of the Evidence.)
X2	Nov. 8, '84..	CONTRACT between Larkin, Connolly & Co. and Dept. of Public Works for the completion of Graving Dock at Esquimalt, B.C.
Y2	Sept. 25, '82..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for closing opening of Princess Louise Embankment.
Z2	Sept. 25, '82..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for dredging in connection with the Quebec Harbour Works.
A3	June 6, '83..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for the construction of a Quay-wall and entrance for the Wet Dock in the Harbour of Quebec.
B3	May 23, '87..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for dredging and removing material from Wet Basin.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
C3	Aug. 7, '78..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for the construction of a Graving Dock at Point Lévis.
D3	.....	TRIAL Balance and Statement of the Esquimalt Graving Dock contract up to date.
E3	.....	CASH Book (No. 1) in *re* Lévis Graving Dock.
F3	.....	do (No. 2) do do
G3	.....	LEDGER (No. 1) do do
H3	.....	do (No. 2) do do
I3	.....	JOURNAL (No. 1) do do
J3	.....	do (No. 2) do do
K3	.....	CASH-Book (No. 1) in *re* Quebec Harbour Improvements
L3	.....	do (No. 2) do do
M3	.....	LEDGER (No. 1) do do
N3	.....	do (No. 2) do do
O3	.....	LEDGER in *re* South Wall.
P3	.....	JOURNAL do
Q3	.....	CASH-BOOK in *re* Esquimalt Graving Dock.
R3	.....	JOURNAL (No. 1) do do
S3	.....	do (No. 2) do do
T3	.....	do (No. 3) do do
U3	.....	LEDGER do do
V3	May 16, '83..	LETTER from John Gallagher to Sec'y. Dept. Public Works withdrawing his tender for Cross-wall, Quebec Harbour, on condition that his deposit security be returned. (Printed on Page 88 of the evidence.)
W3	June 9, '83..	LETTER from Sec'y. Dept. Public Works to Sec'y. Harbour Commissioners, returning cheque for $7,500 deposited as security by John Gallagher. (Printed on Page 89 of the Evidence.)
X3	.....	SCHEDULE of tenders for Harbour Works at Quebec.
Y3	May 23, '83..	REPORT of Chief Engineer, Dept. Public Works, on tenders forwarded to the Department by Harbour Commissioners in their letter of 2nd instant.
Z3	May 17, '83..	LETTER from Chief Engineer, Dept. Public Works, to Larkin, Connolly & Co., requesting to be informed as to whether an error has been made in their tender.
A4	May 17, '83..	LETTER from Chief Engineer, Public Works Dept., to John Gallagher, similar to foregoing (Exhibit Z3.)
B4	May 17, '83..	LETTER from Chief Engineer Public Works Dept., to Geo. Beaucage, similar to foregoing (Exhibit Z3.)
C4	June 30, '83..	ORDER IN COUNCIL granting authority to allow John Gallagher to withdraw his tender and to return to him cheque enclosed therewith. (Printed on Page 90 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
D4	May 30, '83..	LETTER from Sec'y. Public Works Dept. to Sec'y. Harbour Commissioners, transmitting copy of Order in Council, &c. (Printed on Page 90 of the Evidence.)
E4	Mar. 23, '83..	TELEGRAM from Minister Public Works to Depy. Minister, requesting that plans and specifications of Cross-wall be sent to Quebec Harbour Commissioners. (Printed on Page 91 of the Evidence.)
F4	Nov. 8, '84..	CONTRACT between Larkin, Connolly & Co. and Dept. Public Works for completion of Graving Dock at Esquimalt, B.C.
G4	Nov. 5, '84..	TELEGRAM from Sec'y. Public Works Department to Larkin, Connolly & Co. *re* Esquimalt Graving Dock. (Printed on Page 92 of the Evidence.)
H4	May 8, '84..	LETTER from Baskerville & Co. to Minister Public Works, in reference to their tender *re* Esquimalt Graving Dock. (Printed on Page 92 of the Evidence.)
I4	May 9, '84..	REPORT of Chief Engineer Public Works *re* proposal of Baskerville & Co. to complete Graving Dock at Esquimalt, B.C., for $16 per yard. (Printed on Page 93 of the Evidence.)
J4	May 26, '84..	LETTER from P. Baskerville, M.P.P., to Minister Public Works, recommending acceptance of Baskerville & Co.'s tender. (Printed on Page 94 of Evidence.)
K4	Oct. 7, '84..	LETTER from Sec'y. Public Works Dept. to Starrs & O'Hanly in reference to their tender for completion of Graving Dock at Esquimalt. (Printed on Page 95 of the Evidence.)
L4	Oct. 10, '84..	LETTER from Starrs & O'Hanly to Sec'y. Public Works Dept., declining to obtain the assistance of another contractor for construction of Esquimalt Graving Dock. (Printed on Page 95 of the Evidence.)
M4	Oct. 21, '84..	LETTER from Sec'y. Public Works Dept. to Michael Starrs, asking him to call at Department respecting Esquimalt Graving Dock. (Printed on Page 95 of the Evidence.)
N4	Sept. 29, '84..	REPORT of H. F. Perley, Chief Engineer, on tenders received for the completion of Esquimalt Graving Dock. (Printed on Page 96 of the Evidence.)
O4	Oct. 16, '84..	ORDER IN COUNCIL awarding contract for Esquimalt Graving Dock to Starrs & O'Hanly. (Printed on Page 96 of the Evidence.)
P4	Oct. 25, '84..	ORDER IN COUNCIL allowing withdrawal of tender of Starrs & O'Hanly, and awarding contract to Larkin, Connolly & Co. (Printed on Page 97 of the Evidence.)
Q4	Oct. 13, '84..	SCHEDULE of tenders received for completion of the Graving Dock at Esquimalt. (Printed on Page 98 of the Evidence.)
R4.	Feb. 3, '85..	ORDER IN COUNCIL authorizing that the inverts and caisson recess, Esquimalt Graving Dock, be not constructed and that the Dock bottom be carried out. (Printed on page 99 of the Evidence.)
S4	Feb. 16, '85.	LETTER from J. W. Trutch to Sir Hector Langevin, respecting changes authorized in the Graving Dock at Esquimalt, and recommending use of granite instead of sandstone. (Printed on Page 100 of the Evidence.)
T4	Feb. 21, '85..	REPORT of H. F. Perley on substitution of granite for sandstone, Esquimalt Graving Dock. (Printed on Page 101 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
U4	Jan. 21, '85..	MEMORANDUM of H. F. Perley for the Minister *re* proposed additional length Esquimalt Graving Dock. (Printed on Page 101 of the Evidence.)
V4	April 16, '85..	LETTER from J. W. Trutch to Sir Hector Langevin *re* tranfer of material and plant, Esquimalt Graving Dock, to Larkin, Connolly & Co. (Printed on Page 102 of the Evidence.)
W4	April 16, '85..	LETTER from W. Bennett to J. W. Trutch, respecting transfer of material and plant, Esquimalt Graving Dock, to Larkin, Connolly & Co. (Printed on Page 103 of the Evidence.)
X4	May 12, '85..	LETTER from A. Gobeil, Sec'y. Dept. Public Works, to J. W. Trutch, stating that contractors for Esquimalt Graving Dock must take over all plant; also, that deduction will not be made from progress estimate. (Printed on Page 104 of the Evidence.)
Y4	..... .	BACKING of letter from Secy. of State for Colonies, respecting Imperial contribution towards enlargement of Esquimalt Graving Dock (letter not being enclosed).
Z4	Nov. 21, '89..	ORDER IN COUNCIL authorizing application to Imperial Government for a further contribution towards increasing length of Esquimalt Graving Dock by 100 feet. (Printed on Page 105 of the Evidence.)
A5	June 6, '83..	ARTICLES OF CO-PARTNERSHIP between P. Larkin, N. K. Connolly, O. E. Murphy and R. H. McGreevy, for construction of Cross-wall, Quebec Harbour. (Printed on Page 107 of the Evidence.)
B5	April 25, '89..	STATEMENT from books of Larkin, Connolly & Co., prepared by book-keeper. (Printed on Page 109 of the Evidence.)
C5	June 2, '85..	CERTIFICATE, &c., of Auditors' Trial Balance Sheet, Larkin, Connolly & Co., for Lévis Graving Dock. (Printed on page 110 of the Evidence.)
D5	June 2, '85..	CERTIFICATE of Auditors' Cash Trial Balance, Larkin, Connolly & Co., for Quebec Harbour improvements. (Printed on Page 110 of the Evidence.)
E5	May 4, '86..	TRIAL BALANCE, Quebec Harbour improvements, from 1st May, 1885, to 1st April, 1886.
F5	Mar. 29, '87..	TRIAL BALANCE AND STATEMENT, Quebec Harbour improvements, from 1st April, 1886, to 1st April, 1887.
G5	Feb. 27, '88..	TRIAL BALANCE AND STATEMENT of Quebec Harbour improvements, from 1st April, 1887, to February, 1888.
H5	Feb. 28, '88..	TRIAL BALANCE AND STATEMENT of Graving Dock, Lévis, from 1st April, 1887, to 1st February, 1888.
I5	Mar. 2, '88..	TRIAL BALANCE AND STATEMENT of Esquimalt Graving Dock contract, from commencement up to 1st March, 1888.
J5	....	STATEMENT made by Larkin, Connolly & Co.'s engineer of estimated cost for the completion of Lévis Graving Dock.
K5	May 19, '84..	COPIES OF LETTER (2) from Larkin, Connolly & Co. to Chief Engineer Department Public Works *re* completion of Graving Dock, Lévis; also STATEMENT showing cash on account contract work and extras to date, 19th May, 1881; and STATEMENT of cash required by Larkin, Connolly & Co. to fully complete dock, as per letter (Exhibit K5).

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
L5	April 25, '89..	COPY OF ITEMS taken from books of Larkin, Connolly & Co. *re* notes paid by them in connection with Lévis Dock. (Printed on Page 116 of the Evidence.)
M5	. . . . .	MEMO., signed "Larkin, Connolly & Co.," agreeing to pay certain sums of money, provided contracts for dredging Quebec Harbour Works, &c., are awarded them. (Printed on Page 118 of the Evidence.)
N5	1890....	BLUE BOOK containing statements and correspondence *in re* Quebec Harbour Works, Esquimalt Graving Dock, &c.
O5	April 16, '90..	LETTER from Lord Knutsford to Lord Stanley respecting extension of the Graving Dock, Esquimalt. (Printed on Page 126 of the Evidence.)
P5	April 16, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, respecting the recoursing, &c., of Graving Dock, Esquimalt. (Printed on Page 126 of the Evidence.)
Q5	April 16, '85 .	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, in confirmation of foregoing telegram (Exhibit P5). (Printed on Page 126 of the Evidence.)
R5	April 18, '85..	TELEGRAM from Hon. J. W. Trutch stating that "design furnished Bennett by contractors for recoursing will be carried on, and alterations will increase price of work." (Printed on Page 127 of the Evidence.)
S5	April 20, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that there will not be any extra amount of dressed stone allowed beyond schedule of quantities, which will be adhered to in making estimate. (Printed on Page 127 of the Evidence.)
T5	April 20, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming foregoing telegram (Exhibit S5). (Printed on Page 128 of the Evidence.)
U5	April 29, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, requesting to be informed whether telegram and letter of 17th, in which allowance to contractors is referred to has been received by him. (Printed on Page 128 of the Evidence.)
V5	May 1, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that contractors for Graving Dock are pressing for money, and requesting that amount be telegraphed. (Printed on Page 128 of the Evidence.)
W5	May 1, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, requesting to be informed whether permission has been given to contractors with respect to using larger courses. (Printed on Page 128 of the Evidence.)
X5	May 2, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, *re* substitution of larger courses, &c. (Printed on Page 129 of the Evidence.)
Y5	May 4, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that Minister authorizes him to permit contractors to build work with stone of increased sizes. (Printed on Page 129 of the Evidence.)
Z5	May 4, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming foregoing telegram (Exhibit Y5). (Printed on Page 129 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
A6	May 11, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, referring to alterations of details, &c. (Printed on Page 130 of the Evidence.)
B6	May 18, '85..	LETTER from Hon. J. W. Trutch to Larkin, Connolly & Co., instructing them *in re* alterations of details, &c. (Printed on Page 130 of the Evidence.)
C6	Jan. 25, '86..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that Minister directs that contractors be paid for full quantity of stone in dock, &c. (Printed on Page 131 of the Evidence.)
D6	Jan. 28, '86..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming foregoing telegram (Exhibit C6). (Printed on Page 132 of the Evidence.)
D6½	Feb. 15, '86..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, requesting to be informed whether payment for increased sizes of stone is included in January estimate. (Printed on Page 132 of the Evidence.)
E6	Feb. 15, '86..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that January estimate was made out in accordance with instructions for measurement of masonry. (Printed on Page 132 of the Evidence.)
F6	May 2, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming telegram dated 2nd May, 1885, *re* deduction for plant from first progress estimate. (Printed on Page 133 of the Evidence.)
G6	May 4, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, giving additional explanation relative to advances on materials delivered, &c. (Printed on Page 133 of the Evidence.)
H6	May 19, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, referring to deductions to be made from amount of progress estimate. (Printed on Page 134 of the Evidence.)
I6	May 1, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Worke, stating that Bennett is measuring for estimates. (Printed on Page 134 of the Evidence.)
J6	May 4, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that Bennett has not completed estimates. (Printed on Page 135 of the Evidence.)
K6	April 16, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that he proposes giving progress estimate on 1st proximo. (Printed on Page 135 of the Evidence.)
L6	April 15, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, requesting to be informed when plan of circular head will be sent. (Printed on Page 135 of the Evidence.)
M6	May 14, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, acknowledging receipt of letter and plans showing alterations to be made at head of dock. (Printed on Page 135 of the Evidence.)
N6	May 22, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that drawings showing alterations, &c., have been signed by him, and copy of them handed to contractors. (Printed on Page 136 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
O6	Dec. 29, '86..	LETTER from Chief Engineer, Department of Public Works, to Larkin, Connolly & Co., requesting to be furnished with copy of explanations *re* items in dispute in final measurement. (Printed on Page 138 of the Evidence.)
P6	April 7, '85..	LETTER from Chief Engineer, Department of Public Works, to Larkin, Connolly & Co., *re* their offer to complete Lévis Graving Dock. (Printed on Page 138 of the Evidence.)
Q6	Aug. 8, '84 .	TELEGRAM from Secretary, Department of Public Works, to J. W. Trutch, *re* notice extending time for receiving tenders for Graving Dock, Esquimalt. (Printed on Page 140 of the Evidence.)
R6	Sept. 11, '84..	LETTER from Chief Engineer, Department of Public Works, to Thos. McGreevy, M.P., enclosing copy of specification, &c., of Esquimalt Graving Dock. (Printed on Page 141 of the Evidence.)
S6	Jan. 18, '86..	REPORT of Chief Engineer, Department of Public Works, on Esquimalt Graving Dock. (Printed on Page 143 of the Evidence.)
T6	April 29, '85..	REPORT of Chief Engineer, Department of Public Works, on Mr. Trutch's letter respecting plant and materials to be taken over by contractors for completion of Graving Dock, Esquimalt. (Printed on Page 145 of the Evidence.)
U6	Feb. 21, '88..	LETTER from Chief Engineer, Department of Public Works, to Secretary, Department of Public Works, enclosing amended final estimate for work done at Esquimalt Graving Dock. (Printed on Page 146 of the Fvidence.)
V6	July 22, '84..	LETTER from Hon. J. W. Trutch, to Minister of Public Works, enclosing amended specification form of tender and plans showing modifications in the construction of Esquimalt Graving Dock. (Printed on Page 151 of the Evidence.)
W6	July 27, '84..	LETTER from W. Bennett, to Hon. J. W. Trutch, transmitting specification and three tracings, &c., shewing proposed alterations in the construction of Caisson recess. (Printed on Page 152 of the Evidence.)
X6	July 4, '84..	TELEGRAM from J. W. Trutch, to Chief Engineer, Department of Public Works, *re* caisson chamber wall recesses. (Printed on Page 152 of the Evidence.)
Y6	Aug. 25, '84..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, transmitting 10 copies of specification, &c., for construction of Esquimalt Graving Dock. (Printed on Page 153 of the Evidence.)
Z6	Aug. 28, '85..	LETTER from Hon. J. W. Trutch, to Minister of Public Works, transmitting copy of Progress Report of work done on Esquimalt Graving Dock, up to 30th June last. (Printed on Page 153 of the Evidence.)
A7	May 26, '84..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, informing him that two tenders, which were received for the completion of Graving Dock at Esquimalt, were not entertained by the Minister. (Printed on Page 157 of the Evidence.)
B7	May 29, '84..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W, Trutch, requesting that copies of plans, &c., be made and forwarded, after revision of same has been made, so that advertisements, &c., may be issued. (Printed on Page 158 of the Evidence.)
C7	.....	PHOTOGRAPH of Esquimalt Graving Dock.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
D7	July 4, '84..	LETTER from President of the Privy Council transferring copy of a despatch from the Lieutenant-Governor of British Columbia and of a minute of the Executive Council of that Province, protesting against any change in the plans, &c., of Graving Dock at Esquimalt. (Printed on Page 176 of the Evidence.)
E7	April 26, '89..	STATEMENT of expenditure in connection with Esquimalt Graving Dock. (Printed on Page 178 of the Evidence.)
F7	Feb. 19, '86..	LETTER from P. Larkin to O. E. Murphy, respecting request made by friends for an additional amount of $5,000, &c. (Printed on Page 188 of the Evidence.)
G7	Feb. 25, '86..	LETTER from Michael Connolly to O. E. Murphy, informing him of advances in labourers wages; also refers to a previous letter of his, in which it is stated that, provided the sum of $250,000 is granted for extension of dock at Esquimalt, $50,000 would be given for charitable purposes. (Printed on Page 190 of the Evidence.)
H7	Feb. 15, '86..	LETTER from Michael Connolly to O. E. Murphy, requesting him to endeavour to secure by private tender contract for work to be done in connection with the erection of forts in British Columbia; also refers to extension of dock. (Printed on Page 191 of the Evidence.)
I7	Jan. 18, '85..	LETTER from Michael Connolly to O. E. Murphy, requesting him to see authorities with a view of having the double entrance at the head of Esquimalt Graving Dock changed to circular head; also encloses a clipping from the Victoria *Times*, respecting the enlargement of dock. (Printed on Page 191 of the Evidence.)
J7	Jan. 12, '85..	LETTER from Michael Connolly to O. E. Murphy, stating that no steps have been taken to locate quarries, as certain parties are desirous of having stone specified changed to granite; also requesting that a couple thousand feet of steel wire be sent him. (Printed on Page 193 of the Evidence.)
K7	Feb. 28, '85..	LETTER from P. Larkin to O. E. Murphy, respecting the substitution of granite for sand stone. (Printed on Page 194 of the Evidence.)
L7	Feb. 24, ...	LETTER from R. H. McGreevy to O. E. Murphy, informing him that second entrance of Esquimalt Dock has been done away with, and circular head substituted in lieu thereof. (Printed on Page 194 of the Evidence.)
M7	Feb. 8, '85..	LETTER from Michael Connolly to O. E. Murphy, informing him of purchase of a tug and (2) scows to carry sand and gravel to dock; also requesting him to endeavour to have the dock lengthened, and have circular head put in lieu of double entrance. (Printed on Page 195 of the Evidence.)
N7	June 24, '91..	STATEMENT showing amount deducted from estimates for value of plant, *in re* Larkin, Connolly & Co.'s contract. (Printed on Page of the Evidence.)
O7	Sept. 21, '87..	REPORT of Chief Engineer, Department of Public Works, to Minister of Public Works, recommending that W. Bennett, Resident Engineer at Esquimalt, be notified that his services will not be required on and after 31st December, 1887. (Printed on Page of the Evidence.)
P7	Sept. 26, '87..	LETTER from the Secretary, Department of Public Works, to W. Bennett, notifying him that his services as Resident Engineer will not be required on and after 31st December, 1887. (Printed on Page of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
Q7	Sept. 26, '87..	LETTER from Secretary, Department of Public Works, to Chief Engineer, Department of Public Works, informing him that the services of W. Bennett have been dispensed with, and enclosing a letter to Mr. Bennett, notifying him of the fact, and requesting that same be transmitted to him.
R7	Dec. 11, '86..	LETTER from Secretary, Department of Public Works, to Larkin, Connolly & Co., acknowledging receipt of their letter, dated 7th December, 1886, *re* statement of claims, and informing them that matter has been referred to Chief Engineer for report. (Printed on Page 200 of the Evidence.)
S7	June 3, '84..	LETTER from Secretary, Department of Public Works, to J. S. Noad, informing him that no information can be given as to the quantity of cement which will be required for the Esquimalt Graving Dock. (Printed on Page 200 of the evidence.)
T7	June 2, '82..	LETTERS (copies of) from the contractors "McNamee & Co.," *re* construction of Graving Dock at Esquimalt, and of Engineer's reply, together with copy of report from the Engineers Kinipple & Morris on the above dock. (Printed on Page 200 of the Evidence.)
U7	Mar. 24, '84..	LETTER from Secretary, Department of Public Works, to Hon. J. W. Trutch, respecting claim of McNamee & Co., to be paid for plant furnished by them in connection with the works of Esquimalt Graving Dock, and requesting to be supplied with a detailed statement of such plant. (Printed on Page 201 of the Evidence.)
V7	Mar. 15, '84..	REPORT of Chief Engineer, Department of Public Works, *re* McNamee & Co.'s claim for allowance on plant taken from them by Government, &c. (Printed on Page 201 of the Evidence.)
W7	....	PROMISSORY NOTES (5), dated Quebec, 1st May, 1883, for $5,000 each, all signed Larkin, Connolly & Co., per O. E. M. (See Page 204 of the Evidence.)
X7	.....	PROMISSORY NOTES (5), dated Quebec, 2nd June, 1884, all signed Larkin, Connolly & Co., per O. E. M., and made payable to members of the firm. (See Page 204 of the Evidence.)
Y7	.....	PROMISSORY NOTE, dated Quebec, 28th November, 1884, signed Larkin, Connolly & Co., per O. E. M., to order of Michael Connolly ; also—
Y7	May 30, '85..	VOUCHER for $3,000, *re* Quebec Harbour Improvements, which is annexed to foregoing Exhibit V7. (See Page 204 of the Evidence.)
Z7	.....	PROMISSORY NOTE (3), dated Quebec, 3rd June, 1885, signed Larkin, Connolly & Co., and made payable to order of N. K. Connolly. (See Page of the Evidence.)
A8	.....	PROMISSORY NOTES (3) and (3) cheques, which were given in consideration of advances made by Michael Connolly to the firm.
B8	.....	CHEQUE (1), dated 27th June, 1887, on British North America Bank, to order of O. E. Murphy, for $52,500, signed Larkin, Connolly & Co., together with two (2)—
B8	.....	PROMISSORY NOTES, annexed, for $52,500 each, to order of "ourselves," being loans made to the firm by O. E. Murphy. (See Page 205 of the Evidence.)
C8	.....	CHEQUES on Bank of British North America in British Columbia, dated Victoria, 1885. (See Page 204 of the Evidence.)
D8	.....	CHEQUES (23), together with a receipt from R. H. McGreevy, dated 25th January, 1887, for $13,000. (See Page 204 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
E8	....	BILL-BOOK of the firm of Larkin, Connolly & Co.
F8	....	CHEQUE AND STUB-BOOK of Larkin, Connolly & Co., in connection with Esquimalt Graving Dock contract.
G8	April 25, '89..	STATEMENT of R. H. McGreevy's account, prepared by book-keeper from books of Larkin, Connolly & Co. (Printed on Page 207 of the Evidence.)
H8	June 15, '85..	STATEMENT of indebtedness or the firm of Larkin, Connolly & Co., in connection with Quebec Harbour Improvement contract. (Printed on Page 207 of the Evidence.)
I8	Jan. 16, '85..	LETTER from Michael Connolly to O. E. Murphy, acknowledging receipt of letters dated 2nd and 6th January, and informing him that quarries have been located, and that men are to start working on same at once. (Printed on Page 208 of the Evidence.)
J8	Mar. 28, '85..	LETTER from Michael Connolly to O. E. Murphy, acknowledging letter of 18th March, transmitting cheque for $5,000. (Printed on Page 209 of the Evidence.)
K8	Dec. 17, '85..	LETTER from Michael Connolly to O. E. Murphy, informing him of interview had with Chief Engineer, Department of Public Works, after the latter's return from British Columbia. (Printed on Page 210 of the Evidence.)
L8	Jan. 2, '85..	LETTER from P. Larkin to O. E. Murphy, stating that he hopes getting Bank of Toronto to put up security deposit. (Printed on Page 210 of the Evidence.)
M8	Jan. 17, '85..	LETTER from P. Larkin to O. E. Murphy, respecting substitution of security deposited in connection with Esquimalt Graving Dock contract. (Printed on Page 211 of the Evidence.)
N8	Feb. 12, '85..	LETTER from Michael Connolly to O. E. Murphy, acknowledging receipt of letter, dated 2nd February, *re* extension of Graving Dock, and urging that steps be taken to have the pump machinery and its management turned over to the firm. (Printed on Page 211 of the Evidence.)
O8	Mar. 23, '85..	LETTER from Michael Connolly to O. E. Murphy, respecting the substitution of granite for sandstone. (Printed on Page 212 of the Evidence.)
P8	May 28, '85..	LETTER from Michael Connolly to O. E. Murphy informing him that he has written to Mr. McGreevy about the Hon. Mr. Trutch. (Printed on Page 213 of the Evidence.)
Q8	....	LETTER from Michael, Connolly & Co. to O. E. Murphy, explaining how Mr. Larkin came to give the price for granite to Chief Engineer, Department of Public Works. (Printed on Page 213 of the Evidence.)
R8	Feb. 1, 85..	LETTER from Michael Connolly to O. E. Murphy, informing him that Gallagher has a force of men working at the quarry. (Printed on Page 214 of the Evidence.)
S8	Feb. 2, '86..	LETTER from M. Connolly to O. E. Murphy, stating that Sir Hector wired instructions to Trutch to measure all stone in the dock full as built. (Printed on Page 214 of the Evidence.)
T8	Jan. 21, '86..	LETTER from Michael Connolly to O. E. Murphy, informing him of interview had with British Columbia M. P's., respecting extension of Graving Dock at Esquimalt. (Printed on Page 214 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
U8	Mar. 16, '86..	LETTER from Michael Connolly to O. E. Murphy, respecting deductions made by W. Bennett on monthly estimates for plant. (Printed on Page 215 of the Evidence.)
V8	....	LETTER from R. H. McGreevy to O. E. Murphy, informing him that the memorandum *re* British Columbia Dock is with the Minister, who stated that the conditions contained therein could not be embodied in the contract. Printed on Page 215 of the Evidence.)
W8	Dec. 31, '82..	LETTER from Michael Connolly to O. E. Murphy, *re* Cross-Wall Contract. (Printed on Page 216 of the Evidence.)
X8	Feb. 27, '83..	LETTER from Michael Connolly to O. E. Murphy, acknowledging receipt of letters dated 15th and 18th February, *re* securing Cross-Wall Contract. (Printed on Page 216 of the Evidence.)
Y8	Oct. 12, '82..	LETTER from Michael Connolly to O. E. Murphy, respecting interest given to R. H. McGreevy in Cross-Wall Contract. (Printed on Page 216 of the Evidence.)
Z8	Aug. 25, '82..	LETTER from Michael Connolly to O. E. Murphy, advising him to remain friendly with "Thomas." (Printed on Page 217 of the Evidence.)
A9	Oct. 4, '82..	LETTER from Michael Connolly to O. E. Murphy, requesting to be informed whether the contract for dredging harbour has been signed and whether an interest in same has been reserved for him. (Printed on Page 217 of the Evidence.)
B9	July 23, '82..	LETTER from Michael Connolly to O. E. Murphy, respecting purchase of a dredge, and also enquires about Hon. Thos. McGreevy. (Printed on Page 218 of the Evidence.)
C9	Dec. 9, '82..	LETTER from Michael Connolly to O. E. Murphy, stating that provided everything is handled carefully there is no doubt but that he will secure contract for Cross-wall, Quebec Harbour Improvements. (Printed on Page 219 of the Evidence.)
D9	Jan. 8, '82..	LETTER from Michael Connolly to O. E. Murphy, *re* Cross-wall Contract. (Printed on Page 219 of the Evidence.)
E9	Nov. 16, '82..	LETTER from Michael Connolly to O. E. Murphy, referring to dredge being built, and making certain suggestions in reference thereto; also refers to changes in design for Cross-wall. (Printed on Page 220 of the Evidence.)
F9	May 4, '87..	LETTER from M. Connolly to O. E. Murphy, respecting extension of Graving Dock at Esquimalt. (Printed on Page 221 of the Evidence.)
G9	Mar. 21, '86..	LETTER from M. Connolly to O. E. Murphy, *re* extension of Graving Dock at Esquimalt. (Printed on Page 222 of the Evidence.)
H9	.....	CHEQUES (2) one for $5,000, dated Quebec, 2nd November, 1887, on Union Bank, payable to order of M. K. Connolly; the other for $5,000, dated, Quebec, 20th March, 1886, on Union Bank, payable to order of "Ourselves."
I9	.....	CHEQUE for $5,000, dated Quebec, 21st November, 1887, on Bank of British North America, and made payable to the order of N. K. Connolly.
J9	Aug. 19, —..	LETTER from Hon. J. W. Trutch to Secretary, Department of Public Works, enclosing copy of advertisement *re* Esquimalt Graving Dock, amended per telegram of 8th August inst. (Printed on Page 246 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
K9	... ...	DIARY of O. E. Murphy for year 1880.
L9	.....	DIARY of O. E. Murphy for year 1880.
M9	....	DIARY of O. E. Murphy for year 1881.
N9	....	DIARY of O. E. Murphy for year 1882.
O9	.....	DIARY of O. E. Murphy for year 1883.
P9	... ...	DIARY of O. E. Murphy for year 1884.
Q9	... .	DIARY of O. E. Murphy for year 1885.
R9	.....	DIARY of O. E. Murphy for year 1886.
S9	.....	DIARY of O. E. Murphy for year 1887.
T9	.....	DIARY of O. E. Murphy for year 1888.
U9	... ...	DIARY of O. E. Murphy for year 1889.
V9	.....	DIARY of O. E. Murphy for year 1890.
W9	.....	CHEQUE on Union Bank of Lower Canada, dated 21st July, 1887, for $1,000, to order of "myself," signed and endorsed by O. E. Murphy
X9	.....	BANK PASS-BOOK of O. E. Murphy, in account with Union Bank of Lower Canada, from 1st June, 1886, to 30th May, 1888.
Y9	....	PROMISSORY NOTES (3) for $4,000, $3,000 and $750, dated, respectively, Quebec, 1st March, 1889, 18th December, 1889, and 19th February, 1891, all signed O. E. Murphy, and made payable to the order of R. H. McGreevy.
Z9	.....	STATEMENT of R. H. McGreevy's account with Quebec Bank, from 2nd January, 1883, to 14th December, 1887.
A10	....	STATEMENT of Larkin, Connolly & Co.'s account with Quebec Bank, from 23rd January, 1884, to 20th June, 1885.
B10	.....	REQUISITION, dated 9th February, 1884, to Quebec Bank, for draft on New York, for $1,000, favour Henry Clews & Co., signed O. E. Murphy.
C10	.....	STATEMENT of O. E. Murphy's account with Jas. Macnider & Co., from 11th January, 1883, to 17th October of the same year.
D10	.....	PROMISSORY NOTE for $400,000, signed Michael Connolly, and made payable to order of E. Murphy, and endorsed on back—"Pay to the order of R. H. McGreevy; E. Murphy; without recourse."

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
E10	May 28, '83..	ORDER IN COUNCIL authorizing Department of Railways and Canals to enter into contract with Mr. Julien Chabot, for a term of five years, for the services of the vessel "Admiral." (Printed on Page 291 of the Evidence.)
F10	Nov. 7, '83..	CONTRACT between Julien Chabot and Minister of Railways and Canals to run his steamer "Admiral" on Baie des Chaleurs, between Campbellton and Gaspé, in connection with the Intercolonial Railway, for five years. (Printed on Page 292 of the Evidence.)
G10	....	STATEMENT of O. E. Murphy, as published in the newspaper "Le Canadien." (Printed on Page 311 of the Evidence.)
H10	June 3, '85..	LETTER from P. MacEwan to Larkin, Connolly & Co., stating that all cheques drawn upon Union Bank of Lower Canada will require to be signed by one member of the firm, and countersigned by another. (Printed on Page 314 of the Evidence.)
I10	....	CHEQUE, dated Quebec, 15th September, 1881, on Exchange Bank, Olean, N.Y., for $2,350, to order of E. Murphy, signed N. K. & M. Connolly, endorsed E. Murphy. (Printed on Page 315 of the Evidence.)
J10	Dec. 28, '88..	LETTER from Secretary, Department of Railways and Canals, to O. E. Murphy & R. H. McGreevy, returning deposit receipt for $7,500, which accompanied their tender, for work in connection with the upper and lower entrance of the Sault Ste. Marie Canal. (Printed on Page 315 of the Evidence.)
K10	Jan. 26, '87..	ACCOUNT of Henry Birks & Co., amounting to $1,885, for jewellery purchased by O. E. Murphy for Chief Engineer, Department of Public Works.
L10	.....	STATEMENT in connection with British Columbia Dock, Quebec Harbour Improvements, and Profits of R. H. McGreevy's account.
M10	Dec. 6, '82..	LETTER from N. K. Connolly to O. E. Murphy, requesting him to see "T" with a view of having him recommend the release of certificate of deposit. (Printed on Page 380 of the Evidence.)
N10	Dec. 15, '82..	LETTER from N. K. Connolly to O. E. Murphy, requesting the return of the certificate of deposit which the Minister of Public Works ordered to be released. Also to see about tendering in connection with the Graving Dock, British Columbia. (Printed on Page 382 of the Evidence.)
O10	Dec. 19, '84..	LETTER from N. K. Connolly to O. E. Murphy, stating that a great deal of the plant, which is to be taken over, will be of very little use, &c. (Printed on Page 382 of the Evidence.)
P10	Feb. 16, '84..	LETTER from N. K. Connolly to O. E. Murphy, stating that Mr. Perley and Mr. Boyd would, with very little persuasion, recommend throwing the material back and levelling the same.
Q10	Dec. 12, '84..	LETTER from N. K. Connolly to O. E. Murphy, referring to the lengthening of the British Columbia Graving Dock, &c. (Printed on Page 384 of the Evidence.)
R10	Dec. 25, '84..	LETTER from Nicholas K. Connolly to O. E. Murphy, protesting against having to pay wages of certain men which are not under their control. (Printed on Page 394 of the Evidence.)
S10	Sept. 11, '85..	LETTER from Michael Connolly to Nicholas K. Connolly, acknowledging his letter of the 31st ulto., and requesting him to send Hume to British Columbia, also refers to amounts allowed on Progress Estimates of work done and which are inadequate to meet current expenses. (Printed on Page 395 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
T10	Sept. 9, '85..	LETTER (copy of) from Larkin, Connolly & Co. to Honourable J. W. Trutch *re* request made by them to re-course masonry of the Esquimalt Graving Dock. (Printed on Page 396 of the Evidence.)
U10	May 11, '89..	TRANSFER, O. E. Murphy to Messrs. N. K. Connolly and Michael Connolly of his right, title and interest in the contracts for building the Cross-wall, Dredging, South Wall, Lévis Graving Dock, &c.
V 10	.....	FINAL ESTIMATE (No. 37) of value of work done and materials delivered by Larkin, Connolly & Co. up to 30th December, 1889, under contract for construction of Cross-walls.
W10	June 24, '91..	LETTER from M. G. Dickieson to H. V. Noel, giving amounts paid to Quebec Bank on account of Baie des Chaleurs Railway Company. (Printed on Page 421 of the Evidence.)
X10	Oct. 1, '86..	LETTER from G. B. Burland to H. V. Noel, enclosing cheque for $8,000, and requesting him to pay over the same to any person whom Mr. T. Robitaille may direct. Printed on Page 422 of the Evidence.)
Y10	Oct. 4, '86..	LETTER from T. Robitaille to H. V. Noel, requesting him to pay to R. H. McGreevy the cheque sent him by G. B. Burland. (Printed on Page 422 of the Evidence.)
Z10	Nov. 12, —..	LETTER from R. H. McGreevy to H. V. Noel, stating that he has an order on him for $8,000, and requesting to be informed whether he is to send the same to him or whether he will have to go to Ottawa to draw the amount. (Printed on Page 422 of the Evidence.)
A11	Nov. 12, '86..	LETTER from T. Robitaille to H. V. Noel, requesting that cheque sent him by G. B. Burland for $8,000 be paid over to R. H. McGreevy. (Printed on Page 423 of the Evidence.)
B11	Nov. 13, '86..	LETTER from G. B. Burland to H. V. Noel, enclosing cheque for $8,000, which sum is to be paid over to any person whom Hon. T. Robitaille may direct. (Printed on Page 423 of the Evidence.)
C11	Dec. 9, '86..	LETTER from Hon. T. Robitaille to H. V. Noel requesting him to pay over to R. H. McGreevy the cheque sent him by G. B. Burland. (Printed on Page 423 of the Evidence.)
D11	Dec. 17, '86..	LETTER from G. B. Burland to H. V. Noel enclosing cheque for $8,000, which sum is to be paid over to any person whom Mr. T. Robitaille may direct. (Printed on Page 423 of the Evidence.)
E11	.....	STATEMENT of payment made by the Dominion Government to Quebec Bank on power ef attorney from the Baie des Chaleurs Railway Co. (Printed on Page 424 of the Evidence.)
F11	June 4, '83..	RECEIPT for $1,000, being amount contributed by Larkin, Connolly & Co., towards Langevin Testimonial Fund. (Printed on Page 432 of the Evidence.)
G11	May 5, 83..	LETTER from Simon Peters to Deputy Minister Public Works, calling attention to his tender for the construction of Cross-wall, and stating that same will, upon examination, be found to be the lowest. (Printed on Page 432 of the Evidence.)
H11	May 16, '83..	LETTER from Deputy Minister Public Works to Simon Peters, informing him that his letter of the 5th May *re* his tender for construction of Cross-wall has been communicated to the Chief Engineer, and that schedule of tenders has been handed to the Minister. (Printed on Page 433 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
I11	....	ORIGINAL notes made by Simon Peters in comparing his tender with that of Larkin, Connolly & Co. for construction of Cross-wall.
J11	.....	COMPARATIVE statement of Larkin, Connolly & Co.'s tender with that of Peters *et al* in connection with the construction of Cross-wall.

THE

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

MINUTES OF EVIDENCE.

1891.

OTTAWA:
PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

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MINUTES OF EVIDENCE.

TUESDAY, 26th May, 1891.

The Committee met, Mr. KIRKPATRICK in the Chair.

Mr. JAMES WOODS sworn:

By the Chairman:

Q. What is your name?—A. James Woods, Acting Secretary-Treasurer of the Quebec Harbour Commissioners.

By Mr. Geoffrion:

Q. Since how long are you in the employ of the Quebec Harbour Commissioners?—A. Since 1876.

Q. You are now the Acting Secretary?—A. Yes; Acting Secretary-Treasurer.

Q. There is no Secretary-Treasurer?—A. No; there is no Secretary-Treasurer.

Q. Who was Secretary-Treasurer before the vacancy?—A. A. H. Verret.

Q. When did he cease to be Secretary-Treasurer?—A. In February, 1890.

Q. Since then you have been in that office and you are the custodian of the papers of the Commission?—A. Yes, Sir.

Q. In compliance with the subpœna that was served upon you, did you bring all the papers that you found in the Harbour Commissioners' office in connection with the contracts mentioned in the order?—A. All that I could see.

Q. Can you tell whether amongst those papers there are the tenders which were called for the Graving Dock at Lévis some time in 1878?—A. Only a portion of them.

Q. Plans and specifications would also be there?—A. The plans of the Graving Dock, I believe the Public Works Department has them. I arranged with the engineer to forward all plans of the Lonise Docks and Graving Dock, but I believe the Graving Dock plans have already been sent to the Department of Public Works.

Q. Have you also in connection with those papers the notices calling for tenders?—A. No, Sir; they are in a scrap-book in the office. I could send for them.

Q. No doubt they would be annexed to the contracts?—A. Yes.

Q. Do you remember also whether there was a supplementary contract in connection with those works—the Lévis Dock?—A. Yes.

Q. Have you brought with you the correspondence and other papers in connection with that supplementary contract?—A. I think so.

Q. Can you now file them?—A. It would take me a little while to go through them.

Q. They are not classified?—A. No. They are placed in bundles yearly. The work had to be done in a very great hurry in obedience to the order of the Committee, and there was no time to make a synopsis. If the time is given to me I can deposit them.

Q. You could at least put your hand at once upon the supplementary contract that was passed in 1884, if I am not mistaken?—A. Yes, Sir; I think so.

Q. Where are those papers—in the other room?—A. In the other room; yes.

Q. You had better go and get them?—A. This is the original contract for 1878, and the supplementary contract bound in one volume.

Q. The correspondence is not in that volume?—A. No, Sir.

Q. It would require a different search for you to find the correspondence?—A. Yes, Sir. I may say it would take some time to collect that correspondence

Q. Are you in possession, also, of the tenders which were asked for in 1882 for dredging the harbour at Quebec ?—A. Yes.

Q. Was there only one set of tenders ?—A. I cannot remember exactly.

Q. I mean was there not only one set, but were there two tenders called for in 1882 ? Get your minute book for 1882.

Q. It was some time in May, 1882 ?—A. There was only a set of tenders to the best of my knowledge.

Mr. TARTE—You are mistaken. On the 31st of May I think you will find it ?—A. There are two sets of tenders, one is for dredging, and the other is for closing the opening at the gas wharf.

By Mr. Geoffrion:

Q. What date were those tenders ?—A. 5th July, 1882. That is the date the tenders were opened.

Q. What is the date the tenders were called for ?

Mr. TARTE—I think it is some time in the month of May.

A. This is the date—31st May. Tenders to be called for the dredging of the dock basin.

By Mr. Geoffrion :

Q. Do you find in a minute book a resolution ordering the calling of tenders for the dredging of the dock basin ?—A. Yes.

Q. Will you read the resolution ?—A. " *Resolved*, That tenders be called for the dredging of our dock basin according to a schedule to be prepared by Mr. Pilkington, the resident Engineer to this Commission."

Q. Have you these schedules in your papers ?—A. I am not sure, Sir.

Q. Well take in all schedules.—A. On the 7th June, 1882, tenders were invited for the work of enclosing the Princess Louise Embankment.

Q. Will you read that resolution ?—A. " *Resolved*, That tenders be invited for the work of enclosing the end of the Princess Louise Embankment at the head of the wet dock, by close-piling, in accordance with the plan, specification and bill of quantities prepared by the resident Engineer to this Commission and approved of at this meeting."

Q. Do you find any resolution in the minutes, showing that the first tenders were accepted or acted upon in any way ?—A. On page 357 of the minutes of 10th July, 1882, I find " *Resolved*, That——."

Mr. TARTE—I think you are mistaken. I think that was on the 21st of June.

Q. I think you will find a motion made by Mr. McGreevy to the effect that these tender should not be opened—the first set of tenders.

Mr. STUART—So far we have only got one set.

Mr. GEOFFRION—If we prove that, you will find that there is a second set.

WITNESS—I find the resolution here at page 350 of minute book No. 4 :—" Moved by Hon. Mr. McGreevy, seconded by William Rae, Esq., and *Resolved*, That inasmuch as it appears on the recommendation of the Harbour Master to be advisable that a depth of water in basin and docks, new harbour works, be increased from 24 feet at low water to 26 feet, it be decided upon not to open the tenders for excavation, &c., on the 24-foot basis, but to advertize for tenders on the 26 feet line, and they be required to be sent in by noon on Tuesday, 4th July prox."

By Mr. Tarte :

Q. Have you got the recommendation from the Harbour Master ?—A. There is here a letter, No. 365. On the 21st June, 1882, page 349 of minute book No. 4, this appears : " Read a letter from Mr. F. Gourdeau, Harbour Master, recommending that the Commissioners take the opportunity of the new contract they are giving to add two feet to the depth of both tidal and wet docks."

Q. Have you the letter itself ?—A. I do not know until I look.

Q. Please look for it later ?—A. Will you take a note of the number ; it is No. 365 of the year 1882.

By Mr. Geoffrion:

Q. Are you able to explain now to the Committee whether these first tenders were opened or not?—A. I cannot tell you, Sir, I was not Secretary at the time and I do not know anything about it.

Q. Have you ascertained whether you have these tenders which were then before the Board of Harbour Commissioners among the papers which you have brought up?—A. The only tenders I have seen are those which I have brought with me. I have not been able to examine them closely. They are there, so far as I can identify them.

Q. You say you have not seen the other set of tenders?—A. I have seen only one set of tenders.

Q. Which you have brought here?—A. Yes; but I do not know whether they are the first or the second set.

Q. Have you any entries in your minutes, or in any papers in your possession that would show where those tenders would be now?—A. Not that I have seen.

Q. You have not seen any?—A. There is nothing in the minutes, or anything on record that I have gone through.

Q. You were not acting Secretary-Treasurer then?—A. No Sir.

Q. You have not seen any record or entry in the minutes to explain where they are?—A. No. It might be possible for it to be there and I might not know it. The examination which I made was pretty quick.

Q. Do you know, or can you ascertain by the records in your possession, whether a new contract was entered into by the Quebec Harbour Commissioners in connection with the dredging of the harbour some time in 1887?—A. Yes, Sir, there was.

Sir JOHN THOMPSON—Is the contract put in as an exhibit?

(Contract with Larkin Connolly & Co. for the building of the Lévis Graving Dock and supplemental contract for completion of the Graving Dock filed as Exhibit A.)

By Mr. Geoffrion:

Q. Will you ascertain whether any tenders were called for that contract in 1887?—A. There were no tenders called. I would prefer to get the minute book and then I could read the entry.

Q. What entry do you find in connection with that contract in the minutes?—A. I find the following in the minute of 10th May, 1887:

"Read a letter from Mr. Henry F. Perley, Chief Engineer of the Quebec Harbour Works, transmitting a copy of a correspondence exchanged between himself and the contractors, Larkin, Connolly & Co., in relation to the dredging to be done in the wet dock, harbour works, a portion of which he states it is desirable should be done during the ensuing summer, and recommending that the offer of Messrs. Larkin, Connolly & Co. to do the work at thirty-five cents per yard be accepted, as he considers their price to be fair and reasonable, and suggesting that the expenditure in dredging during the year be limited to $100,000."

At the same meeting the following minute was made:

"*Resolved*, That a contract be signed with Messrs. Larkin, Connolly & Co., agreeably with their tender, for dredging the basin of the new harbour works; provided, first, that the dredged material be placed and levelled on the Louise Embankment or on such other locality belonging to the Harbour Commissioners or that may hereafter be acquired by the Commissioners; second, that the actual contract be confined to work this summer limited to an expenditure of $100,000; third, that after the conclusion of this season the Harbour Commissioners are to have the power to cancel this contract without claim for damages of any kind or compensation whatever, the price in tender for dredging being thirty-five cents per cubic yard."

Q. I see the resolution of the board was that this work at 35 cents was to be continued that summer?—A. Yes.

Q. Do you know whether the work was continued during the following year ?—A. I believe it was, at the same rate and conditions.

Q. Do you know if there are any minutes ordering the continuation of these works ?—There are references to it through the minutes.

Q. It would require a long search ?—A. Yes.

Q. Then take a note of it. Will you make a search to see if any such entries are made ?—A. I will.

Q. My question would apply also to 1889. Do you know whether the same work was continued in 1889 ?—A. I cannot answer for that.

Q, Could you ascertain by your books whether the work was continued in 1889 ?—A. Possibly I could.

Q. If you could not from the books you have brought with you, are you in a position to ascertain it at your office in Quebec ?—A. I have all the engineer's certificates here, they will show it.

Q. Do you know whether any tenders were asked for and received in connection with the cross wall contract in 1883 ?—A. A minute of the 2nd May, 1883, reads as follows :

"The tenders received for the construction of a cross wall in connection with the harbour improvements are then placed on the table and opened, the said tenders being signed by the following named parties respectively :

1st. Larkin, Connolly & Murphy, Lévis.
2nd. J. Samson & A. Samson, Quebec.
3rd. John Gallagher, Montreal.
4th. George Beaucage, Quebec.
5th. Simon Peters and Edward Moore, Quebec.

"Each of the said tenders enclosing an accepted bank cheque for the sum of $7,500 made to the order of the Honourable the Minister of Public Works, is then examined separately, and the whole having been found prepared in conformity with the stipulation of the advertisement published, the Secretary is thereupon directed to forward by mail the said tenders, with their cheques, to the Hon. the Minister of Public Works at Ottawa.

Q. So that tenders were opened in Quebec ?—A. Yes.

Q. So from this the tenders would be in the Public Works Department here ?—A. They were in the Department.

Q. You do not find any record that they were returned ?—A. They were returned; yes, Sir.

Q. Are they among the papers you brought here ?—A. They are, Sir.

Q. All these tenders mentioned ?—A. All the original tenders except the tender of Larkin, Connolly & Co., which was in the possession of the notary.

Q. Which was annexed to the contract ?—A. Yes. All the other original tenders are here.

Q. Will you be kind enough to say whether the whole board was present when the tenders were opened, and give the names of the persons present ?—A. There was one absent. Those present were : P. V. Valin, Chairman, Hon. Thomas McGreevy, Ferdinand Hamel, William Rae, Julien Chabot, John Sharples, L. Bell Forsythe and R. R. Dobell.

Q. The Mr. McGreevy you mention is Thomas McGreevy, is it not ?—A. Yes, sir.

Q. Have you any letter from Mr. Perley calling the attention of the Commissioners to errors or informalities in the tenders in question—in the cross wall tenders ?—A. Yes. I do not recollect any authorized report. The only thing I recollect is a minute of the 4th June, 1883, on page 508 of minute book No. 4. Letter numbered 156 from F. H. Ennis, Secretary of the Public Works Department, Ottawa, transmitting a copy of the Order in Council, dated 28th May last, accepting the tender of Messrs. Larkin, Connolly & Co., for the construction of a proposed cross wall, in connection with the harbour improvements at the mouth of the River

St. Charles, also enclosing a form of contract and of security of agreement used by his Department for works of about the same nature, which forms the Honourable Minister suggests may be used in the present instance by the Commissioners and stating that if used it will not be necessary to submit the draft contract to his Department, but that should any change be made from the conditions of the said forms then the draft of the proposed contract will require to be sent to his Department for the approval of the Honourable the Minister." Then there is a resolution accepting it: "Moved by Julien Chabot, seconded by Ferdinand Hamel, that this meeting authorize the Chairman and Secretary to sign the contract with Messrs. Larkin, Connolly & Co., for the building of the cross wall in accordance with Order in Council just read at the meeting by the Chairman, and that Messrs. McGreevy, Forsythe and Dobell be appointed to assist in considering the various items in connection with said contract."

Q. The cheques accompanying these tenders were kept in Quebec, were they not?—A. I could not say.

Q. The minutes would show?—A. I do not think they show, Sir.

Q. Never mind, I withdraw the question. What you find by the minutes is that the tenders were opened in Quebec and immediately sent on to Ottawa, without taking any action on them, and then the Order in Council and the resolution you refer to, to sign the contract, followed?—A. Yes.

Q. Do you find in your papers any return or letter from Mr. Perley allowing Mr. Gallagher to withdraw, and return him his cheque through the Quebec Harbour Commissioners?—A. There is something in the minutes about it, Sir; but I do not know how he got it. There is something in the minutes, I think, allowing his cheque to be returned.

Q. Would it take much time to find that out—have you the other volume? About the 26th of May would be the date of the letter.—A. I do not find anything. I will make further search for the letter.

Q. You can make further search later. Have you with you the tenders that were asked for in connection with the contract for the south wall?—A. Yes, Sir.

Q. How many are there?—A. I have three tenders, but there are four envelopes here.

Q. Who were the tenderers?—A. I will have to turn to the minutes to ascertain that.

Q. Well, we can ascertain that from the tenders themselves.

The CHAIRMAN—Do you put these tenders in?

Mr. GEOFFRION—Yes. They are as follows:

(Exhibit "B.") Tender of Charles McCarron and John D. Cameron.
(Exhibit "C.") Envelope enclosing the foregoing tender.
(Exhibit "D.") Tender of Michael Connolly.
(Exhibit "E.") Envelope enclosing Connolly's tender.
(Exhibit "F.") Tender of O. E. Murphy.
(Exhibit "G.") Envelope enclosing Murphy's tender.

By Mr. Geoffrion:

Q. I ask you to file the contract itself. That contract was awarded to Gallagher and Murphy?—A. Yes, Sir. (Contract filed and marked Exhibit "H.")

Q. This contract is in notarial form?—A. Yes, Sir.

Q. And you cannot file Gallagher's tender because it was annexed to the Minutes of that notarial deed?—A. So I understand it.

Q. You cannot file the original?—A. No, Sir.

Q. What we file here is a copy?—A. Yes, Sir.

Mr. GEOFFRION—I may state that in Quebec, it is a practice to attach the contract itself to the notarial form. Now here we have the envelope which contained Gallagher's tender, the original of which is at the office of Mr. Charlebois, the notary.

Mr. STUART—That is the way it is marked, but as a matter of fact I think there is a mistake there.

Mr. CHAIRMAN—This, then, is the envelope which is marked as having contained the tender which was accepted. (Envelope filed, and marked Exhibit "I.")

By Mr. Geoffrion :

Q. According to your conditions published in the notices calling for tenders, what was the amount of security that was required to be deposited ?—A. I do not recollect, Sir. It is not mentioned in the minutes, and I do not remember seeing it anywhere else.

Q. Could you ascertain also whether there was any security to be deposited in the cross wall contract ?—A. The last part of the minute reads : " Each of the said tenders enclosing an accepted bank cheque for $7,500, according to the order of the Honourable the Minister of Public Works." That is at page 493 of minute book No. 4.

By Mr. Stuart:

Q. Is that for the south wall contract ?—A. No, the cross wall.

By Mr. Geoffrion :

Q. You say $7,500 according to the resolution of the board ?—A. This was when the tenders were received.

Q. Is there anything to show what became of the deposit when the contract was awarded ?—A. Not that I am aware of.

Q. The minutes do not show ?—A. The minutes will show, but I have not seen anything to that effect.

Q. By referring to Exhibit "H" filed by you, I see that the amount deposited by the contractor for the south wall was $25.000. Do you know how that deposit was made ?—A. I do not, Sir.

Q. Have you any money or cheque amongst the papers of the Commission representing that deposit ?—A. I have.

Q. Will you file it, if it is not money. Is this the cheque ?—A. That is the cheque. It is dated 29th October, 1887. (Cheque filed and marked Exhibit "J.")

Q. I asked you whether it was money or a cheque. It is only a cheque ?—A. Yes.

Q. An accepted cheque ?—A. An unaccepted cheque.

Q. Signed by ?—A. By O. E. Murphy, and payable to the order of N. K. Connolly.

Q. It is not certified ?—A. No.

Q. I see this cheque bears date 29th October, 1887, and the contract filed by you as Exhibit "H" was passed before Charlebois, Notary, on the 16th February, 1887. Will you see whether you had another guarantee before that cheque. I mean not you but the Commission ?—A. There was another guarantee.

Q. Have you any papers to show it ?—A. I have. This is a receipt :

(Exhibit "K.")

"HARBOUR COMMISSIONERS' OFFICE,
"QUEBEC, 31st October, 1887.

"Received from the Secretary-Treasurer of the Quebec Harbour Commission certificate of deposit No. 0481, amounting to $25,627.17, delivered by the Union Bank of Canada on the 30th August, 1886, to Mr. N. K. Connolly, said certificate having been surrendered against a cheque for $25,000, signed by me to the order of the said N. K. Connolly and endorsed by him, which said cheque is substituted for said certificate of deposit which had been given as security in connection with the contract for the south wall harbour works.

O. E. MURPHY."

Q. Is there any minute relating to this ?—A. No ; there is none.

Q. No mention of it, or entries of that substitution in any of the books of the Commission ?—A. None.

Q. So the only official trace of that substitution is this cheque and the receipt you have just filed ?—A. That is all.

Q. Where did you find that cheque?—A. It was in my cash-box. I keep all the cheques.

Q. Did you find amongst the papers any order—written orders—authorizing that substitution?—A. The only thing accompanying the cheque, and with the cheque in the envelope, is this letter; they are in charge of the Secretary, but they are kept in my cash-box.

Q. Read it.—A. The letter reads as follows:

(Exhibit "L.") "Private. QUEBEC, 27th October, 1887.

"DEAR MR. VERRET,—I see objection to your taking Mr. O. E. Murphy's cheque, endorsed by N. Connolly, for the one you now hold on deposit.

"Yours truly,

"THOMAS McGREEVY."

Q. Can you swear to the handwriting? Do you know the handwriting and the signature?—A. It is like Mr. McGreevy's.

Q. Have you any moral doubt that it is Mr. McGreevy's?—A. No moral doubt. would not like to swear positively.

Q. You take it as Mr. McGreevy's handwriting?—A. Yes, Sir.

Q. This letter was found in the same cash box with the receipt and the cheque? —A. Exactly.

Q. This cash box was in charge of Mr. Verret until you replaced him as acting Secretary of the Board?— A. No, sir; it was always in my charge.

Q. You were auditor?—A. I am cashier, or was cashier.

Q. Were you under Mr. Verret's orders?—A. Yes.

Q. You mentioned a few minutes ago the name of Mr. Gourdeau, Harbour Master. He is dead now?—A. Yes.

By the Chairman:

Q. Do you know how this came in the cash box?—A. Yes Sir. I had the cheques previous to that and the letter and cheque were given to me by Mr. Verret and I returned the one I previously had.

Q. You returned the deposit receipt?—A. Yes.

By Mr. Geoffrion:

Q. You are personally aware that this letter refers to the deposit receipt mentioned in the receipt of 31st October, 1887?—A. Yes.

Q. You are the man who had the document and received in exchange this cheque?—A. Yes.

By Mr. Stuart:

Q. Did you return it to Mr. Murphy or to Mr. Verret?—A. To Mr. Verret. I was under Mr. Verret's orders. I merely meant that I held the different documents. (Envelope containing last Exhibit filed and marked Exhibit "M.")

Q. Did you have any correspondence in your official capacity subsequent to that substitution with Mr. O. E. Murphy in connection with that $25,000 cheque?—A. Lately, yes Sir.

Q. You have received letters from Mr. Murphy and Mr. M. K. Connolly in regard to that cheque? You have brought with you those letters?—A. Yes, Sir.

Q. Can you put your hands upon them immediately? It is just as well to have them here now?—A. I only find two just now—one is from Mr. O. E. Murphy, as follows:

(Exhibit "N.") "QUEBEC, 13th March, 1891.

"To JAMES WOODS, Esq.,

"Acting Secretary to the Quebec Harbour Commissioners.

"In reply to yours of the 23rd ultimo, I cannot accept anything but the return

of my cheque of $25,000. Mr. Connolly may erase his name from the back of the cheque.

"Respectfully yours,

"O. E. MURPHY."

There is a letter here from Messrs. Connolly asking for the return of their cheque, and I think there may be another letter or two about the matter. The cheques were ordered to be returned by the board, but we retained this particular $25,000 cheque on account of a dispute between the parties as to ownership, by order of our lawyer.

The letter is as follows:

(Exhibit "O.") "QUEBEC, 31st March, 1890.

"JAMES WOODS, Esq., Acting Secretary-Treasurer,
"Harbour Commission, City.

"DEAR SIR,—Would you kindly inform the Board of Commissioners that inasmuch as the different contracts we have had under construction are nominally completed, we would wish to have the cheques you hold as security returned as soon as possible.

"Very truly yours,

"LARKIN, CONNOLLY & CO.,

"per M. P. CONNOLLY.

"(L. C. & Co., $35,500. O. E. M., $25,000.—Total, $60,500.)"

On page 621 of letter book of 1891, was entered the following reply:

(Exhibit "P.") "QUEBEC, 23rd February, 1891.

"O. E. MURPHY, Esq.

"SIR,—In reply to yours *re* return of security cheque for south wall, I am directed to inform you that if you sign enclosed letter, the cheque in question will be destroyed by the Commissioners, both parties interested being allowed to be present if they so desire. I may further say that Messrs. Larkin, Connolly & Co. agree to this and the Commissioners think it would obviate all the difficulty.

"I remain, yours respectfully,

"JAMES WOODS,

"*Acting Sec.-Treasurer.*"

By Mr. Dickey:

Q. Does that refer to the enclosure?

The CHAIRMAN—It does.

WITNESS—The enclosure simply authorizes the Commissioners to destroy the cheque.

Sir JOHN THOMPSON—It was to be signed, I suppose?

THE CHAIRMAN—Yes; it says if you sign the enclosed letter, the cheque will be destroyed.

By Mr. Geoffrion:

Q. In the letter of 1890 filed, as Exhibit "O," there are figures in the corner in pencil. Can you explain these to the Committee?—A. I do not recollect what they refer to now.

By Mr. Henry:

Q. They are in your handwriting?—A. Yes, Sir.

By Mr. Geoffrion:

Q. Would they refer to two different cheques?—A. Possibly they may, but I could not say positively.

Q. Had you still then in your possession the cross wall cheques?—A. Yes. I had cheques, but I cannot say to what contract they applied. Perhaps by referring to them I could get out what the figures on the letter mean. I observe that they are in my handwriting.

Q. Will you make that investigation at your leisure?—A. I will.

Q. Some time after the signing of the contract for the south wall in 1887, can you find out from the Minutes whether a party by the name of H. La Force Langevin was appointed in any capacity whatever to work on that contract on behalf of the Commissioners?—A. Mr. Langevin must have been in our employ long before 1887.

Q. Was there any resolution transferring him from one work to another?—A. Not that I have seen.

By Mr. Tarte:

Q. Will you see if he was appointed to the south wall works in 1887?—A. Would it be subsequent to February?

Mr. Geoffrion:

Q. That is according to my information?—A. I do not want to be positive, but I am pretty sure there was no special order.

By Mr. Tarte:

Q. Look at the minutes of 1887; you will find it somewhere?—A. Here it is. Minute book No. 6, page 97; Monday, 29th March, 1887. The resolution is as follows:—Moved by Mr. J. Bell Forsythe, seconded by Mr. Ferdinand Hamel, and *Resolved*, That in compliance with the Chief Engineer's recommendation conveyed in one of his letters read at the meeting held 28th December last, the following be his staff for the future, and until a necessity arises for increasing or reducing their number or of dispensing with their services entirely:—Mr. St. George Boswell, resident Engineer, at a salary of $2,500 per annum; Mr. Charles McGreevy to be assistant Engineer of the cross-wall contract and works in connection therewith, at a salary of $1,800 per annum; Mr. H. LaForce Langevin to be assistant Engineer of the outh wall contract, at a salary of $1,800 per annum. All said appointments and salaries to date from the 1st of May prox.

By Mr. Geoffrion:

Q. The Chief Engineer was H. F. Perley?—A. Yes, Sir.

Q. As a matter of fact, Mr. Langevin acted as assistant engineer?—A. Yes.

Q. Could you find Mr. Perley's suggestion or recommendation referred to in this resolution?—A. I think it is likely I have the letter.

Q. If such papers were at Quebec, you brought them here?—A. I brought all the papers bearing on the south wall contract, as far as possible.

Q. Who were the Commissioners present at that meeting on the 9th March?—A. Mr. P. V. Valin, Hon. Thomas McGreevy, Mr. Ferdinand Hamel, Mr. Edmond Giroux, Mr. Julien Chabot, Mr. William Rae, Mr. R. H. Smith, Mr. R. R. Dobell, and Mr. J. Bell Forsythe—the full Board.

Q. You are aware that until 1883, the chief engineers of the Board were Messrs. Kinipple and Morris?—A. To about that time; I am not exactly sure.

Q. Have you with you their engagement as such; it goes back as far as 1875?—A. The papers I brought do not go back to that year, but I have brought up the only thing I could find; the letter referring to their discharge—I have that with me now.

Q. Will you refer to the minutes and see when it was resolved to discharge them. It was sometime in June, 1883—either the first days of June or the end of May?—A. Page 15 of minute book, No. 5, has the following resolution:—"Moved by Mr. McGreevy, seconded by Mr. Edmond Giroux, Mr. Rae dissenting, and *Resolved*, that the Secretary-Treasurer be directed to inform the Honourable the Minister of Public Works that this Commission have dispensed with the services of their

Engineers in chief, Messrs. Kinipple and Morris, and to respectfully request the Honourable Minister of Public Works to recommend an engineer to take charge of the works now under contract with this Commission, in connection with the harbour improvement at the mouth of the River St. Charles."

By Mr. Tarte:

Q. What is the date of that?—A. 18th June, 1883.

Mr. GEOFFRION—There must be something before that?

Mr. TARTE—Yes; there is a protest from Messrs. Dobell and Rae against the dismissal of Messrs. Kinipple and Morris.

WITNESS—This is the resolution dismissing them, 4th June, 1883; Minute book, No. 4, page 507: "Resolved,—That the further services of Messrs. Kinipple and Morris be dispensed with, and that the legal advisers of this board be instructed so to inform them, and that the further works now to be begun and the completion of those commenced, will from this date not be considered as under their charge or supervision, nor as entitling them to any salary, remuneration or commission. The following protest is then lodged by Messrs. Dobell and Rae: 'Messrs. Dobell and Rae, desire to record their protest against the authority of this meeting to deal with the above question as notice of motion was not given at the last meeting of the board; nor did the notice of the secretary calling the meeting give such intimation.'"

Q. Was the motion carried?—A. Yes. It does not say that they insisted.

By Mr. Fitzpatrick:

Q. Do the minutes show that they did insist on their objection?—A. They do not.

By Mr. Geoffrion:

Q. Will you look at the 16th June?—A. At the 16th June, 1883, page 13 of the minute book No. 5, I find:

"Read a letter from William Morris, of the firm of Kinipple & Morris, engineers, conveying his reply to the notarial notification served on him informing him that the Commissioners have dispensed with the services of his firm."

"The said letter after being considered is referred to the legal advisers of the Commission, Messrs. Andrews & Alleyn for their opinion, with instructions to afford them access to all letters, documents, &c., they may require."

"Messrs. Dobell and Sharples then left the hall."

I also find this:

"The Hon. Mr. McGreevy gives notice that at the next meeting he will move the adoption of the following resolution:—'That the Secretary-Treasurer be directed to inform the Hon. the Minister of Public Works that this Commission had dispensed with the services of their engineers in chief, Messrs. Kinipple and Morris, and to respectfully request the Hon. the Minister to recommend an engineer to take charge of the whole works now under contract with this Commission, both in connection with the Harbour improvements at the mouth of the River St. Charles and the Graving Dock at Lévis.'"

The CHAIRMAN—You might also read this resolution on page 13.

Witness reads as follows:

"Mr. Giroux gives notice that at the next meeting he will move the adoption of the following resolution:—'That the Secretary-Treasurer be authorized to inform the resident Engineer, Mr. W. Pilkington, that inasmuch as Messrs. Kinipple and Morris have been notified by this Commission that they are not the engineers of the Harbour improvements and the Graving Dock, he be notified that in the future to report directly to this Commission until further orders.'"

Then in the minutes of the 18th June, 1883, at page 16:

" *Resolved*, That the Secretary-Treasurer be authorized to inform the resident Engineer, Mr. W. Pilkington, that inasmuch as Messrs. Kinipple and Morris have been notified by this Commission that they are not the engineers of the Harbour improvements and the Graving Dock, he be notified that in future to report directly to this Commission until further orders.' "

Q. How long did Mr. Pilkington remain in the employ of the Harbour Commissioners afterwards?—A. I cannot say exactly.

Q. Could you find out? Why did he go will be a question we will ask later on. —A. It was some months afterwards.

Q. You have brought with you I suppose the protest that was served in notarial form on Messrs. Kinipple and Morris?—A. I think so. I brought all the notarial documents I had.

Q. Have you also brought the letter which as stated in the minutes was received by the Commission in answer to the protest?—A. I think so.

Q. You have brought all the notarial documents in connection with that?—A. All that were in my possession.

Q. Will you state whether among those notarial documents, there is a notarial settlement between the Commission and Messrs. Kinipple and Morris?—A. Yes.

Q. By the minutes, what would be the date of that settlement?—A. Here is the resolution of the 2nd August, 1883, page 43, of minute book No. 5:

" *Resolved*, That the Notary to this Commission be directed to prepare a discharge, based on the report from the special committee adopted at this meeting, and that when the same will be approved by the legal advisers to the Commission, the chairman and the secretary-treasurer be, and are hereby authorized to sign such discharge, and pay the sum of $15,046.34 to Messrs. Kinipple and Morris in full settlement of their claim against the Commission for the time they have been their engineers."

I should have read the following as the real settlement:

" *Resolved*, That the sum of $15,046.34 be paid to Messrs. Kinipple and Morris in full settlement of their claim as engineers to the Commissioners, under the terms of their agreement, specified in their letter, of the 23rd August, in the year 1875, and accepted by the Commissioners at their meeting, held the 24th day of said month of August, it being understood that Messrs. Kinipple and Morris, through Mr. Morris, duly authorized to that effect, will give to the Commissioners a notarial discharge of all responsibilities, &c., connected with said terms of agreement, the Commissioners on their part giving a similar discharge, and that Messrs. Kinipple and Morris be retained as consulting engineers to the Commission, at a salary of $1,000 per annum for three years."

Q. Who were present at that meeting?—A. P. V. Valin, Thomas McGreevy, Julien Chabot, Ferdinand Hamel, R. R. Dobell, Edmond Giroux, W. Rae and J. Bell Forsythe.

Q. You have referred to a special committee to attend to this settlement with Kinipple and Morris? Will you give us the names of that committee appointed on the part of the Commissioners?—A. I have the report. That would, perhaps, be the best to give in answer to that question.

Q. What are the names?—A. The report is signed by P. V. Valin, Thomas McGreevy, Julien Chabot and R. R. Dobell. (Report of Special Committee filed and marked " Exhibit Q." Letter from Messrs. Kinipple and Morris *re* terms, dated 24th August, 1875, filed and marked " Exhibit R.")

By Mr. Geoffrion:

Q. Was not Mr. Thomas McGreevy also president of what is known as the Finance Committee of the Harbour Commission?—A. I could not speak of this committee, Sir. Not being secretary, I could not tell.

Q. Are you secretary, now?—A. I am acting secretary now.

Q. Who is president of the Finance Committee now?—A. Well, our sub-committees have never been reorganized since Mr. Verret left, and any three commissioners can sign an account. They constitute themselves a sub-committee, and our law is that each account must be approved of by any three commissioners. I have never, since I have taken charge, looked the matter up, to see how the committees were divided.

Q. Did you bring with you a statement of what was really due at the time of the notarial settlement with Kinipple and Morris?—A. I have brought the books, and the books will show.

Q. Did you examine them and can you make now a statement to that effect?—A. I did not examine them closely, but, speaking from memory, I think that Kinipple and Morris were simply paid what they earned. The report specified they were to be paid on two contracts and their plans of cross wall.

Mr. DAVIES—That is what they had earned up to the time of their dismissal?—A. Yes, up to the time of their dismissal.

The CHAIRMAN—The facts to substantiate that are here up to date.

Hon. Mr. LAURIER—The statement had better be made of what they received.

The CHAIRMAN—It is in the report. It shows the firm's total to be $64,211.45, less paid $49,165.11, leaving a balance due them of $15,046.34.

Mr. GEOFFRION—That may be the total of their claim and the receipts—that is why I want the facts.

The CHAIRMAN—They received 5 per cent. commission on $500,000 to cover the total claim and charges on the Graving Dock. They are also to be paid 5 per cent. commission on $679,596, amount awarded by Messrs. Kinipple and Morris for harbour improvements, on Messrs. Peters, Moore and Wright's contract.

Mr. STUART—As a matter of fact, they claimed a subsequent amount on the ground that there was an error. That was paid.

Mr. GEOFFRION—It seems to me the Committee ought to know upon what basis this money was paid.

The CHAIRMAN—Here are the whole of the figures from the report: First, to pay 5 per cent. commission on $500,000, to cover the total claim and charges on the Graving Dock; second, to pay 5 per cent. commission on $679,596, amount awarded by Messrs. Kinipple and Morris, for harbour improvements, on Messrs. Peters, Moore and Wright's contract; third, paid 2½ per cent. on plans for the cross wall, estimated by Messrs. Kinipple and Morris at £43,000 sterling—say, $209,266; fourth, Messrs. Kinipple and Morris to be retained as consulting engineers at a salary of $1,000 per annum for three years. They had received a total of $49,165.11, leaving a balance.

WITNESS.—What has been paid to Peters, Moore and Wright would establish one part of it, and there is still an acknowledgment of about $50,000 due to them. We have paid the contractors $675,799.15. Nobody had anything to do with the Peters, Moore & Wright contract except Kinipple and Morris. This would establish what their percentage was for the Louise docks.

Mr. GEOFFRION.—I would just ask you this question:—Whether you could prepare a statement according to the book of what was paid up to the date of their dismissal?—A. I will make it, Sir.

Hon. Mr. LAURIER.—A statement of the claim that Kinipple and Morris have made out, and the statement of the payments made to them up to date?—A. I cannot make a statement of their claim, but I can make a statement from my books of the amount paid to the different contractors on account of harbour improvements, and show what they ought to have got 5 per cent. on.

Mr. STUART.—They were paid according to agreement, 5 per cent. commission on the value of the work.

The Committee then adjourned.

HOUSE OF COMMONS, Wednesday, 27th May, 1891.

The Committee met at 10.30 a.m., Mr. Girouard, in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. WOODS recalled and his examination continued:

By Mr. Geoffrion:

Q. Did you prepare the statement that was asked for yesterday, in connection with the account of Kinipple and Morris when they were dismissed?—A. Yes, Sir; here it is:

(Exhibit "A 2½.") OTTAWA, 26th May, 1891.

Statement of amounts paid on account of Louise Docks and Graving Dock contracts, to the 1st of August, 1883: Louise Docks: Peters, Moore & Wright, $618,000.96; Graving Dock: Larkin, Connolly & Co., $345,562.35; Wingham, Richardson & Co., $29,331.45; Carrier, Laine & Co., $19,076; Total, Graving Dock, $393,969.80; Grand Total, $1,011,970.76.

Q. This statement does not show whether Messrs. Kinipple and Morris were paid anything for the cross wall contract?—A. No, sir. That statement only shows the actual amount paid to the contractors. There was no work done on the cross wall. They were paid for the cross-wall plans at the rate of 2½ per cent.

Q. Upon an estimate of how much?—A. It is in the report. I forget the exact figures.

Q. Will you state when it appears by the books that Larkin, Connolly & Co. received their last payment for dredging on the basis of their contract of 1882? A. On 4th April, 1887.

Q. How much?—A. $17.056.27.

Q. This entry does not show when the work was done?—A. No, Sir. It is simply an entry of the amount paid to them of that date.

Q. Are you aware of your own personal knowledge when the last work was done for which settlement was made by this payment.—A. I am not, Sir. It must have been done in the previous season.

Q. But was it, from your own personal knowledge, done in the summer season of 1886?—A. Not to my own personal knowledge, but it must have been done then, because you cannot do dredging in April.

Q. I would like you to answer more precisely, did the firm work in 1886 at dredging?—A. Oh yes, Sir.

Q. Do you know whether there was any dredging done by Larkin, Connolly & Co. in 1888 and 1889?—A. The contract for what we call the new dredging work was signed in 1887.

Q. And when was the first payment made?—A. The first payment under the new contract for dredging was made on the 25th June, 1887.

Q. And when was the last payment made?—A. The last payment was made on the 7th July, 1890.

Q. But that was a payment for work done in 1889. What would be the amount of the last payment for work done in 1887?—A. $27,250.58.

Q. Are you aware that Mr. Perley was replaced in the course of 1890?—A. I am aware that he was replaced. I am not aware that Mr. Boswell was appointed by the Board as Chief Engineer in 1890.

Q. Get your minute book for 1890 and give me the date, please?—A. I have it here in minute book No. 7, page 232. It was on the 8th September, 1890. "Resolved, unanimously, that Mr. St. George Boswell, the present resident Engineer is hereby named and appointed Engineer in chief of the Harbour Commission at a salary of $3,000 per annum."

Q. Is there anything in the minutes to show why and how Mr. Boswell was appointed chief Engineer when Mr. Perley does not appear to have been dismissed? —A. Nothing further than I have read to you now.

Q. Do you know whether any written notice had been given to Mr. Perley that the Commission intended to dispense with his services?—A. None was given to him.

Q. Is there anything in the minute book showing when Mr. Perley ceased to be chief Engineer of the Commission?—A. Yes, Sir. In 1891 his resignation was received and accepted. I read it yesterday.

Q. I know—read it again?—A. The date is 9th February, 1891. The minute reads—"The order of the day having been called, the letter of Mr. Henry F. Perley, dated the 13th ult., tendering his resignation as chief Engineer to this Commission was taken into consideration, and said resignation accepted, when it was unanimously resolved," then follows resolution of thanks to Mr. Perley. "That in accepting the resignation of the chief Engineer, Mr. Henry F. Perley, this Board desires to place on record their sense of the valuable services which he has rendered this commission, and the skill and ability displayed in his superintendence of the harbour improvements, which has greatly assisted the Commissioners in bringing those works to a successful termination."

Q. Do you know whether at the same sitting the Board appointed an assistant chief Engineer?—A. At the same sitting that Mr. Boswell was appointed the Board also appointed an assistant engineer.

Q. Will you read the minute?—A. "Resolved unanimously that Mr. H. LaForce Langevin is hereby named and appointed assistant Engineer of the Harbour Commission at a yearly salary of $1,800.

Q. Do you know whether this Mr. Langevin is related to the Minister of Public Works?—A. Yes, Sir.

Q. What is his relation to the Minister?—A. He is his son.

By Mr. Lister.

Q. Is the Mr. Langevin who was appointed assistant Engineer, an engineer by profession?—A. I could not answer that; I do not know.

By Mr. Geoffrion.

Q. Are there any outstanding certificates or claims against the Harbour Commissioners in favour of the contractors?—A. At present?

Q. Yes?—A. Yes; there is a shop account for, I suppose, about $2,000; an account for levelling sand, about $5,000, not quite as much as that, $4,695, if my memory serves me. There is also an amount due to them on account of the Graving Dock of $8,000. with considerable interest by this time. It was $8,000, at the time the accounts were settled up. I should estimate that there is about $9,000 due on account of Graving Dock now. Those are all the accounts before the Commission.

Q. Can you, without taking up much time, say when the last payment was made to the contractors?—A. There are quite a number of contracts; I could not do it readily.

Q. I will waive that question for the moment then. Did you find out anything to explain those pencil figures that were found yesterday in the corner of the letter asking for the cheque?—A. Yes, Sir. I examined the minutes last night. I find that we returned to Larkin, Connolly, & Company the cheque for dredging and the cheque for the cross-wall. The amounts of the cheques are not in the books, but I have telegraphed to get the receipt which I took when I surrendered the cheques. Speaking from recollection, I think one was for $12,500, and I think the other was for $23,500. I would not be positive, however, as to the amount; but as I said I have

telegraphed to Quebec to get the receipts, and that will give the precise amounts. I could not connect the matter yesterday when the question was asked of me.

Q. Were they certified?—A. No, Sir.

Q. They were uncertified?—A. Uncertified.

Q. The same as the one you filed yesterday?—A. Yes, Sir.

Q. Had those cheques been originally deposited with contracts or subsequently?—A. I really could not remember. I am simply the custodian of the cheques. It was all before my time. I would simply get them from Mr. Verret; I could not remember what they replaced or did not replace.

Q. Will you be kind enough to look at the *Quebec Chronicle* of 17th June, 1882, at the foot of the 6th column of the 3rd page, and say whether the notice for tenders therein published on behalf of the Harbour Commissioners of Quebec relates to the tenders which it was decided not to open on the 21st of June, 1882? If such a notice refers to the said tenders, will you be kind enough to produce a copy of it?—A. I am very sure that I will not be able to tell. I am almost positive, for I really know nothing about those contracts, except what I have learned from the records before me.

Q. You must be able to find that there were not two tenders calling for dredging for the same place, and if the number of feet, quantities, &c., is there?—A. By comparing the minutes, perhaps, I might get at it.

Mr. GEOFFRION.—I have finished with Mr. Woods for the present.

Mr. E. F. E. ROY sworn:

By Mr. Geoffrion.

Q. You are at present the Secretary of the Department of Public Works?—A. Yes, Sir.

Q. And custodian of the papers connected with that Department?—A. Yes, Sir.

Q. Will you be kind enough to file before this Committee the Reports signed by Mr. Truch and Mr. Perley, dated respectively 16th and 21st of February, 1885, connected with the Esquimalt Graving Dock?—A. I know nothing about them.

Q. You are in a position to know?—A. I have only been Secretary of the Department since the beginning of January. All those papers were filed long before I got there, and I know nothing of them.

By Mr. Edgar.

Q. Who is the custodian of them?—A. I am supposed to have charge of them, but I have had nothing to do with any papers of the Department for ten years. The gentleman who knows all about them is the Deputy Minister.

By Mr. Davies.

Q. Have you not been asked to look for the papers since this investigation began, two weeks ago?—A. No, Sir.

Q. Have you not been engaged in collating the papers required by the Committee?—No, Sir.

Q. What officers were engaged in that work?—A. There were about six or seven under the supervision of Mr. Gobeil.

By Mr. Edgar.

Q. He is the Deputy Minister?—A. Yes, Sir.

By Mr. Davies.

Q. Although the papers were supposed to be in your care, you were not the officer employed in collating them?—A. They are supposed to be in my charge, but I had nothing to do with them.

Q. If you had not the custody of them and were not engaged in collating them, will you say who had ?—A. I had the custody of them, but the work of preparing them was done under Mr. Gobeil's directions. He knew all about them. If I had done it, it would have taken me a year or two to get them ready.

Q. Were you present during the preparation of the papers ?—A. No, Sir.

By Mr. Edgar.

Q. Was Mr. Gobeil secretary before you ?—A. Yes, Sir.

THE CHAIRMAN:—We had better send for Mr. Gobeil to come over.

Mr. ROBERT H. MCGREEVY sworn:

By Mr. Geoffrion:

Q. You are the brother of Thomas McGreevy, member of Parliament ?—A. Yes.

Q. Were you connected with the Graving Dock works at Esquimalt. Had you an interest in it?—A, Yes; I had an interest to the extent of one-fifth.

Q. Had you also an interest in the different works or improvements in the Quebec Harbour during the last seven or eight years?—A. Yes; all except the Graving Dock at Lévis.

Q. During the course of these works had you correspondence with, not only your partners, but Mr. Thomas McGreevy ?—A. Yes.

Q. Will you take cognizance of this letter and say whether you saw that document before ?—A. Yes.

Q. Do you know by whom this letter was written, and by whom it was signed ?—A. It was written at Ottawa on the 5th of May, and is signed by Thomas McGreevy.

Q. What year ?—A. No year.

Q. What year would it be from the contents of the letter ?

Mr. HENRY objects.

Q. Whose writing is it in ?—A. Thomas McGreevy's.

Q. The whole of the document ?—A. Yes.

Q. To whom is it addressed ?—A. To me.

Q. And sent when ?—A. There is no date on it. There is only the month of May.

Q. Read the letter ?

(Exhibit "B 2.")

"OTTAWA, 5th May.

"MY DEAR ROBERT,—I arrived here yesterday all right at 12 p.m. with all the big bugs of the Pacific Railway, VanHorne and others. The Commission on Intercolonial Railway is sitting to-day hearing Duncan McDonald's case, so Bell told me. He says nothing was done in the others since you left. I believe no report will be made on any of them for this session or for the estimates only after the close. The tenders for cross-wall only arrived here yesterday and are locked up until Monday, when he will commence his calculation. I will write you Tuesday and let you know the result. Larkin was here yesterday. I told him that it would be useless to get Peters out of the way as it would be tantamount to giving the contract to the highest tender, that you would have to stick to Beaucage's tender as it was fair.

"Yours truly,

"THOMAS McGREEVY."

Q. Are you able to give the year when such letter was received by you ?—A. It would be 1883 by the subject that is in it. Before you put that in, I want to ask permission to make a statement. Before I put in these letters I would like to have some understanding as to getting them out again, as I am now before the Queen's Bench on an indictment for libel and I might require these documents for my case and would not like to be deprived of them when the times comes.

Q. Are you willing to part with them now providing that when you need them you can get possession of them ?—A. Yes.

Q. Will you prove this letter ?—A. It is a letter dated the 7th May.

Q. What year ?—A. There is no year to it. It is signed by Thomas McGreevy.

Q. In whose handwriting ?—A. The body of the letter and the signature are in the handwriting of Thomas McGreevy.

Q. And addressed to whom ?—A. To me.

By Mr. Edgar:

Q. Upon what paper is it written ?—A. It is addressed from the House of Commons, Canada.

(Exhibit "C 2.") "HOUSE OF COMMONS, CANADA.

7th May.

"MY DEAR ROBERT,—There is nothing new in the Intercolonial matter since I wrote you Saturday. I am quite sure now that there will be nothing done for estimates for any of the claims this session, that nothing will be put in until all are finished. Of course, this will meet the requirement for the moment. All the Supplementary Estimates will be finished in Council to-day, and laid before the House to-morrow. That is the last of them. I hope to let you know to-morrow about the result of cross-wall tenders. Have your arrangements right with Beaucage before result is known. I will give you timely notice. I think the House will close about the 15th. Inquire how O'Brien is doing, or what is his intentions about work on examining warehouse. I think if he was promised to be re-imbursed he might give it up, and if Charlebois got out of the way, it might reach Beaucage's tender, but you must not do it. It must be done by some one else. Murphy might approach O'Brien about the matter, but he would have to promise to get Clarlebois away. All the others might be passed over. I am told that he has done nothing yet. What are you doing about water pipes to Lorette. I wish you would send me the conditions that the work is to be done on. I do not think it will be necessary for you to come here this week. I think I will go to Quebec by the end of this week, and before going fix a day to come back and meet the old fellow on your Intercolonial matter and have it settled. He has promised to sit down with Clark and settle the matter after the session. I will ask him before leaving to fix a day and him to have Clark here to finish report. I will have his answer before I leave.

"Yours truly,

"THOMAS McGREEVY."

Q. What would be the year ?—A. That would be 1883.

Q. Here is another letter.—A. This letter is dated 17th May, from the House of Commons. The body of the letter is in my brother's handwriting as also the signature. Do you wish me to read it ?

Q. Yes ?

(Exhibit "D 2.") "HOUSE OF COMMONS, CANADA, 17th May.

"MY DEAR ROBERT,—I received your letter about Morris coming back here. What can he do in the face of all the blunders he has made ? As I told you yesterday to try and get a good plan and as quick as possible in answer to the letter that Gallagher and Beaucage will receive about their tenders to bring them over L. & C. so as their tender will be the lowest. The contract will be awarded from Ottawa direct. I think I will go down Saturday to be in Quebec Sunday morning. The House, I think will prorogue about the 23rd or 25th. I had a conversation with Sir Charles Tupper about the Intercolonial to-day and he agreed to fix a day immediately after the session, to have a conference with Sir John and agree on a basis for your claim on equity and have it done at once, so as they might dispose of it within a few days afterwards. I think you were wrong in tendering without a cheque accepted by such a pair of cut-throats.

"Yours truly,

"THOMAS McGREEVY."

I have received your second about water works. I am sure that the Langelier ring will carry it for themselves.

Q. What is the date of that letter?—A. It is the same year 1886.

Q. And this letter is also written and signed by your brother, Thomas McGreevy?—A. Yes, Sir.

Q. And was received by you?—A. Yes.

Q. Here is another document? A. This is a letter of the 16th April, written and signed by my brother.

By Mr. Edgar:

Q. From where? A. It does not say.

Q. What is the heading? A. House of Commons, Canada.

By Mr. Geoffrion:

Q. Please read it?

(Exhibit "E 2.") "HOUSE OF COMMONS, 16th April.

"MY DEAR ROBERT,—I have just seen Perley about dredging. I have arranged to meet him on Monday to discuss his dredging report before he sends it to Harbour Commissioners, also other matters about Graving Dock, &c.

I have arranged with Fuller to have office in Quebec opened as Public Works office and put Lepine in charge and let Peachey be architect. I want you to get O'Donnell to write a letter to Fuller as enclosed, so as they may get another month's pay. They may not get the balance of their pay until the money is voted. As Curran's motion is coming up on Monday, I thought better to remain here, also to see Perley and arrange matters with him. When I am wanted below you will let me know.

"Yours,

"THOMAS."

"P.S.—I have seen Ferguson and he tells me he is waiting for the proper judge, as each judge only takes one case at a time. T.M."

Q. In what year was this letter received by you?—A. From the subject it would be in 1887.

Q. Here is another letter?—A. This is written and signed by Thomas McGreevy.

Q. And addressed to you?—A. Addressed to me.

Q. What is the date?—A. 26th April.

Q. Read it?

(Exhibit "F 2.") "HOUSE OF COMMONS, 26th April.

"MY DEAR ROBERT,—I have just seen Perley on dredging. I think he will report on 35 cents, and put some conditions which will amount to nothing. He will report when I will be there.

I have had a conversation with Shakespeare on the lengthening of the B.-C. dock. I told him to unite with the others and push it. He is prepared to do so. I told him to write and get the length of steamers chartered by the Canadian Pacific Railway from the Cunard Company. He has promised to do so. Connolly had better wait until next week to come up. When I come down we will talk the matter over. I intend leaving here on Thursday evening, if you do not telegraph not to come. Vote will be taken on Home Rule to-night.

"Yours,

"THOMAS McGREEVY."

Q. Please identify also this letter?—A. This is a private letter.

Q. They are all private letters, you are bound to answer.

(Exhibit "G 2.") "OTTAWA, 2nd May, 1885.

"MY DEAR ROBERT,—As I telegraphed you this morning about estimate for Graving Dock at B.-C., Perley has telegraphed Trutch to send amount of

estimate to-day without fail and to make no deduction on account of material this month, so the whole will be allowed in the estimate this time and only 12½ on future estimates and all new material the value to be allowed less 10 per cent., so the matter is now settled.

On Monday morning I will have the Department of Public Works notify the Bank of British North America here the amount of estimate which will be paid them, and get them to telegraph amount to their bank at Quebec. If this arrangement does not suit Mr. Murphy, telegraph me what he wants done and I will have it done for him. It is now understood that Bennett, the Engineer at B. C. will not suit, so the Minister and Perley are prepared to change him. He asked if I could recommend one. Could you think of one that would suit, and I would have the Minister appoint him. Try and get the $72 for Chaloner for Monday for interest, Quebec Bank note. I will send the money next week. We have been sitting since Thursday at 3 p.m., and will not adjourn until midnight to-night. It is terrible to stand it. We can get nothing done by Ministers. Everything is upset. The North Shore question is settled. The Pacific is to have it to themselves absolutely for $1,500,000 in cash to build another within 30 days after the session. The Pacific is to build the new line themselves, failing to obtain the North Shore within that time.

"Yours,

"THOMAS."

By Mr. Edgar:

Q. Is that in your brother's handwriting?—A. Yes.

Q. And signed by him?—A. It is signed "Thomas."

By Mr. Geoffrion:

Q. I understand this letter also is written by him to you?—A. It is written to me.

Q. Please read it?

(Exhibit "H 2.")

"OTTAWA, 4th May.

"DEAR ROBERT,—As I telegraphed you this morning, no estimate has been telegraphed. Everything and every order has been sent to them that was possible to make them understand. But still there was a dispatch from them to-day which cost $15, which they had in writing for over a month out there. Perley went to see Page this morning to try and get another engineer to send out at once and dismiss Bennett. He that goes out will get his instructions before going out.

"Yours truly,

"THOMAS."

Q. What year is that?—A. It does not say.

Q. What year would it be?—A. I have endorsed upon it 4th May, 1885.

By the Chairman:

Q. When did you make that endorsation—at the time?—A. No.

Q. When did you make it?—A. When I was filing the letters away.

Q. How long after was that?—A. Here is another endorsation upon it; that would be within a few days after I received them.

Q. What is the year mentioned in the second endorsation?—A. 1885.

Q. You have no doubt it was 1885? A. No doubt.

By Mr. Geoffrion:

Q. Do you identify this letter?—A. This letter is dated Ottawa, 17th March, 1886; written by Thomas McGreevy in his handwriting and signed by him.

Q. Addressed to you?—A. Yes.

Q. What is the heading on the paper? A. It is Department of Public Works, Canada.

Q. Was it received by you?—A. Yes.
Q. Read it?

(Exhibit "I 2.") "DEPARTMENT OF PUBLIC WORKS, CANADA,
OTTAWA, 17th March, 1886.

"MY DEAR ROBERT,—Larkin and Murphy are here. Larkin has learned a good deal of what has been done. The estimate for February is through and amounts to over twenty-five thousand dollars, ($25,000), that makes nearly seventy-five thousand dollars gone out within a month. They ought to be flush out there now. I sent you to-day the Votes and Proceedings about what Edgar asks about Baie des Chaleurs R. W. Pope sent for me to ask what answer he would give. I agreed that he should give the required information, but will state that I have notified him of my withdrawal from the direction and severed my connection with the Company. Other questions will follow. Pope told me that they have put in some answer which he has sent to the Minister of Justice. I will go and examine them to see what they have put in. Your letters received; I will attend to what you ask.

"Yours truly,
"THOMAS McGREEVY."

"Murphy will not leave before to-morrow evening.—T. M."

Q. Please identify this letter also?—A. It is in the handwriting of Thomas McGreevy and signed by him.
Q. And addressed to you?—A. Yes.
Q. What is the heading?—A. "Ottawa, 1st March, 1886, Department Public Works, Canada."
Q. Read?

(Exhibit "J 2.") "DEPARTMENT PUBLIC WORKS, CANADA,
"OTTAWA, 1st March, 1886.

"DEAR ROBERT,—Nothing new since I wrote you last. I hope Lortie will receive his letter authorizing him to go on with his grading around the Hall. The total amount is $7,800, levelling and grading. The matter is all settled, but he will have to wait until the money is voted for payment. I have had a long interview with Perley on Harbour Works and Graving Dock at B. C. Fleming was to have signed his report to-day on Harbour works. It will be shown to me as soon as signed. I will see it to-morrow and Sir Hector and myself will decide what is to be done for future. He will adopt my views. I will see you and Murphy about it before doing anything. It is a big thing for the future. I think the fight will commence on Riel question on Wednesday next. Blake and the Grits will vote straight against the Government with the French for hanging of Riel. If that is the case, the Government majority will be about thirty-five in place of seventy-four, a more healthy state of affairs. I cannot tell yet whether I will be able to go down this week or not, because I think the debate on the Riel question will last for a week.

I think the Graving Dock at B. C. will be lengthened, they are now making estimates of. I think he is going to put another $150,000 in estimates for it.

Weather very cold.

"Yours truly,
"THOMAS McGREEVY."

Q. Do you identify this?—A. This is a letter in the handwriting of Thomas McGreevy and is signed by him.
Q. What is the date?—A. 11th March, 1886.
Q. Read?

(Exhibit "K 2.") "DEPARTMENT PUBLIC WORKS, CANADA.
OTTAWA, 11th March, 1886.

"MY DEAR ROBERT,—I enclose you the amount of estimates for December and January. The January one includes the new system of measurement. The advance

$20,000 on drawback has been passed and will be sent at once to B.C. The amount of estimate for February has not been telegraphed yet. I will let you know when it comes.

"Yours truly,
"THOMAS McGREGVY."

Q. Please identify this letter?—A. This is a letter dated Ottawa, 13th May. No year. It is in the handwriting of Thomas McGreevy, and is signed by him.
Q. And addressed to whom?—A. Me.
Q. And received by you?—A. Yes.
Q. Read?

(Exhibit "L 2.")

"OTTAWA, 13th May.

"MY DEAR ROBERT,—I enclose you letter from Rousseau. You ought to sell him the stone cheap—we don't want it. Telegraph him to Montreal on receipt of my letter price. Tell Kerrigan & Co., plumbers, that they have contract for Marine Hospital. They were not the lowest; Vandery was. I got the Minister to give to them. Your expense account has not reached Railway Department yet. Will look after it to-day.

I wish you could get $480 for a week, by cheque or otherwise, to pay $300 to Stanley Smith and Lindsey at once. They have both written for it. I am afraid they will insist on the capital. Tel me to-morrow if you can do it at once, if not I will have to go down and look to it.

Bradley told me he has sent to Larkin, Connolly & Co. what they asked for by my telegraph.

Riopel will be in Quebec Friday morning, and will give the necessary authority required to make a beginning on the Baie des Chaleur Railway, in order to save the charter.

"Yours truly,
"THOMAS McGREEVY."

WITNESS.—This is endorsed as having been received in 1885 by me.
Q. And it was so received in 1885?—A. Yes.
Q. Identify this letter.—A. This is a letter written by Thomas McGreevy and signed by him. Addressed to me.
Q. And received by you?—A. Yes.
Q. Read.

(Exhibit "M 2.")

"HOUSE OF COMMONS, CANADA, 26th February, 1886.

"MY DEAR ROBERT,—Your letter received. I will give the Kent House to Mrs. Poumier at the $300, rather than let it be idle, and do the papering. Get Leonard to go and examine it at once, and he will tell you what it will cost, and get it done as soon as he can do it. I wrote you yesterday about Halifax Graving Dock. Sir Hector would be glad to recommend Murphy. The way for them to do would be to apply to the Co. in England, offering to build the dock for them, stating that they built the one in Quebec and were finishing the one in B.C. and referring to the Minister of Public Works of Canada as to their ability to do the work. I hope you will get Shearer to put matters all right before he leaves. I will attend all matters you refer to in your letter; you will see some of them are already done. I have learned here that Robitaille has entered into a contract for Baie des Chaleurs Railway with the partner of Isbester. Captain Bowie told me so. I told him that it was Armstrongs, but he told me that the Armstrongs were unable to put up the money they had promised. The consequence is that the Armstrongs are out. I dont know whether it is a scheme or not, but he, Bowie, assures me the contract signed with these people. Will let you know more to-morrow.

"Yours truly,
"THOMAS."

The CHAIRMAN—What bearing has this letter upon the investigation ?

Mr. TARTE—If you will allow me, I will tell you. There is a charge in reference to the Baie des Chaleurs Railway.

By Mr. Geoffrion :

Q. Can you identify this letter ?—A. This is dated 3rd March, 1886, from the House of Commons. It is written by Thomas McGreevy, and sent by him to me.

Q. And was received by you ?—A. Yes.

Q. Will you read it, please ?

(Exhibit "N 2.") "HOUSE OF COMMONS, 3rd March, 1886.

"MY DEAR ROBERT,—I had an interview to-day with the Minister of Justice. He told me that he had almost decided to grant you the fiat, without any reserve or restriction on merits, but he told me to meet him to-morrow at 11 a.m.. and he would put it in writing for me. So I hope nothing will change his mind between now and then. I intend going to Montreal on Friday or Saturday to meet Chabot and one of the directors of the co., to meet Senecal on steamboat business, but cannot go to Quebec before the end of next week. Nothing new in the Baie des Chaleurs matter, except that Sir Hector wanted me to come to terms, and asked me to state the terms. I have not done so yet, but I am told that they have entered into a contract with one Refel, who is a partner of Isbesters. I have put Mitchell on the scent. Others told me that Armstrong is working on the line. I will know more before evening. The Riel business will come up next week.

"Yours truly,

"THOMAS McGREEVY."

"I sent Foote a list of those indebted to the Supervisor's office. He wrote for it."

Q. Here is another letter ?

The CHAIRMAN—Excuse me, who is this man Mitchell mentioned in the last letter ? It says, "I put Mitchell on the scent."—A. He is known as the Hon. Peter Mitchell. This letter is dated 8th March, 1886. It is in the handwriting of Thomas McGreevy, and bears his signature.

Mr. TARTE—Read the heading, please ?—A. "Cabinet du Ministre des Travaux Publics du Canada."

(Exhibit "O 2.")

"CABINET DU MINISTRE DES TRAVAUX PUBLICS DU CANADA,

"OTTAWA, 8th March, 1886.

"MY DEAR ROBERT,—The Senate will adjourn from to-morrow until the 16th, so you will have Robitaille in Quebec, as his pay will be going on. I am told that Isbester will not have anything to do with Baie des Chaleur contract until they are in a legal position. I have received no proposition from them yet. Sir Hector wants me to make one, or state what I want them to do. I was at Montreal from a.m on Saturday until last night, when I returned here. Irvine arrived here at noon to-day, I did not see him. There will be judgment in Berlinguet case to day. I do not think the Riel discussion will come up this, in that case I will go to Quebec before the end of the week. The Government will lose 22 of their supporters on the Riel hanging on Landry's motion. They won't have more than twenty-five majority on that vote. Weather very mild here.

"Yours truly,

"THOMAS."

Q. Will you state to the Committee whose letter this is ?—A. It is dated 13th May from the House of Commons. It is written in the handwriting of Thomas McGreevy and is signed by him, is addressed to me and I received it.

(Objection taken by Mr. McGreevy's Counsel to the reading of this letter, as irrelevant. Decision reserved. Committee subsequently decided that letter be read and filed.)

The letter is as follows:

(Exhibit "O 2½.")

"HOUSE OF COMMONS, OTTAWA, 13th May, 1886.

"MY DEAR ROBERT.—Your letter received. Will be home on Saturday morning. The tenders for Cape Tormentine work were opened to-day by Sir Hector. The lowest is an Ottawa man. He is $134,000. His name is Perkins. The next after him is another Ottawa man. Perley says the estimate of the work is $170,000. You know what the tenders were that you were interested in. It is a great pity that fine job like that should go so low. Give enclosed to Mr. Chaloner.

"Yours truly,

"THOMAS McGREEVY."

"I have seen Ferguson. He is going to push on the suit. Government won't ask any delay.

"Yours,

"T. M."

"The estimate for April for B.C. was passed on Monday last. The amount was $36,000 net.

"T. M."

By Mr. Geoffrion:

Q. Will you please examine the letter now put in your possession and see if you can identify the document?

MR. STUART.—This is a letter marked private and the postscript has no relevancy to the subject-matter of the investigation.

(Question of relevancy of postscript reserved. Committee subsequently decided that postscript was irrelevant and should not be put in as evidence).

THE CHAIRMAN ordered that the letter be read with the exception of the postscript.

WITNESS.—The letter is written on House of Commons note paper by Thomas McGreevy and signed by him. It is addressed to, and was received by me, and reads as follows:

(Exhibit "P 2.")

HOUSE OF COMMONS, CANADA, 9th March, 1886.

"MY DEAR ROBERT,—I send you a letter from Marine Department. You will read it to Fradet and tell him that contract will be sent in a few days. If he wants to copy letter let him do so. Will write you again this afternoon. I had a meeting this afternoon with Sir Hector and Sir Adolphe on Baie des Chaleurs. Sir Hector insisted on an understanding being come to. I refused to do so, and told him at last to let Robitaille make a proposition himself; that I was not going to make brains for him forever and let him take advantage of it. They proposed (not Caron, Sir Hector) to give me control of road to St. Ann's with subsidy of $6,000 per mile, if I would withdraw my opposition to B. de C. Railway and relieve you and me of our stock. They are in a complete fix. The Armstrongs cant get anybody to touch them. Isbester sent word by Mitchell that as long as the Armstrongs had anything to do with it, they would not.

"Yours truly,

"THOMAS McGREEVY."

By Mr. Geoffrion:

Q. Identify this letter?—A. This is a letter of the 18th June, 1885. It is in the handwriting of Thomas McGreevy and signed by him. It is addressed to me.

Q. Read it.

(Exhibit "Q 2.")

"HOUSE OF COMMONS, CANADA, 18th June, 1885.

"MY DEAR ROBERT,—Your letter and telegraph received. Valin has telegraphed to Verret to give Beaucage the jacks. The amount on hand in the books here to

credit of Commission on 15th June that includes $50,000, asked for and has been sent from here on 16th inst., in all $220,000. It now remains at $170,000, after paying the $50,000, the estimate for $23,000 comes out of the fifty sent down, so after that estimate paid there remains about $200,000 for the season for Harbour works alone. There is about $100,000 for Dock yet, so according to your estimate and mine made here the other day only $190,000 would be required for the summer and the $23,000 included in that.

"Yours truly,

"THOMAS McGREEVY."

WITNESS.—This is a memorandum in my handwriting on the fly sheet.

Q. It is not part of the letter?—A. No; except that he refers to it. It is in my handwriting.

Q. Identify this letter.—A. This is a letter dated 19th March, 1886, House of Commons. It is in the handwriting of somebody else—his clerk or somebody else. It is signed by Thomas McGreevy. The body of the letter is not in his handwriting.

Q. Read it?

(Exhibit "R 2.")

"HOUSE OF COMMONS, CANADA, 19th March, 1886.

"MY DEAR ROBERT,—I enclose you a letter from Stephen Ryan in Champlain Street. I hope you can do something for him as I believe he is in want. Larkin and Murphy have been here. Larkin left yesterday at noon. I have not seen Murphy and do not know whether he has left or not. I have not seen him since yesterday afternoon. Both seem pleased with their visit here. As you will see by the Hansard Pope answered Edgar's enquiry as respects the Baie des Chaleurs Railway and agreement and contract. He asked me not to have him to state that he had received a letter from me withdrawing from the Company. He asked me to let that remain till later on. I have no answer from Caron yet about balance of works in the Citadel. I expect to to-morrow as he has his speech through. He made a good speech and floored Amyot completely, as you will see by Hansard. As I telegraphed you this morning the following "Sign lease Kent house on conditions mentioned in your letter." I don't wish to break up the arrangement as the house has been so long idle and if she does give it up in a year or to it will not much matter as the Court House is there and it would not be fair to Poumier to have a restaurant next to her. We must try and make it into offices. I don't think this debate will close at the earliest until next Tuesday perhaps not until the end of the week. I think the Government will have a majority of fifty or over. I will not be able to go down this week, not until the end of next week.

"I remain, yours very truly,

"THOMAS McGREEVY.

"Do you expect to come up soon? Let me know.

"T. M."

HOUSE OF COMMONS, FRIDAY, 29th May, 1891.

The Committee met at 10.30 am.; Mr. Girouard in the chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works &c., resumed.

Mr. PATRICK LARKIN sworn :

By Mr. Tarte :

Q. You have been, I think, a member of the firm of Larkin, Connolly & Co.?—A. I have.

Q. Since how long?—A. Since its formation in 1878; but I am not now a member nor have I been for the last three years and over three years.

Q. Have you with you or elsewhere the books of the firm?—A. I have not, nor never had them. I have not seen them for years.

Q. Have you any other papers in connection with the business of the firm?—A. Nothing except a few letters from the firm.

Q. You have not the books of the firm?—A. No, I have not.

Q. Do you know where those books are?—A. Well, the last I saw of them they were in the office at Quebec. That is over three years ago.

Q. That is the last time you saw them?—A. Yes; I did not look at them then. I saw the outside of them.

By Mr. Edgar :

Q. Who had the books when you last saw them?—A. They were in the charge of the firm there. The bookkeeper had them. They were in the office.

Q. Did the firm continue after you left it?—A. Yes.

Q. Under the same name?—A. Yes; and they continued until very recently.

Q. Under the name of Larkin, Connolly & Co.?—A. Yes.

Q. You as a partner went out and the books all remained in the custody of the continuing members of the partnership?—A. Yes.

Q. Who were they?—A. The members of the firm of Larkin, Connolly & Co. were Nicholas Connolly, O. E. Murphy and myself. That was all the members of the firm.

Q. After you left?—A. At any time.

Q. Are those all who were interested?—A. No; there were two others, but they were not members of the firm. They had an interest in the profits of the works.

Q. Who were they?—A. Michael Connolly and Robert McGreevy.

Q. Where there any arrangements when you left as to which of these other members of the firm should keep control of the books?—A. No; it was never mentioned.

Q. They were left in the office?—A. I sold out to Mr. Nicholas Connolly. I have the terms of sale with me.

Q. He took your place?—A. Yes.

Q. Who was the bookkeeper of the firm?—A. Martin Connolly. He is no relation to the members of the firm.

Q. Had he been there long?—A. Yes; he was there I think since the latter part of 1884.

Q. Do you know whether he was there continuously?—A. Yes; I think so.

By Mr. Tarte :

Q. Were there not articles of partnership between yourselves?—A. Yes; I think they were registered on the Point Lévis side, because we commenced work there.

Q. Is it a fact that Michael Connolly and Robert McGreevy signed these articles of partnership? A. I do not know. There was an agreement as to interest.

Q. Have you those articles of partnership?—A. I have not.

Q. I have them, and they have signed them as a matter of fact?—A. I have not seen them lately.

By Mr. Lister:

Q. When was this partnership formed?—A. In 1878.

Q. What time in 1878?—A. September or October, I do not know which.

Q. Were the articles in writing?—A. Yes; they were drawn up by a notary of Quebec.

Q. Who was the notary?—A. I do not know. It is a long time ago.

Q. Were they drawn up or prepared before or subsequent to the co-partnership being formed?—A. After, of course.

Q. And these articles were between you three?—A. No; not between us three. There was a man named Nihan and Nicholas Connolly and myself.

Q. Was it a general partnership or related to a single piece of work?—A. Only to the graving dock, Quebec.

Q. How long was that partnership to continue?—A. I forget. I suppose until the work was completed.

Q. Then there were four partners?—A. No; only three, Nihan myself and Nicholas Connolly.

Q. Then you say two others became interested?—A. A good while after.

Q. How long after?—A. Nihan sold out to Nicholas Connolly in 1880.

Q. Who were the partners then?—A. Nicholas Connolly sold an interest to Murphy.

Q. When?—A. In 1880.

Q. When did Robert McGreevy become interested?—A. In 1882 or the beginning of 1883. I think it was 1883. There were no articles signed until 1883.

Q. Who else beside McGreevy was interested?—A. No one else, except Michael Connolly.

Q. He too was taken in, in 1882 or 1883?—A. Yes.

Q. Not as a member of the partnership?—A. No; but having an interest in the work.

Q. You are positive he was not taken in as a partner?—A. I never considered it as such.

Q. He was to be paid how much?—A. Thirty per cent. of the profits of the work.

Q. Was he to contribute towards the losses?—A. Yes.

Q. Then he was a partner?—A. He was to contribute to the losses and also an amount of money to furnish plant.

Q. Was that in writing?—A. Yes.

Q. Where was it drawn?—A. In Quebec.

Q. Where is it now?—A. I suppose it is there. I had a copy of it some time ago and I looked in my safe before I came away and I could not find it.

Q. How long ago is it since you saw your copy?—A. In January last.

Q. What did you do with it then?—A. I put it in the safe I presume, but I had to gather my papers up in such a hurry that I could not find it. I believe I might find it if I had time.

Q. Robert McGreevy continued how long?—A. He was there when I left.

Q. Did Robert McGreevy take an interest in the other contracts?—A. Yes, in the British Columbia contract.

Q. Any other?—A. There was no other that I was interested in.

Q. The only two contracts you were interested in he had an interest in?—A. Yes.

Q. What was his interest in the British Columbia contract?—A. One-fifth.

Q. Did you know Robert McGreevy before you entered into that agreement with him?—A. Very little.

Q. Where did your partners come from?—A. From the west.

Q. You were strangers in the city of Quebec?—A. Yes.

Q. Why did you take Robert McGreevy in?—A. We commenced work in 1878 and worked according to the plans and specifications given by Kinipple and Morris under the supervision of Mr. Pilkington. These plans——

Mr. Cameron objected to the further examination of witness at present time as extending beyond the limits suggested by Mr. Tarte.

Objection sustained.

Mr. Michael Connolly sworn:

By Mr. Tarte:

Q. You have been a member of the firm of Larkin, Connolly & Co.?—A. I have an interest in some of the works, as Captain Larkin has told you.

Q. What works?—A. The Graving Dock at Point Lévis; the cross wall and the dredging contracts.

Q. At Quebec, you mean?—A. Yes, Sir, and the Graving Dock in British Columbia.

Q. In all, four or five?—A. In five or six; I was interested in everything they had in hand.

Q. Have you got with you, or if not with you here, have you in your possession the books and papers in connection with the works and transactions of your firm?—A. No; I have not.

Q. Can you tell us where they are?—A. No; I cannot from where I stand.

Q. Do you not know?—A. Possibly they may be in Quebec. They were in Quebec the last I saw of them.

Q. When did you see them the last time?—A. I do not recollect having seen them for two or three years.

Q. You have not seen any of the books of the firm since that time?—A. I may have seen the books that Larkin, Connolly & Co. kept in connection with the Graving Dock at Point Lévis. I do not think I have seen them since.

Q. The Graving Dock has been finished a long time?—A. Yes; several years.

Q. You have just stated that you have an interest in several contracts of the firm since that time?—A. Yes.

Q. The last one was the dredging in Quebec Harbour and the Dock in British Columbia? They were in progress at the same time?—A. No; one was finished before the other.

Q. You kept books at the time these works were in progress?—A. Our firm kept books, but I never paid any attention to them.

Q. You have seen them?—A. I have seen them, but I never bothered with the books.

Q. What was the last time you saw the books?—A. I cannot say what was the last time that I saw the Graving Dock books.

Q. I am not speaking of the Graving Dock books; I am referring to all the books of the firm?—A. I have seen the books of the firm during the progress of the different works. The last time I was in Quebec, I saw them lying on the desk in the office.

Q. When were you in Quebec last?—A. Five or six weeks ago.

Q. You saw the books of the firm then?—A. I saw some lying on the desk; I did not examine them.

Q. Did you receive a subpœna to bring all the books of the firm here?—A. I received a notice at Kingston. I brought everything I had there.

Q. But you have not brought the books of the firm with you?—A. No; because I had not them there.

Q. In whose custody are they?—A. I cannot answer that. They are probably in the office at Quebec.

Q. In whose custody?—A. I suppose they are in the custody of the firm.

Q. You are a member of the firm and still you say you have not got them. In whose special custody will they be?—A. Martin P. Connolly's.

Q. Do I understand you then, that the books are in the custody of Martin P. Connolly?—A. They were the last time I saw them.

Q. You are a member of the firm?—A. Yes.

Q. Can you tell us whether, as a member of the firm, we can get the books by summoning Martin P. Connolly here?—A. The books are in his possession. I presume if he comes here he will bring them.

By Mr. Lister:

Q. How long has Martin Connolly been your bookkeeper?—A. For several years.

Q. For how many years?—A. Seven or eight.

Q. When was he first engaged by you?—A. I think in 1884.

Q. He has then been bookkeeper from 1884 to the present time?—A. Yes, Sir.

Q. During all the time these works were in progress?—A. Yes, Sir.

Q. And the firm consisted of whom during that period? Since 1884, I mean?—A. Patrick Larkin, Nicholas Connolly and O. E. Murphy.

Q. This Martin Connolly has been your bookkeeper ever since?—A. Yes, I think he has.

Q. You have an office in Quebec?—A. We have.

Q. And the books are there?—A. I do not know whether they are there now; they were there when I saw them.

Q. Is Connolly still your book-keeper?—A. He was.

Q. I ask you is he still your bookkeeper?—A. I cannot answer that; he may, or may not be.

By Mr. Laurier:

Q. Who would have the discharging of him?—A. My brother or myself.

Q. Have you discharged him?—A. No.

Q. Have you any reason to believe that he is not your bookkeeper at present?—A. He may or may not be; I cannot swear that he is our book-keeper now.

By Mr. Lister:

Q. Where is your brother?—A. He was in Kingston when last I saw him.

Q. Did he intend remaining in Kingston?—A. He did not tell me.

Q. Did he tell you where he was going?—A. No.

Q. Have you any reason to believe that he is leaving Canada?—A. I have not.

Q. Do you know if he received a subpœna to attend here?—A. I cannot say.

Q. Did he tell you anything about a subpœna?—A. He did not.

Q. Had he any conversation with you on this matter?—A. No.

Q. But you have spoken to him about it?—A. We may have talked about it from time to time.

Q. Did you tell him you were subpœned?—A. I did.

Q. Did he say anything to you about his having been subpœned?—A. He did not.

Q. Did you say anything to him about his getting out of the way?—A. No.

Q. And no conversation took place between you and your brother respecting this investigation?—A. I could not say that, except he will come here whenever he is wanted.

Q. You do not know whether the bookkeeper is there or not?—A. I do not.

Q. Nor where he has the books?—A. I do not.

Q. You do not know where they are?—A. I do not.

Q. Is Martin Connolly at Quebec still?—He was in Kingston a few days ago.

By Mr. German:

Q. You have no objection to produce the books here?—A. I cannot say that without consulting counsel. I want to have some legal advice before producing them here.

Q. Have you got counsel?—Not yet.

MR. MULOCK.—I think the witness should be ordered to produce these books. He is a member of the firm and cannot escape responsibility.

WITNESS.—We are willing to submit the books to any accredited auditor, which this Committee may name.

By the Chairman:

Q. Do you keep a separate set of books for each contract?—A. We do.

Q. And the books in Quebec relate to the Quebec contract?—A. They do.

By Mr. Edgar:

Q. And Esquimalt also?—A. Yes.

By Mr. Burdett:

Q. You say you are willing to submit the books to an auditor. Then you have control of them?—A. So far as I am aware, we have control of them.

By Mr. Lister:

Q. Who is your book-keeper?—A. Martin P. Connolly.

Q. Is he a connection of any of the counsel engaged in the case?—A. I do not know I am sure.

MR. FITZPATRICK—If the honourable gentleman is anxious to know anything about it—I am not ashamed to say—Mr. M. P. Connolly is my cousin.

By Mr. Davies:

Q. Will you produce your subpœna and let us hear it read?—A. I have not got the subpœna here. It must be in my other coat pocket.

By the Chairman:

Q. I think I must say to Mr. Connolly that he must bring the books here unless they are here now. What about the books in relation to the British Columbia contract?—A. The last I saw of them they were in Quebec.

Q. Will you produce the books on Tuesday next?—A. I will not promise the Committee to do that until I have the advice of counsel.

THE CHAIRMAN—The witness is ordered to produce the books at the next meeting of this Committee.

By Mr. Edgar:

Q. You received a copy of that subpœna (the subpœna being read)?—A. I did. I received it at Kingston by registered letter.

THE CHAIRMAN.—The examination of this witness stands adjourned until Tuesday next.

NICHOLAS CONNOLLY being called did not answer.

MR. STUART.—Mr. Michael Connolly tells me that Mr. Nicholas Connolly is in Kingston and will come.

MR. M. CONNOLLY.—Mr. Nicholas Connolly informed me that he would be here at any time he is notified to be here.

THE CHAIRMAN.—Do you undertake that Mr. Nicholas Connolly will be here at the next meeting?

MR. M. CONNOLLY.—I do, Sir.

MARTIN P. CONNOLLY, Bookkeeper of the firm of Larkin, Connolly & Co., called, and makes default.

MICHAEL CONNOLLY (re-called.)

By the Chairman :

Q. Do you know anything about Martin P. Connolly?—A. I do not know anything about him. I saw him in Kingston last Monday or Tuesday.

By Mr. Edgar :

Q. Do you know whether he was served?—A. He told me that he had not been.

By Mr. Mulock :

Q. I would like to ask Mr. Connolly when he saw Mr. Martin. P. Connolly in Kingston?—A. Last Sunday.

Q. That was after he received this telegram? (Telegram having been read by the clerk).—A. I do not know.

Q. He received it on the 20th May and you saw him in Kingston on the 24th of May. Do you know when he left Quebec?—A. I do not know. It was some days before.

Q. What did he come to Kingston for?—A. He came there because he had no further work to do in Quebec.

Q. Did he go there to see you?—A. He came there to attend to our business.

Q. Did he receive any orders to go there?—A. I didn't ask him anything about it.

Q. Did he tell you he had received a telegram?—A. I wouldn't swear one way or the other.

Q. Did he mention having received a subpœna?—A. He did not.

Q. Did he mention that he was called upon to appear before this Committee?—A. I do not remember that he did.

Q. Did he not mention to you that he had been notified to appear before this Committee?—A. I do not remember that he told me anything of the kind. I had very little conversation with him.

Q. Where did you meet?—A. In our office.

Q. On Sunday?—A. I saw him on Sunday.

Q. Where?—A. Somewhere about Kingston.

Q. Where about?—A. It might have been on the site of the graving dock we are building there.

Q. Was that before Sunday?—A. I cannot say whether it was Saturday or Friday.

Q. How many times did you see him when he was in Kingston?—A. Every day he was there.

Q. What was the next day that you saw him?—A. The last day I saw him was the day I left.

Q. What day was that?—A. Monday.

Q. Did you know what his movements were to be? Did he say?—A. No. I gave him instruction to look after our account and see that the men were paid.

Q. What is pay day?—A. The 15th of the month.

Q. So under your instructions he is to remain in Kingston until the 15th of the month? The 15th of June?—A. Unless my instructions are changed or countermanded by my brother.

Q. So far as your instructions were concerned he would remain there until the 15th of June?—A. He would remain there as long as we wanted him.

Q. You say that for all the time that you saw him in Kingston he never mentioned about receiving a subpœna to attend before this Committee?—A. I would not swear.

By Mr. Amyot :

Q. In the absence of Martin Connolly, who is in charge of the Quebec office?—A. I cannot answer that question. There are two or three watchmen there.

Q. Name one of them?—A. There are one or two there whose names I do not know.

By Mr. Lister.

Q. What had they to watch?—A. They have a good many things to watch.

MR. OWEN E. MURPHY sworn:

By Mr. Tarte:

Q. You have been, I think, a member of the firm of Larkin, Connolly & Co.?—A. Yes, Sir.

Q. When did you become a member of that firm?—A. In 1880.

Q. In connection with what work did you become a member of that firm?—A. In connection with the Graving Dock at Lévis.

Q. Who were the members of the firm at that time?—A. Patrick Larkin, Nicholas Connolly and myself.

Q. How long have you been a member of the firm since 1880?—A. Until I sold out in 1889 or 1890. I do not recollect the date.

Q. At any rate until you sold out?—A. Yes. I think it was in 1889

Q. What was the first work for which your firm made a tender after the Graving Dock work?—A. Dredging in Quebec Harbour.

Q. Do you remember what year that was?—A. In 1882, I believe. I am not positive, but I think that was the year.

Q. Who were the members of the firm then?—A. They were the same members of the firm.

Q. Did the members of the firm make up their minds to take with them some one else at that time?—A. Yes.

Q. Whom?—A. Robert H. McGreevy.

MR. STUART—I would submit, Mr. Chairman, that what the members of the firm made up their minds to do is hardly relevant to the inquiry.

Mr. TARTE.—Well, I want to be fair with my questions. (To witness). You have stated that Mr. Robert McGreevy was admitted with you as a member of the firm at that time?—A. Yes.

Q. Will you tell us, if he was taken into the firm with the consent and knowledge of the Hon. Thomas McGreevy?—A. Yes.

Q. Did you discuss the matter yourself with the Hon. Thomas McGreevy?

Mr. FITZPATRICK objected to the question.

Mr. TARTE.—My charge is a very plain one. It is this: "That the said Thomas McGreevy consented to his brother becoming a member of the firm, and stated that he had first consulted the Hon. Minister of Public Works, Sir Hector L. Langevin, and secured his consent." My question has, therefore, a direct bearing on this charge.

THE CHAIRMAN.—It is a leading question and you are not to put words into the mouth of a witness.

Q. Did you discuss the position that Mr. Robert McGreevy was going to have in your firm, with anybody?—A. I discussed it with members of the firm—Mr. Larkin and with Mr. Thomas McGreevy.

Q. Then Mr. Thomas McGreevy knew full well that you were to take with you Mr. Robert McGreevy?—A. Yes.

Q. Have you any recollection that tenders were asked twice?—A. Yes; this (referring to a paper in his hand) is the first dredging contract.

Q. Did you put in a tender the first time?—A. No.

Q. Why?—A. I had it made out and was going to the Harbour Commissioners to put it in when I met Mr. Thomas McGreevy who told me not to put it in; that they would not be opened; that the Commissioners intended that the contract would be re-advertised. The consequence was I did not put it in.

Q. Did he give you any reason why you should not put in a tender?—A. There were considerable reasons, but I have no remembrance of any other one than that

he said they would re-advertise to show Moore & Wright that we were not going to tender and that we would have an advantage in the next tender put in.

Q. Who were Moore & Wright?—A. The former contractors in the Quebec Harbour. They wanted Moore & Wright to believe that we were not going to tender and that would give us an advantage for the next tender put in.

Q. Then you did not put in a tender?—A. No.

Q. Then the tenders were prepared by you and you were just going to put in your tender?—A. Yes.

Q. Then I understand that there were second tenders called for?—A. The contract was re-advertised and new tenders asked for.

Q. Do you remember if you were the only party to put in a tender, or if there were some other parties who tendered as you did?—A. There were several tenders. I cannot name them all at present. This was the second time.

Q. Have you got any recollection of the respective positions of the parties tendering at the time?—A. No.

Q. Were you informed at the time that your tender was not the lowest?—A.—Yes.

Q. By whom were you informed?—A. It was a public matter; everybody knew it. The minute the tenders were opened everybody knew it.

Q. I do not mean that. At any rate, let us take your answer as it is now. Then you were not the lowest as you say?—A. No.

Q. Have you any recollection of what took place after that? Do you remember if there was a man Askwith, in Ottawa, who tendered at the time?—A. Yes.

Q. Do you remember Fradet & Miller, from Quebec, putting a tender in?—A. I remember they did tender.

Q. When the tenders were opened did you receive some letters from the Harbour Commissioners asking for new conditions for a deposit of money.—A. I believe we did.

Q. Were you assured then, though you were not the lowest, that you would get the contract?

Mr. HENRY—I object to that.

Q. What assurance had you at the time?—A. We had pretty strong assurances that the other tenders were low and irregular, and unable to put up the proper security and the contract would come to us.

Q. Do you know whether they had the proper securities or not? As a matter of fact yours was not the lowest tender?—A. No.

Q. And you got the contract?—A. Yes.

Q. How did you get it then?—A. We got it, that is all I know. As the contract was awarded us, we put the security at the proper time under the conditions asked for.

Q. Have you any recollection that you put up additional security and that the same additional security had been asked from other parties?—A. I believe we were called upon to put up $10,000 in 24 hours, additional, in the certified cheque, and we put up the required securities.

Q. You have suggested that you were informed that other parties would not be able to put up proper security. As a matter of fact, did you know that they had not put up proper security?—A. I was told that they had not.

By Mr. Lister:

Q. Who by?--A. Several parties.

By Mr. Tarte:

Q. Can you name me a party?—A. I would rather not answer that question now.

By Mr. Lister:

Q. By any official?

THE CHAIRMAN—You will have to answer that question.

WITNESS.—I believe it was Mr. McGreevy himself.

Q. Which one?—A. Thomas. I am not positive, but to the best of my recollection it was him.

Q. Anybody else?—A. Unless his brother. No other public official.

By Mr. Tarte:

Q. You have said Mr. Robert McGreevy became interested with you in this contract?—A. Yes.

Q. Why did you take Mr. Robert McGreevy with you at the time?—A. To get the influence of his brother and help us along as best he could to make money, and—

Q. Did you not want to secure any other influence but that of Mr. Thomas McGreevy.

Mr. STUART objected to the question as irrelevant.

Mr. TARTE—I want to know what the witness was going to say after the word "and". He has just stated that they took Mr. Robert McGreevy into the firm to secure Mr. Thomas McGreevy's influence and another influence. What is that other influence you were going to speak of?

(A discussion took place as to the manner in which the question should be put to the witness and eventually the examination was proceeded with.)

By Mr. Amyot:

Q. You stated that you wanted to secure Mr. McGreevy's influence. I asked you with whom?—A. With the Minister of Public Works.

(Mr. HENRY pressed the objection that the motives of these men were immaterial and was not evidence on the subject-matter of the investigation.)

By Mr. Tarte:

Q. At the same time that you arranged to have Mr. Robert McGreevy with you in connection with the dredging contract in 1882, did you make some other arrangement for future work?—A. Robert McGreevy was to have the same interest in all contracts in the harbour of Quebec. He had the same in the cross-wall. After the south wall contract, I impressed upon him to provide that Michael Connolly should get an equal quarter. It was agreed among ourselves that Mr. Larkin should be left out. Then we each had a quarter. The agreement that was originally entered into for the dredging was to carry also the same percentage in the cross-wall.

By Mr. Edgar:

Q. What was the percentage?—A. Thirty per cent.

By Mr. Tarte:

Q. Did the Hon. Thomas McGreevy at that time know, or rather did you discuss with him, the position that his brother Robert was going to have in the cross wall contract?—A. Yes. He knew all about it.

Q. All about the two contracts?—A. Yes.

Q. Did you discuss the question with him?—A. Yes; on several occasions.

By Mr. Mills (Bothwell):

Q. What was the discussion?—A. About the percentage that his brother had and the interest. I wanted originally to get out of the firm and let Robert McGreevy take my one-third interest. That they would not listen to, and finally it was agreed that Mr. Larkin was to have 20 per cent., Robert McGreevy 30 per cent., and Nicholas Connolly and myself 50 per cent. Afterwards Nicholas Connolly and myself divided that 50 per cent. with Michael Connolly into thirds.

By Mr. Edgar:

Q. In which contract was that?—A. In the dredging and the cross wall also. Afterwards with Mr. Larkin, instead of this having 20 per cent. we divided into four equal parts.

By Mr. Davies:

Q. Was Mr. Thomas McGreevy aware of the respective interests you had in these contracts?—A. Yes.

Q. From conversations you had with him?—A. Yes.

Q. Did you have conversations directly with him as to the interest his brother was to have?—A. Yes; directly with Thomas McGreevy himself.

Q. Before his brother was taken in he knew directly what interest Robert McGreevy was to have?—A. Yes.

Q. From conversations with you?—A. Yes.

By Mr. Mills:

Q. Who began the conversations?—A. Thomas McGreevy himself. He told me his brother had enough and he did not want me to be out of the firm. He said 30 per cent. was enough. He told me further that he told Captain Larkin that coming down on the cars.

By Mr. Lister:

Q. Before Robert McGreevy was taken into the firm did you have conversations with Thomas McGreevy?—A. Yes.

Q. About these contracts?—A. Yes.

Q. In what regard? About what?—A. About the removal of Kinipple and Morris, the engineers.

Q. They were the engineers on the work?—A. Yes; they were the engineers on the work of the Lévis Graving Dock at that time for the Harbour Commission.

Q. You wanted them removed?—A. Yes.

Q. Robert McGreevy was not then a partner?—A. He became a partner, I think, in 1882, but I had several conversations with Thomas McGreevy previous to that.

Q. Previous to Robert becoming a partner?—A. Yes.

Q. Did you want these men removed before or after Robert McGreevy became a partner?—A. Before and after.

Q. Then you had conversations with Thomas McGreevy as to the removal of these engineers?—A. Yes.

Q. When was that?—A. Along in 1881 most of the time, and partly in 1882.

Q. Robert was a partner then?—A. He was in 1882.

Q. What did you tell him about your wish as to having the engineers removed?—A. They were very severe on us in keeping us to the letter of the contract, and it was a question whether we would have to give up the contract or the engineers be dismissed?

Q. It was a question as to whether you should live up to the contract or the enginers be dismissed?

Sir JOHN THOMPSON—He did not say "live up to the contract," he said "give up the contract."

WITNESS.—Yes; give up the contract.

Q. Why would you have to give it up?—A. Because we could not complete it at the prices given; and the way they were forcing us to do the work.

Q. So that you would have to give it up?—A. Yes.

Q. In other words you could not live up to it?—A. No.

Q. So you thought you should get rid of the engineers?—A. If possible.

Q. You spoke to Thomas McGreevy about that?—A. Yes.

Q. What did you say to him?—A. There were several conversations, I cannot remember them all.

Q. You cannot recollect the details?—A. No.

By the Chairman:

Q. When was the first conversation?—A. We had so many, it is impossible for me to recollect.

By Mr. Curran:

Q. Was it in the early part of 1881?—A. All through 1881.

By Mr. Tarte:

Q. About the removal of Messrs. Kinipple and Morris, did you wish to have them removed only because as you said they kept you to your contract on the Graving Dock, or had you in view at the time any future work?

MR. STUART objected to the question.

WITNESS—We knew the cross-wall work was about being advertized and we wanted, if possible, to have other engineers instead of Messrs. Kinipple and Morris control the contract.

By Sir John Thompson:

Q. Was anything said about that to Thomas McGreevy?—A. Yes.

Q. When?—A. During 1881 on several occasions.

By Mr. Curran:

Q. Previous to his brother being taken into the firm?—A. Yes.

By Mr. Tarte:

Q. As a matter of fact you discussed over and over again the question of their removal with Thomas McGreevy?—A. Yes.

Q. Have you any recollection of the fact that they had been removed?—A. Yes.

Q. In what year were they removed?—A. I forget the year, but I know they were removed.

By Mr. Curran:

Q. How long after these conversations?—A. I cannot recollect the day. Of course the minutes of the Board of Harbour Commissioners will show that.

By Mr. Tarte:

Q. Do you remember whether they were removed previous to the cross-wall contracts being awarded?—A. They were removed previously.

Q. Did you tender for the cross-wall work?—A. The firm of Larkin, Connolly & Co.? Yes.

Q. In what year was that?—A. In 1883.

Q. You have stated that Mr. Robert McGreevy was interested in the cross-wall to the same extent as he was in the dredging contract?—A. To the same extent—the same percentage.

Q. While the tenders were being prepared did you have any conversations or communications with Mr. Thomas McGreevy?—A. Yes.

Q. Do you remember who were the parties who prepared the tenders in connection with that work—the cross-wall?—A. The firm of Larkin, Connolly & Co.

Q. Who were the tenderers who put in tenders at the time?—A. John Gallagher, Beaucage, and Larkin Connolly & Co.

Q. Do you know who prepared the tenders of these three men?—A. The firm of Larkin, Connolly & Co.

By Mr. Lister:

Q. They prepared the three tenders?—A. Yes.

By Mr. Tarte:

Q. Can you identify this paper?—A. Yes. It is the schedule of rates. Beginning from the beginning, No. 1 is supposed to be John Gallagher's; No. 2 is Beaucage's; and No. 3 Larkin Connolly & Co.'s. (Paper filed and marked Exhibit "S 2.")

Q. In this paper, there is a schedule of rates of Nos. 1, 2 and 3?—A. Yes

Q. Who is No. 1?—A. John Gallagher.
Q. No. 2?—A. Beaucage.
Q. No. 3?—A. Larkin, Connolly & Co.
Q. Who was the lowest of these three tenders?—A. John Gallagher.
Q. And the second lowest?—A. Beaucage.
Q. And the last one?—A. Larkin, Connolly & Co.
Q. Can you tell us in whose handwriting these figures are? To the best of your knowlenge?—A. No. 1, is Michael Connolly's; No. 2, I believe is Robert McGreevy's, and No. 3, is that of Peter Hume, our engineer.
Q. These three tenders where put in?—A. Yes.
Q. Who is that man John Gallagher? What was he at that time?—A. He was our foreman at the quarries at St. Vincent de Paul—quarrying stone for Quebec Harbour.
Q. How long had he been foreman for you?—A. For a number of years. He had been in Connolly's employ before I became a partner with them.
Q. Has he been employed since that?—A. Yes.
Q. And by you?—A. Yes.

By Mr. Amyot:

Q. Is he a man of some pecunary means?—A. I would rather that some one else would answer that question.

By Mr. Curran:

Q. Do you know personally what he is worth?—A. He was working with us on salary. I presume he was worth a few thousands at the time.
Did you know what his means were at the time?—A. This I know, that he really had no means of any account.

By Mr. Tarte:

Q. At any rate he was foreman for you?—A. Yes.
Q. You made the figures for his tender?—A. Yes; they were made in the office.

By Mr. Burdett:

Q. In whose interests were they made?—A. The firm of Larkin, Connolly & Co.

By Mr. Hector Cameron:

Q. Was Captain Larkin present when they were prepared?—A. I will not say that he was. We had very little business with Captain Larkin.

By Mr. Tarte:

Q. These tenders were then sent in? To make a long story short—will you tell us what took place after that? All these tenders were the firm's tenders as a matter of fact?—A. Yes.
Q. What took place?—A. After, I sent in the tender of Larkin, Connolly & Co. to the Harbour Commissioners myself. They were all put in as far as I know in a regular way. Gallagher put in his tender and Beaucage or some other man for him put in his. They were then sent to Ottawa where they were opened. We got information during the time they were at Ottawa, about the relative amounts. Of course we knew the amount of the three tenders before we sent them in. This information came from Mr. Thomas McGreevy who directed us to have Gallagher's tender withdrawn immediately. So a letter to that effect was prepared and Gallagher withdrew his tender.

By Sir John Thompson:

Q. Was the information from Thomas McGreevy by letter?—A. Verbally and, both.

Q. At what time?—A. While the tenders were at Ottawa. They were brought to Ottawa for the calculations to be made.

By the Chairman:

Q. Were they opened at Ottawa?—A. They were opened here I understood.

By Sir John Thompson:

Q. They were received at Quebec?—A. Yes; by the Harbour Commissioners.

Q. Were they not opened there?—A. That I could not tell you; I understood not.

By Mr. Tarte:

Q. At the time do you remember having read three letters signed by Hon. Thomas McGreevy sent for your information in the cross.wall affair?—A. His brother Robert showed me every letter sent by Thomas McGreevy in reference to this affair.

By Mr. Burdett:

Q. Who put up the money for the three tenders?—A. Mr. Thomas McGreevy told me that he did on the Beaucage tender, and he complained that the Union Bank charged him 9 per cent., I think it was, but it may be a cheque was put up.

Q. Who put up the cheque for the others?—A. For Gallagher?

Q. Yes,—A. I would not be positive, but I think it was Nicholas Connolly.

Q. But it was the firm that did it?—A. I suppose so. It was Mr. Nicholas Connolly to the best of my knowledge.

By Mr. Tarte:

Q. At any rate it was put in in the interest of the firm with your knowledge?—A. Yes.

Q. Look at this letter (Exhibit "B 2.") dated 5th May—have you seen it before?—A. I recollect reading that letter.

Q. Now this one (Exhibit "C 2.") dated 7th May?—A. Yes. I recollect reading that.

Q. Look at this one (Exhibit "D 2.")?—A. I was also shown that. It has reference to Kinipple and Morris. I recollect it. I may state here, gentlemen, that Mr. Robert McGreevy has shown me all these letters that came from his brother Thomas in reference to all these works.

Q. To all the works?—A. Yes.

Q. You stated a minute ago that Mr. Thomas McGreevy said to you that he had put the deposit for Beaucage?—A. Yes.

By Mr. Lister:

Q. You say that these letters handed to you by Mr. Tarte were shown to you?—A. Yes.

Q. Are they in the handwriting of Thomas McGreevy?—A. Yes.

Q. Is the signature Thomas McGreevy's?—A. Yes.

By Mr. Edgar:

Q. Look at the letter of the 5th May (Exhibit "B 2.") and read from the portion commencing, "the tenders for cross wall, &c."?—A. "The tenders for cross-wall only arrived here yesterday and are locked up until Monday, when he will commence his calculations. I will write you Tuesday and let you know the result. Larkin was here yesterday. I told him that it would be useless to get Peters out of the way, as it would be tantamount to giving the contract to the highest tenderer, that you would have to stick to Beaucage's tender as it was fair."

Q. Now the second letter (Exhibit "C 2"), dated 7th May. Read, commencing from the words "I hope"?—A. "I hope to let you know to-morrow about the result

of cross-wall tenders. Have your arrangements right with Beaucage before result is known. I will give you timely notice."

Q. Now the one dated 17th May (Exhibit "D 2") ?—A. "As I told you yesterday to try and get a good plan, and as quick as possible, in answer to the letter that Gallagher and Beaucage will receive about their tenders to bring them over to L. & C., so as their contract will be the lowest. The contract will be awarded from Ottawa direct. I think I will go down Saturday." I was shown that at the time.

By Mr. Tarte :

Q. Now, that you have read the letters, will you tell the story as it is ? Four tenders went in in all, Peters', Gallager's, Larkin, Connolly & Co.'s and Beaucage's ?—A. What story do you want?

Q. How did you get that work ?—A. We were instructed to have Gallagher ask for the withdrawal of his cheque or tender—to send a letter to Ottawa to that effect, and it was done. I met Mr. Thomas McGreevy in Dalhousie Street, Quebec, and he told me that he had promised Beaucage, after Robert McGreevy had got the assignment of the contract to him, that he would give him (Beaucage) $5,000, and he wanted Larkin, Connolly & Co. to give it to Beaucage or else that he should get it from them to give to Beaucage. I then proposed that I would give $25,000 if Larkin, Connolly & Co. got the contract.

By Mr. Edgar :

Q. Proposed to whom ?—A. To Thomas McGreevy.

Q. Well ?—A. Well, the result was we got the contract.

By Mr. Davies :

Q. You proposed to Mr. Thomas McGreevy to give $25,000 to some one ? To whom was that ?—A. We proposed that we would give $25,000 for it. It was to Thomas McGreevy I was talking.

By Mr. Amyot :

Q. If I understand you properly, Mr. Murphy, you had got Gallagher yourself to withdraw his tender. There then remained between your tender of Larkin, Connolly & Co.'s that of Beaucage's ?—A. Yes.

Q. It was lower than yours ?—A. Yes.

Q. Then Mr. McGreevy told you he had bought, or something to that effect, Beaucage's interest under a promise of $5,000 ?—A. No.

By Mr. Edgar :

Q. Will you please repeat what he did say ?—A. We knew at the time that Gallagher was the lowest, that Beaucage was the next and that we were the highest. But directions came to let us make some errors, if you please. When we got the result we found that Beaucage was over us and Larkin, Connolly & Co.'s tender was lower.

By Mr. Amyot :

Q. I want to understand what those $5,000 promised by Mr. McGreevy to Beaucage were for ?—A. To get Beaucage to give up the contract and to assign it to Larkin, Connolly & Co.

By Mr. Burdett :

Q. Was it done ?—A. The assignment was made.

By Mr. Amyot :

Q. Then you told Mr. McGreevy that instead of giving $5,000 to Beaucage, if he could manage things so that your tender would be accepted and the contract given to you that you would give him $25,000 ?—A. Yes.

By Mr. Mulock:

Q. You promised $25,000 to Mr. Thomas McGreevy?—A. Yes.
Q. Did you give it to him?—A. Yes.

By Mr. Amyot:

Q. This is outside the interest of Robert McGreevy as a partner?—A. Yes. We got information at the time to show that Gallagher was the lowest, Beaucage next and Larkin, Connolly & Co. highest.

By Mr. Tarte:

Q. What about Peters?—A. Peters was under Larkin Connolly & Co. he was next to Beaucage. The figures were shown me in pencil and then it was that I made the proposition to give $25,000.

By Mr. Mills (Bothwell):

Q. Who showed you the figures?—A. Thomas McGreevy.

By Mr. Davies:

Q. In the letter you read (Exhibit "D 2") he says "try and get a good plan, and as quick as possible in answer to the letter that Gallagher and Beaucage will receive about their tenders to bring them over L. & C., so as their tender will be the lowest." Was there any agreement made, or did you adopt any plan to accomplish this suggestion?—A. Yes.

Q. What plan was it?—A. There was doubt about the sheet piling on the back of the cribs and we intended originally to lay that out as a blind—as doubtful prices in figuring. And the letter came to us and one of the things was to change that sheet piling from so many dollars per running foot to so many cents. And it was made cents instead of dollars.

Q. In the letter?—A. In the letter that went from Quebec to Ottawa.

Q. You say that in the tender which you submitted to Ottawa you had tendered for sheet piling?—A. We sent a schedule of rates.

Q. So much per foot?—A. So much per lineal foot on the face of the work.

Q. You had sent it in cents?—A. It was to be left as evasive as possible.

Q. What is the tender?—A. Twenty-five cents.

Q. In each of the three tenders or only in Larkin, Connolly & Co's?—A. They were put in one of them at twenty cents, and in Beaucage's twenty-six cents and we put in at twenty-five cents.

Q. All in the same form?—A. Nearly the same.

Q. You received information from Ottawa with respect to that item. Have you any letters?—A. Yes; I will read the following:

(Exhibit "T 2.") "DEPARTMENT OF PUBLIC WORKS, CANADA,
No. 6905. "CHIEF ENGINEER'S OFFICE, OTTAWA, 17th May, 1883.

Quebec Harbour Works.

"SIR,—In your tender for the construction of the cross-wall harbour works, Quebec, there is an evident error in the prices. You have given for "sheet piling," 8″, 6″ and 4″ thick white pine, and 6″ thick, any timber, as per clause 18. If you will examine the form of tender you will note the prices asked for are "per lineal foot in line of work," which means a measurement along the *top* of the work after having been done, and not with any reference to the length of piles to be driven, &c. From the prices you have given it is inferred that you have named a price *per lineal foot of pile* instead of per lineal foot of work.

I am directed to call your attention to this, and to request an immediate reply whether an error has or has not been made by you, and if so, that you will name a price per lineal foot in line of work, to enable me to compare your tender with others who have given prices as per the requirements of the tender.

I have to call your attention to the price you have placed in your tender "for pile driving to any depth not exceeding twenty feet," and the note that you have placed that this price is for "labour only." It is clearly stated in clause 80 of the specification that all prices named in the schedule shall be held to cover not only the cost of labour, but of all the machinery, plant, &c.

"I am, Sir, your obedient servant,

"HENRY F. PERLEY,

"*Chief Engineer.*"

Q. He speaks of that as a plain, palpable error. Was that made purposely?—A. I believe so.

Q. When you got that letter from Mr. Perley asking you to correct it, what course did you take with reference to each of these tenders? What did you do with Gallagher's?—A. It was withdrawn.

Q. What did you do with Beaucage's?—A. Made it dollars. $20 per foot instead of twenty cents.

Q. What did you do with your own? A. Let it remain as it was.

Q. By altering Beaucage's you put his tender above yours?—A. Not me.

Q. Larkin, Connolly & Co.?—A. That is for somebody else to answer.

Q. By altering Beaucage's tender it made it higher than Larkin, Connolly & Co's?—We were told that was the way it was done.

By Mr. German:

Q. Who told you?—A. Thomas McGreevy.

By Sir John Thompson:

Q. Would you just read the item of the tender referring to the piling so that we may see how the mistake occurred?—A. That (referring to the document in his hand, Exhibit "S 2") was only the draft we made our tender from.

Q. Who was the person who actually prepared these tenders? Who attended to that business in the firm?—A. We all did. There was no particular person.

Q. You all knew what was being done?—A. Yes.

Q. Was the same mistake made in Gallagher's and Beaucage's?—A. Yes; in the same way but with different prices.

Q. They were all put in by measurement along the top of the work?—A. In the length of the pile.

Q. That did not include materials?—A. So Mr. Perley says.

Q. Do you know?—A. I do not. I have not read it since.

Q. Did you know at the time these tenders were being put in that this error was being made purposely?—A. They were made all three alike at the time and we knew it would include all labour in connection with these piles. We knew very well that it included all labour.

Q. What did?—A. These piles.

Q. Do you mean that the specification calling for the tender covered the labour and material or both; or was that your tender?—A. The specification and tender both.

Q. Did your tender include both?—A. Certainly.

Q. Then where was the mistake?—A. It was purposely done.

Q. In that respect you departed from the specification?—A. We were told that it was a mistake in the letters from Ottawa.

Q. Did you know that it was done at the time?—A. Yes.

Q. In all three tenders?—A. I did not see Beaucage's go in.

Q. Did you know that that departure was made in all three?—A. We discussed these tenders all together.

Q. Did you know that that change was being made in the other two tenders as well as your own? That is, in Beaucage's, Gallagher's and Larkin, Connolly & Co.s?—A. I want to answer the question, but I want it to be put so I can understand it.

Q. The specification called, in the section Mr. Perley has referred to, for a tender for labour and material both. You knew that?—A. Yes.

Q. You knew you did not tender in Larkin, Connolly & Co.s tender for labour and material both, but tendered only for one?—A. The tender was for labour and material both.

Q. In Larkin, Connolly & Co.s tender?—A. In the whole three of them.

Q. Then there was no mistake made and no change from the specification?—A. It was not a mistake. You understand one thing and I another.

Q. But you said a few minutes ago that there was a mistake made in these tenders?—A. There was evidently a mistake.

Q. What was the mistake?—A. It is for him to say.

Q. What was the mistake?—A. That we had not price enough for the sheet piling in line of work and if we intended that for dollars or cents.

Q. Hadn't you enough?—A. We thought we had enough, but it was for other people to think different.

Q. What I want to know is, that you said a few minutes ago that there was a mistake made about it; but now you say there was none so far as you know?—A. No.

Q. Not in Larkin, Connolly & Co's tender?—A. I am speaking of Larkin, Connolly & Co.

Q. Was there any made in Gallagher's or Beaucage's?—A. The prices were the same only a little elaboration, as it was the same parties.

Q. Will you say there was no mistake made intentionally in this?—A. I think not.

By Mr. Edgar:

Q. Was there any correction made intentionally?—A. Those are things that it is hardly fair to put to me now. It is a long time ago.

Q. The tender was so many cents in each case per lineal foot. You have read a letter from Mr. Perley drawing attention to what he calls an evident error in that. He said it was an evident error in his letter?—A. Yes.

Q. Do you know whether Gallagher and Beaucage received similar letters from Mr. Perley?—A. Gallagher's tender was withdrawn. At this time it was not necessary.

Q. Larkin, Connolly & Co. received a similar letter?—A. Yes.

Q. In answer to that letter, did Larkin, Connolly & Co. make any correction of what Mr. Perley called an error?—A. No.

Q. What did they do?—A. We dictated a letter something like this: "Notwithstanding."——

Q. You made no correction?—A. No; as near as I can recollect we dictated a letter like this: "Notwithstanding that there is an error in this thing we will, if the contract is awarded still adhere to the tender."

Q. As to the Beaucage tender what was done in reply to Mr. Perley's letter? Was it allowed to stand as it was?—A. It was changed from twenty cents to dollars. It was made dollars instead of cents in the Beaucage tender in the letter to Ottawa.

Q. With what object and with what effect was that change made?—A. We were informed that that would bring it over Larkin, Connolly & Co. and give us the contract.

Q. Who informed you that?—A. Thomas McGreevy.

Q. I see these letters were dated Ottawa. Did he go to Quebec to see you?—A. Quebec. Yes.

Q. Did you see him in Quebec?—A. Yes.

Q. Did you get that information from him there?—A. I got it first from Robert and from himself afterwards.

Q. Was it before or after you got that information that you sent in answers to Perley's letter?—A. After.

Q. And the effect, what was it?—A. We got the contract.

Q. It put Beaucage higher than you and you got the contract?—A. We got the contract.

By Mr. Curran:

Q. As I understand you, you had made these three tenders yourself?—A. Yes.

Q. You knew what was in these tenders?—A. Yes.

Q. You knew what would be your relative positions. If you changed the Beaucage tender from cents to dollars and left your own as it stood what need had you to get information from Thomas McGreevy?—A. We got the information to do that.

Q. How?—A. From Thomas McGreevy.

Q. You said that you found out, as I understood you, that if this were done it would alter the matter?—A. It would bring Beaucage's tender over Larkin, Connolly & Co's.

Q. What necessity was there for Mr. McGreevy telling you that?—A. I think I explained that so plain that everybody could understand it. When we put in the tenders John Gallagher was the lowest by a large amount. That was the tender we would do the work for. We thought it was fair prices and we were willing to do the work for them. Beaucage's was put in as a catch. Larkin, Connolly & Co. was away above that. Then, when we found that there was no one between Gallagher and Beaucage we were ordered to withdraw Gallagher's tender, which was done. And then we were only anxious to get Beaucage's. Thus it came that Mr. McGreevy and I made the bargain for $25,000.

Q. We have all that down?—A. Then when I made the proposal, when I was asked for the $5,000, I said I will give, or the firm (I was acting for the firm) will give $25,000 if the contract is awarded to us. Or in other words, to what was known as number three.

By Mr. Edgar:

Q. Was it large enough to allow that margin?—A. Yes; more.

By Sir John Thompson:

Q. Who prepared the answer to Perley from Beaucage?—A. It was prepared, I think, by Robert McGreevy. I think the letter was drafted in the form we should send it in.

Q. Robert McGreevy prepared the reply for Beaucage about the supposed mistake?—A. Yes; and also prepared the draft of a reply Larkin, Connolly & Co. was to send in.

Q. The firm knew what was going on?—A. Yes.

By Mr. Curran:

Q. What was the need of getting any information from anybody that the tender of Beaucage would be higher than the tender of Larkin, Connolly & Co., since you knew yourselves all the figures?—A. I will answer that satisfactorily. We knew the figures in Quebec and the measurements we had taken, but then it was a question how they were figured up at Ottawa and the quantities multiplied, if you please, and why they were.

Q. After that arrangement had been made by which these cents were changed into dollars, the firm of Larkin, Connolly & Co. came in next to Beaucage. Is that so?—A. Peters would be next—if any alterations were made—if any changes were made from the tenders as they left Quebec, so we understood.

Q. I say, after that alteration had been made from dollars to cents—or, rather, cents to dollars—I understand you to say that Larkin, Connolly & Co.'s tender came next. Is that so?—A. The information I got was that that would put Beaucage over Larkin, Connolly & Co.

Q. And Larkin, Connolly & Co. would be next to Beaucage? You said something about Peters?—A. I will explain that, as I explained about the three tenders. We were over Peters as the information came. Then I proposed myself to try and get Peters out by giving him $10,000, previous to making this offer of $25,000, and there came a letter of instruction to me not to go near Peters. I believe there is a

letter there to that effect. Consequently I did not go near Peters. Then I made this offer of $25,000.

By Mr. Amyot:

Q. From whom did that information come not to mind Peters?—A. There is a letter from Thomas McGreevy to his brother Robert.

By Sir John Thompson:

Q. I want to ask you if you let Beaucage know when that letter was prepared for him to sign?—A. The McGreevys did that.

Q. They did that with your knowledge? Did they or did you let Beaucage know that you intended to stick to your tender?—A. The McGreevys were dealing with him altogether.

Q. Did anybody let him know?—A. That I do not know.

By Mr. Davies:

Q. The tenders as they went in to the Department would not show to an outsider which was the lowest? They would have to be tabulated; the prices would have to be tabulated?—A. The amount or quantities.

Q. That is a pretty ticklish job?—A. It is very simple.

Q. It was not done by the parties tendering?—A. No.

By Mr. Kirkpatrick:

Q. How was Peters tender got rid of?—A. That is for somebody else to answer beside myself.

By Mr. Tarte:

Q. Were you told?—A. We were told he was figured over Larkin, Connolly & Co.

Q. Who told you that?—A. Thomas McGreevy. In other words, the answer was given to me that instead of being figured down they were figured up.

Q. In Peters' case?—A. In all cases.

By Mr. Amyot:

Q. What was the consequence about the prices; did it make Peters higher or lower than yourselves?—A. Higher, of course.

By Mr. Edgar:

Q. Here is a document produced by the Deputy Minister of Public Works from the Public Works Department, which is annexed to a report of Mr. Perley, and contains a great deal, in fact, most of the information in connection with this cross-wall tender. It contains a tabulation in detail of all the different tenders added up and showing, as it does here in red ink, the changes in Beaucage's tender, which apparently raises it from $592,463, which is in pencil, up to $640,808; and Larkin, Connolly & Co.'s is put down as $634,340. In connection with these reports there are some of these letters which Mr. Murphy has been speaking about. There is a letter here from Larkin, Connolly & Co. to Mr. Perley, dated 19th of May, on the subject of these tenders. There is another letter on the subject of these tenders from John Gallagher. I do not know whether the witness knows the handwriting or signature. Here is another letter on the subject of these tenders from George Beaucage. Perhaps the witness can tell us about these. Do you know the handwriting?—A. The first letter is from Larkin, Connolly & Co. The handwriting is that of Peter Hume, the engineer who is in our employ.

Q. Read it ?

(Exhibit " U 2.")

" LARKIN, CONNOLLY & Co.,
" CONTRACTORS GRAVING DOCK,
" LÉVIS, P.Q., 19th May, 1883.

" HENRY F. PERLEY,
" Chief Engineer, Public Works.

" DEAR SIR,—Your favour of 17th May is received, and in reply would say that in tendering for the Harbour Works at Quebec, our interpretation of the specification was as we tendered, per lineal foot for each pile driven. Notwithstanding the error we have made, we hold ourselves ready to enter into contract at the prices submitted in our tender, provided the work is awarded us.

" We have the honour to be,
" Your obedient servants,
" LARKIN, CONNOLLY & CO."

Q. Here is a letter from Gallagher. Do you know that writing?—A. That is Michael Connolly's writing:

(Exhibit " V 2.")

" MONTREAL, 19th May, 1883.

" HENRY F. PERLEY, Esq., C.E.,
" Chief Engineer Public Works, Ottawa.

" SIR,—Since I wrote you my withdrawal of tender for Quay wall, Quebec Harbour Works, I received your letter of 17th inst. asking me certain questions as to my intentions on the sheet piling, &c. I wish to say in reply, that my prices were 25c. 20c. 15c. and 18c. per foot b.m. respectively, for these four items.

" I remain, Sir, very respectfully yours,
" JOHN GALLAGHER."

Q. There is a letter apparently signed by George Beaucage. Do you know the writing?—A. I do not know that writing:

(Exhibit " W 2.")

" QUEBEC, 21st May, 1883.

" HENRY F. PERLEY, Esq.,
Chief Engineer,
Department of Public Works,
Ottawa.

" SIR,—I havereceived your letter of 17th inst., No. 6905, relative to items in my tender for cross-wall which demand an explanation. Having examined, on receipt of your letter, my memo. of details of calculations for this work in harbour of Quebec I find that my rates or prices, as is evident on the face of it, are based on foot lineal of pile, and the width of these piles are assumed at 9″ to 10″ wide each, and I so read those items as meaning foot lineal of pile. This, I must say, is a serious error on my part. My rate for this work as now explained by you would be $19 per foot for sheet piling, 8″ thick driven from 6 to 8 feet, white pine; do 6 inches thick, $17; do 4 inches, $15 per foot; do 6 inches thick of any timber as per clause 18 of specifications, $15.75, all per lineal foot in line of work, and I desire my tender to be so amended. I think, under the circumstances, this addition should be allowed to my tender, seeing it is evidently an error, caused by a misunderstanding of the terms of the schedule. With regard to the second question in your letter on the item " pile driving to any depth not exceeding 20 feet," where you say I have put the words 'labour only,' this has also been an error, but as clause 80 of the specification you invoke is clear on the subject, I would strike out the words " labour only " which I put.

Hoping these explanations are clear and satisfactory,

" I remain, your obedient servant,
" GEORGE BEAUCAGE."

By Mr. Lister:

Q. You say you agreed to pay $25,000 to get the contract awarded to Larkin, Connolly & Co. Was the contract awarded to you?—A. Yes.

Q. Did you pay the $25,000?—A. Yes.

Q. Who to?—A. If there is no objection I will explain: As I made the proposal I expected it would be money paid as we got it out of the works; but as soon as the contract was signed Robert McGreevy came to me and said his brother wanted notes and, of course, the firm all met in Thomas McGreevy's office. We went in and went down through a trap door in the office, and I drew the notes one to Mr. Larkin, one to Nicholas Connolly, myself signing them for Larkin, Connolly & Co. They were then endorsed by the different parties. When I got all the notes endorsed, the several members handed the notes to me and I handed them to Robert McGreevy. When the notes became due I paid them.

Q. Where was Thomas McGreevy?—A. Part of the time, and most of the time I think, he was down stairs. He was there part of the time. We went in upstairs and down to this little office where I signed the notes.

Q. And you handed the notes to Robert McGreevy?—A. Yes.

Q. Do you know of your own knowledge whether he handed the notes to Thomas McGreevy?—A. That is for Robert McGreevy to say.

Q. Did you pay the notes subsequently?—A. I did.

Q. Who to?—A. Different parties.

Q. You took up the notes. Where were they?—A. Different places. One was paid in James Ross' office. I always drew the money out of the bank and paid them without giving cheques.

Q. Were the entries of these payments duly made in the books of the company?—A. The books of the company were not audited up in time. There was a good deal of trouble about them after.

Q. Were the entries of the notes in the books?—A. No.

Q. Were the payments?—A. There was a bulk sum of $25,000, chargeable to Quebec Harbour cross-wall.

By Mr. Edgar:

Q. Under what heading?—A. Quebec Harbour improvements.

Q. Under what heading in the books?—A. Expense account.

By Mr. Lister:

Q. Did you ever have any conversation with Thomas McGreevy about these notes after they were given to Robert?—A. No.

Q. Were these notes endorsed by Thomas McGreevy?—A. I have no recollection of that. The notes were made payable—I made them payable—to different members of the firm and they endorsed them.

By the Chairman:

Q. Was Thomas McGreevy present when the notes were delivered to his brother Robert?—A. I do not know that.

Q. You say you delivered the notes to his brother Robert. Was Thomas McGreevy present?—A. I am not clear on that point where he stood. We all went out to Dalhousie Street. I think Mr. McGreevy was present, but I am not clear on that. I would not like to swear positively.

By Mr. Mulock:

Q. Did you say you first of all assembled at Mr. Thomas McGreevy's office?—A Yes.

Q. Who caused you to asssemble there? How came it you met there?—A. Robert stated that his brother wanted notes. We did not expect to give notes but expected to make future payments.

Q. Whom did you meet there?—A. Thomas McGreevy.

Q. And you went down stairs through this trap door into a lower office? A. Yes : on a level with the street, and made these notes.

Q. How long were you there?—A. I cannot tell. I did not keep time.

Q. Did Thomas McGreevy take part in the conversation?—A. Part of it.

Q. As to the division of the money?—A. He asked for notes, and I think there were five.

Q. Who asked for notes?—A. Robert McGreevy said his brother asked for them.

By the Chairman :

Q. Was Thomas McGreevy present when his brother said so?—A. No ; I think not.

The Committee then adjourned.

HOUSE OF COMMONS, TUESDAY, 2nd June, 1891.

The Committee met at 10.30 a.m.; Mr. Girouard in the chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. MICHAEL CONNOLLY recalled.

By the Chairman:

Q. Has Mr. Connolly brought the books he was told to produce?

Mr. FERGUSON.—The books that have been requested to be brought here are, I understand, on their way to Ottawa, and will be here at 1 o'clock. Steps were taken at once to have them brought from Quebec.

Q. Why were they not here before?—A. Witness—I could not get them ready for the express train on leaving Quebec.

Q. Could you not have sent them on Saturday?—A. I could not very well, I only got to Quebec on Sunday morning.

J. B. GEORGE SAMSON sworn:

By the Chairman:

Q. What is your name?—A. J. B. George Samson.

Q. You are a messenger of the House of Commons, are you not?—A. Yes, Sir; a sessional messenger.

Q. Did you proceed to Quebec after the last meeting of the Committee to serve a subpœna upon Martin P. Connolly?—A. Yes, Sir; I was sent down by the Deputy Sergeant-at-Arms.

Q. Was that on Friday or Saturday?—A. I left here on Friday night. I arrived at Quebec on Saturday morning, and did all I could to find out Martin P. Connolly. All the persons I questioned told me he was not in Quebec, and had not been there for a couple of weeks. I did all I could to find him.

Q. You could not find him?—A. No, Sir.

By Mr. Wood (Brockville):

Q. Did you hear where he was?—A. Most of those of whom I inquired told me he was in Kingston.

By Mr. Edgar:

Q. You did not go to Kingston?

The CHAIRMAN—That was another messenger.

ALEXANDER SHARPE sworn:

By the Chairman:

Q. What is your name?—A. Alexander Sharpe.

Q. You are one of the messengers of the House of Commons, are you not?—A. Yes, Sir.

Q. Did you go to Kingston for the purpose of serving a subpœna on Martin P. Connolly?—A. I did, Sir.

Q. Tell us when you went, and describe in a few words what happened?—A. I left here Friday evening on the 10.45 train and went to Kingston. I could not do anything that night, but on Saturday morning I went about making inquiries. I

could not find anything about Martin P. Connolly at all. No person knew him, in fact. They all knew Mr. Michael Connolly and Nicholas K. Connolly, but no person in Kingston seemed to know Martin.

Q. Did you know Martin, yourself?—A. No, Sir; I did not.

Q. Did you go to the office of the firm to make inquiries?—A. Yes, Sir.

Q. And whom did you address yourself to?—A. To Mr. Michael Connolly and Mr. Nicholas K. Connolly. They were both in the office.

Q. And what answer did you get?—A. They told me Martin P. Connolly was not with them.

Q. Did they tell you where he was?—A. No, Sir.

Q. Did you ask them?—A. Yes, I asked them.

Q. What did they say?—A. They said he was not with them now.

Q. Did you ask them if they knew where he was now, and do you remember what answer they gave?—A. I do not exactly remember. I know they did not tell me where he was, anyway.

Q. So you could not serve a subpœna?—A. No, Sir.

By Mr. Edgar:

Q. Did either of the Messrs. Connolly say when he had been in Kingston?—A. No; they did not tell me when he had been in Kingston.

Q. Did they tell you how long since he left their employ?—A. They just told me that he was not with them now.

By Mr. Lister:

Q. Did you tell them to tell him what you wanted him for?—A. No; I simply asked them if he was there, and if they knew where he was.

By the Chairman:

Q. You say you saw Mr. Nicholas Connolly in the office in Kingston?—A. Yes; those two gentlemen were there.

———

Mr. Michael Connolly recalled.

By Mr. Edgar:

Q. Mr. Connolly, do you know where Martin P. Connolly could be found since last Saturday?—A. I do not, Sir.

Q. Do you know whether he was in Kingston?—A. I do not.

Q. Did you know at the time where he was?—A. No, Sir.

Q. When did you see him last?—A. The day before leaving for Ottawa.

Q. What date was that?—A. I think it was the 25th of last month.

Q. Where did you see him?—A. At the depot of the Kingston and Pembroke Railway, in Kingston.

Q. Where was he going then?—A. I do not know that he was going any place in particular.

Q. Did you have any conversation with him at that time?—A. Yes; he came down, I think, to see me off.

Q. Did you give him any instructions, or did he tell you anything about going away anywhere?—A. No, Sir.

Q. Do you know as a fact whether he has left Kingston or not?—A. Nothing, except what my brother said to me.

Q. Did you have any conversation as to his going away?—A. No, Sir.

Q. Did he tell you anything about it?—A. No, Sir.

Q. Do you know to-day where he is?—A. I do not, Sir.

Q. Is he still in your employ?—A. My brother says not.

Q. When was he discharged?—A. I cannot say.

Q. When did he get his last pay?—A. I do not know even that.

Q. Do you know whether he got any money to go away with from your firm?—A. I do not know, Sir. I presume my brother can tell that.

By Mr. Lister:

Q. The last day you were here you stated he was sent up to Kingston for the purpose of preparing your estimates?—A. Well, I said he went up there, not for the purpose of preparing the estimates, but of looking after the business.

Q. Then on the 25th of last month he was in your employ?—A. He was at the depot.

Q. He was in your employ?—A. Yes; as far as I know.

Q. What member of the firm was at Kingston, besides yourself?—A. My brother was there.

Q. Had you any conversation with your brother, about discharging him?—A. None whatever.

Q. There was no intention to dismiss him?—A. Well I do not know.

Q. I am speaking of your own knowledge. Do you know of any intention at that time of dismissing him?—A. I do not know that I did.

Q. Do you know he has been dismissed?—A. Not of my own knowledge, except what my brother told me.

Q. What did your brother tell you?—A. That he had nothing further for him to do, and he told him to go.

Q. What time was that?—A. He did not tell me what time.

Q. It would be after the 25th of May?—A. It must be, of course.

Q. You do not require a book-keeper there at all?—A. We have not had one. We have had a time-keeper to do all that sort of business up to the present; Martin used to come up occasionally to prepare the balance cheques.

Q. Why did you bring him up?—A. To look after the accounts.

Q. Was that all?—A. That is all, as far as I know.

Q. You had no intention at all of keeping him on?—A. Well, I cannot answer that whether we intended to keep him on or dismiss him.

Q. How had he been hired and how was he paid?—A. He was paid whenever he applied for money

Q. How much a year?—A. Well, I do not know that.

Q. You do not know what his salary was?—A. I think something like $1,000. It might not be that much or it might be more.

Q. Is that your recollection?—A. I do not know that.

Q. Is that your recollection?—A. I cannot say exactly what the amount was.

Q. When did his year begin?—A. I do not know.

Q. How long had he been working for you?—A. I told you since 1884.

Q. Is the work you were engaged on in Kingston very large work?—A. Not very large.

Q. How many hundred thousand?—A. I cannot tell until it is finished.

Q. Can you tell us what your contract is?—A. No.

Q. You do not know what the contract is?—A. I do not know exactly; it depends altogether upon the amount of material put in.

Q. What is your judgment as to the price?—A. I do not know that I ever looked into it.

Q. You never considered it at all?—A. No.

Q. And you do not know when this man commenced to work for your firm?—A. I told you it was 1884.

Q. You do not know what time of the year?—A. Some time in the winter, I think.

Q. Then, being a yearly servant he would have entered upon a year?—A. I suppose so.

Q. And he simply left without making any claim for dismissal, or that sort?—A. I do not know of any claim.

By Mr. Edgar:

Q. There are no other members of the firm, besides yourself and brother, who is here?—A. That is all.

Q. There is no other partner, nor anyone else interested?—A. None.

Q. Where does Martin P. Connolly live?—A. His home has been in Quebec.

Q. You said you do not know the amount of your contract?—A. No.

Q. Well, you knew the amount that was estimated when you got the contract, did you not?—A. No; I did not.

Q. Did you not know the gross amount estimated by the Department?

MR. LISTER.—He cannot come within $100,000 of it.

Q. Do you not know whether your tender was highest or lowest?—A. I know we were simply awarded the contract, and signed for it.

Q. Was there any talk of dismissing Martin P. Connolly before you were here last meeting?—A. I do not know that there was. We have very little work to do; our work is drawing to a close, and we do not have any use for him as a book-keeper.

Q. You have pay-sheets?—A. Yes.

Q. According to my recollection you said you would be here to-day with your pay-sheets?—A. We looked after the business and not after the books.

Q. You know you told us he prepared your pay-sheets?—A. That would be his duty, if he were there.

Q. That would be on the 15th of June?—A. Yes, that would be the 15th June.

Q. You would not prepare them two weeks ahead of the 15th June?—A. He would prepare them immediately after the first.

Q. Are they prepared?—A. I do not know.

Q. On what day was it your brother told you he was dismissed?—A. He did not tell me.

By Mr. Lister:

Q. When did your brother tell you he was dismissed?—A. This morning.

By Mr. Edgar:

Q. You had not seen him before?—A. Yes; I saw him on Saturday in Kingston.

Q. Had your brother told you when he left your employ?—A. No.

By Mr. Lister:

Q. He only told you this morning that he had left your employ?—A. He only told me this morning.

By Mr. Edgar:

Q. Did he give you any idea where he was to be found?—A. No.

Q. Did you ask him?—A. I did not.

Q. Why was he dismissed?—A. I cannot tell any further than our work for contract was to close there, and I did not see we had much use for a book-keeper.

By Mr. Amyot:

Q. Did your brother state that reason to you this morning?—A. I do not remember that he gave any reason.

Q. You do not remember what occurred this morning on that point?—A. He said he had left our employ. That was all he told me this morning.

By Mr. Tarte:

Q. Was he engaged by the year?—A. I could not say whether he was engaged for a year. My recollection is he was on yearly salary; but I did not hire him, only recommended him.

By Mr. Mulock:

Q. How did your brother come to tell you he was dismissed?—A. We were talking about him this morning, and I asked him where Martin was, and he said he did not know.

Q. Why did you ask him that?—A. Because I understood the Committee wanted him.

Q. What was the question you put to your brother?—A. I asked him where Martin was.

Q. Did you ask him if he had come to Ottawa?—A. No; I did not.

Q. You did not expect him to come to Ottawa?—A. I do not know what I expected.

Q. Did you not undertake to produce him here to-day?—A. No; I did not.

By Mr. Edgar:

Q. When did you leave Kingston to come here this time?—A. I left last Saturday to go to Quebec.

Q. Oh, you went to Quebec—and where was your brother?—A. He was in Kingston. He arrived last night and I arrived about midnight.

Q. Was Martin P. Connolly, a faithful employé?—A. As far as I know he was.

By Mr. Edgar:

Q. Did you have any interviews with your brother in Kingston since you have been before this Committee? Did you see him there?—A. I met him on Saturday morning after getting there.

By Mr. Burdett:

Q. With whom does he make his home in Quebec?—A. I presume he makes his home with his father and mother who are in Quebec.

By Mr. Edgar:

Q. About your brother in Kingston—what did you discuss with him there on Saturday. Did you talk about this case at all?—A. Yes.

Q. Did you talk about the books?—A. Yes, Sir.

Q. Did you talk about who was to get the books?—A. Well, yes; he suggested I should go down to Quebec and bring the books up, I think.

Q. Arranged all about that? And what did you say about Martin P. Connolly then—was anything said about him at all?—A. Nothing at all.

Q. No?—A. No.

Q. But you suggested his name in connection with getting the books?—A. No.

Q. I think you told us the other day he had charge of these books?—A. I did.

Q. For years?—A. Yes.

Q. Well, now, how did it happen that you did not discuss Martin P. Connolly at all when you were talking about these books, this inquiry and everything?—A. I did not know it was necessary to explain anything. I told him what occurred.

Q. You positively swear you never mentioned Martin P. Connolly's name in Kingston when you were talking with your brother on Saturday?—A. I may have mentioned his name, but as I told you before my brother told me he was out of our employ.

Q. What time did your brother tell you that?—A. In the morning, the very time this messenger of the House of Commons came to serve a subpœna. I asked him in the presence of that gentleman where he was.

Q. And what did he answer?—A. He said he did not know. He was out of our employ.

Q. What time of day on Saturday would that be?—A. I think about 9 or 10 o'clock.

Q. What else—what was the subject of your conversation?—A. That was all.

Q. This man coming in to serve the subpœna was what gave rise to the conversation—do you mean to say you and your brother never discussed Martin P. Connolly's name or whereabouts, without talking about those books he was in charge of so many years?—A. I do.

Q. You do?—A. I do.

Q. Do you happen to know you distinctly told this Committee positively and repeatedly, over and over again, that you never heard about his dismissal or his leaving your employ until this morning?—A. I told them nothing of the kind; I said my brother told me of it again this morning.

Q. He told you of his dismissal this morning after he had discharged him?—A. He told me he had left our employ of his own accord; that was all I understood him to say.

By Mr. Lister:

Q. You are a witness here simply. You have no other interest in this matter except that of witness?—A. None that I know of.

Q. Have you employed counsel?—A. Yes; this morning I have.

Q. And you have no interest in this except that of witness?—A. Nothing that I know of.

By Mr. Edgar:

Q. About these books you were to bring up—what books are they?—A. They are the books of the office relating to the business of the firm.

By Mr. Tarte:

Q. And papers, too?—A. I have got a lot of papers I brought from Kingston relating to this case.

By Mr. Edgar:

Q. Have you got all the books and papers that there ever were in the office in connection with this business?—A. I can only tell you this—I brought all the books I found in the office that I thought had any bearing on this case.

Q. How far back do those books go?—A. I suppose they go back to the commencement of the firm.

Q. They were all the firm's books were they?—A. You can see when they come and judge for yourself.

Q. I do not happen to know what they are, I want the information from you—Was there anybody assisting you in collecting these books and bringing them here?—A. There was one man there who had charge of the plant.

By Mr. Amyot:

Q. What was his name?—A. Kelly.

Q. What Kelly?—A. P. Kelly.

By Mr. Edgar:

Q. Books are not plant—had he charge of the books too?—A. He was in charge of the office but had no right to make any entries in the books, or make any changes.

Q. Were these books in the vault or safe?—A. I think they were in a box.

Q. In the office?—A. Yes.

Q. How many books were there?—A. I cannot tell exactly, there were a great number.

Q. Where were the books when you found them?—A. In the box.

Q. Is there a vault or safe?—A. A safe.

Q. Is it a small safe or a large one?—A. An ordinary sized safe, large enough to contain a set of books.

Q. These books were in a box left in the office—did you ascertain or take any means of ascertaining that these were all the books that had been left by Martin Connolly?—A. No. I could not tell them if I did.

Q. You did not take any means to enquire? There was nobody there who could tell you?—A. Nobody could tell me. I knew probably more about the books than anybody else who was there.

Q. But Martin Connolly was the one who knew more about the books than anybody else, was he not?—A. He ought to know.

Q. Does anybody else know anything about these books than Martin Connolly?—A. I would know them.

Q. Do you know much then?—A. I know a good deal.

Q. Could you explain the vouchers in this case?—A. No.

Q. Well, who can?—A. I do not believe anybody can.

Q. Not even Martin P. Connolly. Who made the entries in the book?—A. He may not have made all the entries. We had other book-keepers besides Martin P. Connolly.

Q. During the same time as Martin P. Connolly?—A. No; not at the same time.

Q. Well, some of the entries in the books—did you make all the entries in the book yourself?—A. No.

Q. Since 1884 have you had any book-keeper making any entries in these books but Martin P. Connolly?—A. No.

Q. Who audited these books?—A. Martin was one of the auditors.

Q. Who was the other of the auditors?—A. Mr. Hume.

Q. His first name, please?—A. Peter.

By Mr. Lister:

Q. Where does he live?—A. In Kingston.

By Mr. Edgar:

Q. Is he one of your employés?—A. He is.

Q. Were they the only two auditors?—A. There was another auditor who audited the books in the interest of Mr. Larkin.

Q. Who is he?—A. His name is Kimmett.

Q. Where does he live?—A. St. Catharines.

Q. Were those audits made regularly?—A. Well, I do not know, I was not there when a great many of the audits were made.

Q. Well, you received a statement from the auditors, did you not, like the other partners?—A. Yes; sometimes I did.

Q. And who would those be signed by?—A. They were generally signed by the auditors, I think.

Q. Were they trial balance sheets or what?—A. Yes; trial balance sheets?

Q. And signed by the auditors?—A. Yes.

Q. And did the firm sign them usually?—A. I think sometimes they did. But we never could get Mr. Bob. McGreevy to sign them.

Q. Did you ever find fault with those trial balance sheets?—A. Yes; many times—not with the trial balance sheets, but the way in which the money was squandered.

Q. I am talking about the trial balance sheets being made up by these auditors?—A. It was too late to find fault with them then.

Q. Have you any of those trial balance sheets yourself as a member of the firm?—A. I think perhaps I have.

Q. Can you produce any of them?—A. I do not know that I have any of them with me.

Q. You were told to bring with you everything relating to this case?—A. I have not seen any since I was in British Columbia—I do not know whether I have any now.

Q. Will you swear that you have not got any?—A. I may have in Kingston in my trunk.

Q. I want you to produce them?—A. I will produce them or anything else I have in my possession.

Q. You have not brought any of them?—A. I did not think they were required.

Q. Well, we will require them in this matter. You will produce them at the next meeting?—A, If you want all the documents, it will make fully a carload.

Q. Well, we will have a special train and stay here for three years if necessary. We want all the evidence you know. How is it there are so many documents, that it will fill a carload ?—A. All our business was kept by vouchers, you see.

Q. Explain, Mr. Connolly, how there comes to be so very many papers, books and documents connected with this case—you have not thought of bringing them with you ?—A. Well, every bill we got from anybody, and a separate voucher, as far as I know was made out for these bills and filed and put away. Each voucher could be found on referring to the book.

Q. Have you all of these ?—A. I think so.

Q. Where are they ?—A. There may be a lot of them up with the books in Quebec.

Q. When are they coming up ?—A. To-day. If there are any others you want there may be some in Quebec and Kingston, and we will send for them.

Q. How many books did you pack up ?—A. One box.

Q. That is not a carload ?—A. There are a lot of vouchers not included in those at all.

Q. Did you not think of bringing them ?—A. If you want them, you can have them.

Q. You have not produced them ; are they there ?—A. They are there.

Q. There was a lot of correspondence connected with this matter, was there not ?—A. Well, there was correspondence—yes.

Q. Where is that correspondence ?—A. What correspondence do you refer to ?

Q. Any correspondence connected with this matter ?—A. To the Public Works Department ?

Q. Well, say to the Public Works Department as you suggested it—was there any ?—A. Yes ; there was.

Q. And you have brought them up, I suppose ?—A. No ; I did not think the letter-books were sent in the box of books.

Q. Do you mean to say the letters received are not in any of those sent ?—A. I do not think so.

Q. The files of these were not sent ?—A. I do not know where I could find the files of letters. I fancy all those contained written by the firm are kept in some of the letter-books.

Q. You have not brought those ?—A. If you want them I will telegraph for them and get them.

THE CHAIRMAN—Here is the order of the Committee : " You are required to bring with you all the books, contracts, vouchers, letters received and other documents in your possession belonging to the firm of Larkin, Connolly & Co." in connection with this investigation.

A. About those contracts—the originals are here in the Public Works Department. Of course we have the copies.

Q. You are asked to produce all the copies ?—A. I had all the copies in my possession when we left.

By Mr. Edgar :

Q. Are you in the habit of keeping or destroying your business correspondence yourself ?—A. I never kept a copy of any letters I wrote to any member of the firm myself. I do not think I did, I am not in the habit of doing so.

Q. You have the originals of letters received from other members of the firm I suppose ?—A. I do not think so ; I have only a very few.

Q. How many do you suppose you have ?—A. I do not know really how many.

Q. Where are they ?—A. I presume they are here.

Q. Where ?—A. In Ottawa, I have brought whatever I had with me.

Q. Have you got them in the room here ?—A. I did not think I would be called upon this morning to produce them, but I can get them in a very few minutes.

Q. You were called upon to produce everything ?—A. I will produce everything I have.

Q. From whom are those letters?—A. There are some from Murphy.
Q. Owen Murphy?—A. Yes.
Q. Are there many?—A. I do not think so.
Q. Written by him to you, from where?—A. From Quebec.
Q. Where did you receive them?—A. I could not tell exactly. I may have been in British Columbia.
Q. Texas?—A. No, I have no letters written to me while there.
Q. Did you receive letters from any other members of the firm?—A. I received letters from all the members of the firm at different times.
Q. Did you receive any from Robert McGreevy?—A. I only received one or two letters from Robert McGreevy.
Q. You have those, I suppose?—A. I do not know that I have them.

By Mr. Edgar:

Q. What became of them?—A. I destroyed them.
Q. Are you sure of that?—A. I am quite sure I destroyed the greater part of them.
Q. Have you been looking for any of these letters lately?—A. No; I bundled up everything I had in Kingston in a hurry and have not looked at them since I came.
Q. Has anybody else looked at them?—A. No.
Q. What other member of the firm did you receive letters from?—A. I received letters from all the members of the firm.
Q. Have you got any letters from Mr. Thomas McGreevy in connection with this matter?—A. I do not know that I ever did.
Q. You do not know that you did?—A. I do not.
Q. Are you sure you did not?—A. I am pretty sure I did not.
Q. Will you swear you did not?—A. I will swear that I never received a letter from Mr. Thomas McGreevy all the time I was in British Columbia.
Q. Where were you when you received a letter?—A. I may have received a letter from him, but I am not sure; I may have done so when in Point Lévis.
Q. About what time would that be?—A. I do not know that I ever received any letter from him, but if I did it would be there.
Q. Where are they?—A. Destroyed.
Q. Why did you destroy them?—A. I did not want to encumber myself with a lot of useless stuff.
Q. I suppose they would be from Ottawa?—A. I do not know where they would be from. They may have been from Quebec or from Ottawa.
Q. When did you destroy them?—A. Immediately after receiving them or a few days after.
Q. Is it usual with you to do that with business letters?—A. Did I say they were business letters?
Q. I asked you if you received any letters about this contract?—A. And I stated that if I received any it would be at Point Lévis.

By Mr. Lister:

Q. Were they business letters?—A. I do not know what they were.
Q. Just friendly letters?—A. Yes.

By Mr. Tarte:

Q. Did you write to Mr. Thomas McGreevy on business in connection with some of these contracts?—A. I do not think I ever did.
Q. Will you swear you never did?—A. I will swear I do not believe I ever did.

By Mr. Edgar:

Q. Did you write any letters to Mr. Owen Murphy?—A. Yes.
Q. Have you copies of them?—A. No.
Q. Did you write any letters to Mr. Robert McGreevy?—A. I do not think I wrote

more than one or two letters to Robert McGreevy. I never liked the man and never cared to have any correspondence with him.

Q. You only wrote to men whom you liked? You wrote to Mr. Murphy?—A. Yes; for a time, until I found out his true character.

Q. Did you keep up correspondence with Mr. Larkin?—A. Yes; we were very friendly. Anything that I wrote derogatory to Larkin was brought out by the lies told to me by Murphy.

Q. Did you keep copies of your letters to Mr. Larkin?—A. No.

Q. Have you any of his letters sent to you?—A. I think I have.

Q. Are they here?—A. No; I do not think I have any of Larkin's letters here. I won't swear I have any of his letters left.

Q. Where would they be if they were not here?—A. In Kingston.

Q. Then you did not bring any with you which related to this matter?—A. I think I did. I searched wherever I could, except a trunk. There were some letters in that. It is a trunk that I have not opened much, or used since I came back from British Columbia.

Q. You have not searched that for papers?—A. Not when I was coming away.

Q. At any time lately?—A. I do not think I searched it for any considerable time.

Q. For how long a time?—A. Perhaps six months.

Q. You made a considerable search in it then?—A. Yes; I believe I did.

Q. What were you looking for?—A. I could hardly tell; whatever papers I might find.

Q. This business was already in the newspapers?—A. I might have been looking for some summer or winter underclothing.

Q. Yes; but underclothing is not documents, although your name may be on it. Were you looking in the trunk for papers at all?—A. Yes; I may have been looking for papers.

Q. I asked you were you looking for papers?—A. The chances are that I was looking for them.

Q. Are not the chances this—that this matter between Mr. Tarte and McGreevy was much spoken of in the newspapers about that time. You read about it in the papers did you not?—A. Yes. I read about it in the *Globe* at the time.

Q. Were you looking in the trunk for papers in connection with this matter?—A. No; I was looking for some notes that were due me.

Q. Connected with these matters?—A. No.

Q. Did you see many of the papers in the box then?—A. No; not many.

Q. It was not underclothing then that you were looking for; it was notes?—A. It might have been. I was looking for underclothing at one time.

Q. And now, that underclothing is out of the box, and the papers are there?—A. Some of them are there yet.

By Mr. Tarte:

Q. Did you bring with you all the notes paid by the firm?—A. No; I did not know that I had to.

By Mr. Lister:

Q. Did you bring any of them?—A. I cannot say that I did.

By Mr. Amyot:

Q. Where are they?—A. I cannot say.

By Mr. Tarte:

Q. You do not mean to say that you do not know that notes have been paid by the firm?—A. I know it too well.

Q. But you cannot tell us whether you have any of these notes now?—A. No.

Q. Where are they?—A. I cannot tell.

Q. Do you know anyone who can tell?—A. I do not know.

Q. Did you see these notes lately—some of the notes paid by the firm?—A. I may have seen notes paid by the firm.

Q. When?—A. I do not know when. What notes do you refer to?

Q. I would like to have all the notes paid by the firm since 1884?

The CHAIRMAN—I do not think that is a correct question; it is not legal. You do not want any of the notes with other parties. That has no connection with this case.

WITNESS—There is a note for $400,000 that I gave to Mr. Murphy. It is in the Court House at Quebec.

Mr. TARTE—That has nothing to do with this case.

WITNESS—I thought, perhaps, that was one of the notes you wanted.

Mr. TARTE—I do not know what that note is, as a matter of fact, and I do not wish to know.

By Mr. Lister:

Q. Have you any of the notes given by the firm and which Robert McGreevy got?—A. I cannot say that Robert McGreevy ever got any notes from the firm.

Q. Did you endorse a note to Robert McGreevy for $5,000?—A. I do not know that I did.

Q. Will you swear you did not?—A. I cannot swear that I did?

Q. Do you know anything about those notes given to Robert McGreevy—a note payable to you made by the firm and endorsed by you?—A. There may have been such a note.

Q. I ask you whether you ever endorsed such a note; I am not asking whether there may or may not have been such a note?—A. And I tell you I have endorsed several notes.

Q. Did you endorse one note made by the firm payable to yourself endorsed by you and handed to Robert McGreevy?—A. I never handed any note to Robert McGreevy.

Q. The charge is that $25,000 was paid to Thomas McGreevy in promissory notes, signed by the firm of Larkin, Connolly & Co., which notes were given to Robert McGreevy and that they were signed in your office in Quebec?—A. I say I know nothing about that.

Q. Did you ever sign such a note?—A. A note for $25,000?

Q. No. $25,000 in five notes?—A. I never signed five notes for $5,000 each.

Q. Did you endorse one?—A. I may have. I won't say that I did one way or the other.

Q. So that your answer is that you do not recollect anything about it?—A. Yes. That is my answer.

By Mr. Tarte:

Q. Do you say you know nothing about the notes?—A. I do.

By Mr. Lister:

Q. You never endorsed a note to Robert McGreevy?—A. Did I say I never endorsed a note?

Q. You were not present when these notes were made and endorsed by several members of the firm?—A. Not that I recollect.

Q. Had you any papers in British Columbia?—A. Yes.

Q. At the office there?—A. Yes.

Q. Had you an office there?—A. Yes.

Q. When did you close that office?—A. When we finished our work.

Q. When was that?—A. In 1887.

Q. And your work was finished then?—A. Yes.

Q. You had no further business in British Columbia in connection with that contract?—A. I think not.

Q. Did you have an office out there?—A. Yes; I told you we had.

Q. Were all the papers in that office brought east?—A. I believe they were, all that were necessary.

Q. Were all the papers in connection with the business in British Columbia brought east?—A. No; all letters and unnecessary papers were destroyed.

Q. And all that were not destroyed were brought east?—A. I suppose so.

Q. Were they or were they not?—A. I did not pack them up. I think one of the boys in the office packed them up.

Q. When was that done?—A. When we closed the works.

Q. When was that?—A. In 1887.

Q. You have told us that you have seen from time to time references to these charges in the newspapers, and have been a careful reader of the *Globe?*—A. Yes; I saw many of the statements in the *Globe*; perhaps one or two escaped me.

Q. Did it ever strike you that you might be a witness in this case?—A. Certainly it did.

Q. You felt satisfied you would be called as a witness?—A. Certainly.

Q. And did it strike you it was necessary to brush up a little as to the facts?—A. What do you mean?

Q. Did it occur to you that it would be necessary to refresh your mind?—A. I do not know that my mind needed refreshing.

Q. I should think it to be necessary from your answers to-day. Did it occur to you that your mind required refreshing?—A. I remember everything that occurred.

Q. You did not think it was necessary to look and examine what papers you might have in your possession?—A. I tell you I brought everything I had.

Q. I ask you that question and I want an answer—did you consider it was necessary for you or subsequently, to examine the papers in your possession connected with these charges?—A. I do not think that my mind required any refreshing.

Q. Then you say you did not do it?—A. I cannot answer that.

Q. Do you swear you cannot tell?—Did you or did you not?—A. I may have looked at some of the papers; I do not know whether I did or not.

Q. That is your answer?—A. Yes, yes.

Q. Within a year—you cannot say whether you did or did not?—A. Not particularly. I do not think that I did.

Q. You say not particularly, and you cannot remember?—A. No.

Q. I understand that you had no business in British Columbia after 1887?—A. Certainly we have interest there yet.

Q. But your business is all closed up there?—A. We have plant there yet.

Q. You were paid for your work?—A. No.

Q. Was there anything to take you out to British Columbia?—A. Yes; the cars.

Q. It is not necessary for you to be impertinent, Sir. Was there any business to take you out there recently?—A. Yes.

Q. When were you there last?—A. I was there in March.

Q. March past?—A. Yes; this past March.

Q. That was long after the charges had appeared in the *Globe* newspaper?—A. Yes.

Q. Was it after Parliament had met?—A. No; it was before Parliament had met.

Q. You knew at that time that Mr. Tarte intended preferring charges against a member of Parliament?—A. Yes; he stated that in the public print.

Q. You knew it and you went to British Columbia?—A. I did.

Q. To gather up your plant?—A. To dispose of it if I could.

Q. How long did you remain there?—A. About a week.

Q. Did you dispose of the plant?—A. I did not.

Q. You only waited a week in British Columbia?—A. That is all the time I could spare.

Q. Did you look for any papers while you were out there?—A. There are none of our papers there that I know of.

Q. A word or two about Martin P. Connolly, this book-keeper of yours. He remained in charge of your office after you had left Quebec and commenced working in Kingston?—A. He was in our office at Quebec, the greater part of the time, but we often got him up to Kingston.

Q. He remained in your office at Quebec, after you commenced work at Kingston?—A. He attended to our business there until we called him to Kingston.

Q. How long did he remain in Quebec—until he was required permanently at Kingston?—A. We never required him permanently at Kingston.

Q. What period elapsed between the time you left Quebec and before you commenced work at Kingston?—A. It might be five or six months, or it might be longer.

Q. Then during all this time Martin Connolly was at your office in Quebec until you commenced work at Kingston?—A. During all which time?

Q. The time you stopped work at Quebec and until you required him at Kingston?—A. Yes; he was in our employ attending to our business generally.

Q. You had an office there?—A. Yes.

Q. After you commenced work at Kingston, you brought him up from Quebec as you required him?—A. He came up whenever he was sent for.

Q. How long would that be? How many years have you been in Kingston?—A. A couple of years.

Q. Then he remained in Quebec two years and six months, until such time that you required him at Kingston?—A. I suppose so.

Q. Did he put in much of his time at Kingston?—A. Not much.

Q. So most of his time was spent at Quebec?—A. Yes.

Q. The books were in the office at Quebec?—A. Some of them were.

Q. The books in Quebec were in his charge?—A. Yes.

Q. When was it he was dismissed from your employ or left you at Kingston?—A. I told you the first I heard of it was last Saturday when the messenger came to serve him with a subpœna.

Q. Did your brother tell you he had dismissed him?—A. He did not tell me he had dismissed him then. I thought he had left of his own accord.

Q. Did you understand that from your brother? What did you understand from him?—A. He told me that this man was no further in our employ.

Q. From that you understood he had left voluntarily?—A. Yes.

Q. And that he had not been dismissed?—A. My brother told me this morning that he had paid him off.

Q. You say he had been in your service for 8 or 9 years?—A. Since 1884.

Q. You asked your brother nothing further about him? He did not tell you anything further about him?—A. No.

Q. The inference you drew was that he had left your employ voluntarily?—A. That was the inference I drew on Saturday last.

Q. Did your brother tell you that he had left?—A. No; he did not.

Q. You had seen Martin Connolly working in the office a day or two before?—A. I saw him a week ago yesterday.

Q. That would be four days previous to the time your brother told you this; so that he was in your employ a week ago Monday?—A. Yes; that was it.

Q. Working in your establishment?—A. He was not working the last time I saw him; he was at the depot.

Q. Seeing you off?—A. Yes.

Q. Who had charge of the office in Quebec when he was away?—A. This man Kelly—the man who signed those telegrams that came from here.

Q. Was the office under lock and key?—A. I think so.

Q. Was it?—A. I think so.

Q. And Kelly had the key?—A. The office was open when I arrived, and Kelly was in the office.

Q. You got there Sunday morning?—A. Yes; I got there Sunday morning. I went to the office Monday morning, and when I got there, probably about 8 or 9 o'clock, the office was open; I presume Kelly had the key.

Q. Had you seen Kelly before that Monday morning?—A. I had.
Q. When had you seen him before?—A. On Sunday.
Q. Forenoon or afternoon?—A. Forenoon and afternoon, both.
Q. You told him what you wanted?—A. Yes.
Q. You told him you had come for the papers?—A. I did.
Q. What is Kelly's particular work?—A. To exercise supervision over the plant and workmen in charge.
Q. Was he a practical workman?—A. He was time-keeper and exercised supervision.
Q. You saw him on Sunday morning and afternoon and then on Monday morning?—A. Yes.
Q. What was he doing on the Monday morning when you got there?—A. Packing up the books.
Q. Did you tell him what you had come for?—A. I did.
Q. Were the books pretty well packed up when you got there?—A. Yes; a great many had been packed.
Q. Had not Martin P. Connolly been in Quebec between the time you saw him on Saturday and the day he saw you off on the train and your arrival in Quebec on Sunday?—A. How could I tell?
Q. I am asking you?—A. I cannot tell.
Q. Did anyone tell you that he had been there?—A. No.
Q. Did you enquire?—A. Yes; I enquired of Kelly if he had been there.
Q. So, although he was no longer in your employ, you went to Quebec and saw Kelly and asked him if M. P. Connolly had been there?—A. Yes.
Q. Did you?—A. I did.
Q. What did you do that for?—A. I wanted to know if he had been down—if Kelly had seen him.
Q. Did you expect him to be there?—A. I do not know whether I expected him or not. If he were no longer in our employ he would naturally go home. I knew he was in Kingston when I left.
Q. How did you expect him to be there?—A. He might have gone home to see his mother or father.
Q. You expected him to be there?—A. Did I?
Q. Did you?—A. I do not know whether I did or not.
Q. Why did you enquire for him, if you did not expect him to be there?—A. Because that was his place.
Q. You expected him to be there?—A. I do not know that I did. He may have been there. He is liable to be there. I cannot tell you whether he was.
Q. But you enquired for him?—A. I asked Kelly if he had seen him round.
Q. Kelly told you that he had not?—A. Kelly said he had not seen him.
Q. Did you enquire of anybody else?—A. I may have; I do not think I did.
Q. Will you swear you did not?—A. I cannot say.
Q. This is not a long while ago. It was only on Sunday.—A. Yes; but a great many things may happen in a couple of days.
Q. Did you enquire from anybody else?—A. I do not remember. I may have inquired but I will not swear whether I did or did not.
Q. Were you not told that Martin Connolly had been there?—A. I was not.
Q. You say you won't swear? Was he not in the city, as a matter of fact?—A. I know nothing of that.
Q. You were not told it?—A. He may have been there. He may be there now for all I know.
Q. And you know nothing about it?—A. No; nothing whatever.

By Mr. Langelier:

Q. You stated at the commencement of your examination that on the 25th of May, you met Martin P. Connolly at Kingston?—A. Yes.
Q. Did you speak with him on that occasion and tell him that he would be wanted here as a witness?—A. No; I did not.

Q. Were you aware he would be wanted as a witness?—A. There was very little conversation between us. It was at the station when I was coming away. All that he was talking about was this man Murphy.

Q. What Murphy?—A. Owen Murphy.

Q. What did he say to you about Murphy?—A. What did he say? He said a great many things.

Q. Was it something in connection with this investigation?—A. He said for one thing that he was a great scoundrel.

Q. How did he come to speak about Murphy? Was there any conversation between you and him in relation to this investigation?—A. I asked him if he thought that Murphy would be in Ottawa, or something like that. I think he told me that he did not believe Murphy would ever have the cheek to appear here.

By Mr. Mulock:

Q. How did Martin P. Connolly come to go to Kingston? Why did he go there?—A. I suppose he came up to attend to our business.

Q. Did he come up of his own accord?—A. I cannot tell you that.

Q. Did not you send for him to come up to Kingston on the occasion of his going there about the 21st of May?—A. I think I telegraphed to him some time ago to come up as soon as he got through.

Q. Did you telegraph that you wanted him?—A. I think I sent for him to come up as soon as he got the dredge ready to leave Quebec.

Q. When did you communicate with him to come up?—A. I do not recollect.

Q. Was it by telegram or by letter?—A. I think it was by telegram.

Q. From Kingston?—A. No; I think it was from Montreal.

Q. Where did you hand in the despatch? Which line of telegraph did you send it by?—A. I do not know exactly. I think it was that line in the Grand Trunk office.

Q. When were you in Montreal?—A. I am in Montreal very frequently—every week or two.

Q. What was the date when you were in Montreal when you telegraphed to Martin P. Connolly?—A. I do not know; I cannot say.

Q. What month was it?—A. I presume it was in the month of May.

Q. How many times in the month of May, 1891, were you in Montreal?—A. I cannot tell you.

Q. Were you there more than once?—A. I may have been there several times. My business calls me to Montreal about twice a month or probably more.

Q. I am speaking of what happened in May, 1891. How many separate trips did you make to Montreal in May, 1891?—A. I may have made one or two, or I may have made more. I cannot tell.

Q. Was it more than two?—A. I cannot say.

Q. You do not know?—A. It may have been more than two; it may not have been that many.

Q. Will you swear you were not in Montreal more than twice in May, 1891?—A. To the best of my knowledge and belief, I may have been in Montreal from one to three times.

Q. The best of your knowledge and belief is what?—A. I may have been from one to three times in Montreal; I may have been more than that.

Q. So then the best of your knowledge and belief is that you do not know anything about it?—A. I know that I have been there.

Q. You swear you cannot say whether it was once, twice, three times, or more separate occasions?—A. I say I may have been there from one to three times, perhaps more.

Q. So that you do not know how many times you were in Montreal in May last?—A. No.

Q. On which occasion was it that you telegraphed to Mr. Martin P. Connolly to come to Kingston?—A. Some time during the month.

Q. Which time during the month?—A. I do not know which occasion it was; it was some time during the month of May.

Q. That is quite clear from what you have stated. Did you get any answer from Martin P. Connolly ?— A. No.

Q. What did you say in your telegram to him ?—A. I told him to come to Kingston, I think.

Q. Did you meet him in Kingston ?—A. Yes ; I believe I was in Kingston the day he arrived.

Q. The first day he arrived there, you saw him ?—A. Yes.

Q. How long was that after you telegraphed him ?—A. I do not know exactly.

Q. What time elapsed between your telegraphing him and meeting him at Kingston ?—A. I cannot tell exactly.

Q. How many days ?—A. I could not tell.

Q. A week ?—A. I could not tell.

Q. How near could you tell ?—A. I know that he came some time after receiving the message.

Q. I presume it was not before the message was sent. How long after ?—A. Only a few days. Anyway he came up as soon as he got the business in shape to leave it.

Q. So he came to Kingston from Quebec in answer to your telegram ?—A. I do not know that it was in answer to my telegram.

Q. In consequence of your telegram ?—A. He could better answer that question.

Q. You swore in answer to Mr. Lister that he came there because you called him to Kingston ?—A. I asked him to come to Kingston, I said.

Q. And you said he came because "we" called him—meaning Larkin, Connolly & Co. ?—A. Yes.

Q. You were a member of the firm that called him to Kingston ?—A. Yes.

Q. You saw him in Kingston the day he arrived in answer to your telegram ? —A. I think I saw him the very day he arrived.

Q. He arrived in Kingston, you said, on the 21st May ?—A. Did I tell you he arrived on the 21st May ?

Q. You did. You said you saw him that day ?—A. I said I saw him.

By Mr. Choquette :

Q. When did you meet your brother in Montreal ?—A. We often met in Montreal.

Q. But in May last ?—A. My brother and I are down in Montreal about twice a month attending to our business.

Q. Did you meet Martin P. Connolly in Montreal ?—A. No ; I did not.

Q. In May last ?—A. No.

By Mr. Tarte :

Q. Are you quite sure you did not bring up with you any notes paid by your firm in connection with work in Quebec or British Columbia ?—A. I would not swear that I did not. They may be in the books.

By Mr. Amyot :

Q. When you went down to Quebec did you find the books at the same place you had seen them at the previous time ?—A. I did not pay any attention to the books on any previous occasions.

Q. Did you keep them in the safe or in the box ?—A. There was no room in the safe for them. We could not keep them there.

Q. Where did you keep promissory notes; in the safe or in the box ?—A. I suppose promissory notes after being paid were destroyed, probably.

Q. But you do not know about that ?—A. No.

Q. Where did you keep letters received ?—A. Any that were of any consequence were put on file.

Q. Where is the file; is it in the safe ?—A. It is generally hanging in the office.

Q. Are the letters there still ?—A. I do not think so. I do not know, I am sure.

Q. Did you keep a copy of the letters sent by you?—A. I hardly ever keep a copy of letters sent.

Q. Do members of the firm?—A. Letters of any consequence.

Q. Where is the book containing those copies?—A. To what firm do you refer.

Q. Larkin, Connolly & Co.?—A. The letter books may be in the box that is coming. They may be in the office in Quebec. If not in the books that are coming they are certainly in the office in Quebec.

Q. What did you keep in that safe if not receipts and promissory notes paid?—A. We kept cash and bank books and everything of that kind we had room for.

Q. Anything else?—A. There might be something else. Maybe the keys of some doors or drawers.

Q. You cannot tell us how many books there were in your office concerning these transactions?—A. I cannot.

Q. Could you give us an idea of the books—the day books?—A. There is usually a cash book, ledger and journal.

Q. Did you keep a separate set for each transaction?—A. I think not. I think the harbour works and everything relating to that were in one set of books, according to my recollection.

Q. All your money transactions, were they entered in your books?—A. Yes; I presume so.

Q. Do they still exist?—A. As far as I know.

By Mr. Fraser:

Q. Did your firm have a bill book?—A. For bills receivable?

Q. Payable?—A. I cannot say that they did or did not.

Q. If they had, is it in the office in Quebec?—A. It must be among the books that are coming, and I assume there was.

By Mr. Davies:

Q. Did they keep a cheque book?—A. Yes.

Q. And the stubs will be there showing what cheques they paid?—A. I presume so.

Q. Did you say whether you had a bills payable or cheque book in the office?—A. I told this man Kelly to put up everything. I was so busy I could not give my personal attention to it.

Q. You did not examine the books?—A. I told him to send everything that had relation to the matters in this case. I had a special appointment with Mr. Poupore with respect to a plant he was buying from us. I wanted to do that business and get back here to attend the meeting of this Committee.

By Mr. Tarte:

Q. Where is Martin P. Connolly?—A. I told you before I do not know anything about it.

Q. But you have strong suspicions?—A. You may have strong suspicions.

Q. Did you enquire of his mother?—A. No; I do not know his mother.

Q. I very much suspect you could tell us?—A. You may suspect what you like.

By Mr. Moncrieff:

Q. Did you give him any special instructions—that is Kelly?—A. I told him to put any of the books relating to the harbour works, the south wall, and the graving dock in the box.

By Mr. Tarte:

Q. Did you tell him to put in all the papers?—A. I did not suppose that the Committee would want all the vouchers. I told him to let them remain until we found out what was wanted and then we could send for them. I concluded you would not want all the papers after having copies of many of them here in Ottawa.

Q. Did you look in the safe?—A. The safe was open when I went in.
Q. I see?—A. I do not think I have the combination of the safe myself.
Q. Did you have it?—A. I do not believe I could open it.
Q. Who could open it?—A. I suppose this man Kelly could. He must certainly be able to open it, because it was open when I went into the office.
Q. You found the safe open?—A. Yes.

By the Chairman:

Q. Was anyone in charge of the office at the time?—A. This man Kelly.
Q. Did this man Kelly open the safe?—A. Yes.
Q. Was this Martin P. Connolly a relative of yours?—A. No relation whatever that I know of.
Q. You were present when Mr. Murphy gave his evidence. Did you hear him speak of notes being given to Robert McGreevy at the request of Thomas McGreevy?—A. Yes.
Q. And that it was with the knowledge of every member of the firm?—A. That is not true.

By Mr. Tarte:

Q, You swore a minute ago that you did not know anything about this matter?—A. I do not know anything about that.
Q. How can you say it is not true?—A. It is not true as far as I know.
Q. If you do not know anything about it you cannot be well informed?—A. To the best of my knowledge and belief I swear.

By Mr. Edgar:

Q. After these long years of faithful service by Mr. Martin P. Connolly I suppose you gave him a certificate of character and all that?—A. I do not know what was given him. I do not know that he asked for it.
Q. You never heard?—A. No.
Q. Do you know when he is to go back to your employ?—Any arrangement made about that?—A. None that I know of.
Q. Did your brother tell you all about it?—A. I did not ask him.
Q. He told you of the event without you asking him?—A. No.
Q. Did he tell you that he had been asked for a certificate of character by Connolly?—A. No.
Q. Didn't it strike you as strange that this man after faithful service should be dismissed without a certificate of character?—A. I take very little regard for certificates of character. The worst men we ever had came to us with the best certificates of character.
Q. He was a faithful servant?—A. Yes; as far as I know he was.
Q. A good, honest man?—A. So far as I know.
Q. And was trustworthy?—A. I believe so.
Q. And truthful as far as you know?—A. As far as I know.

By Mr. Lister:

Q. You told us that this Martin P. Connolly came to Kingston on the strength of a telegram sent by you from Montreal?—A. No; he came subsequently to receiving that telegram. That was some time in the month of May.
Q. You said "we" called him to Kingston, that is true?—A. There is no doubt about that.
Q. Had he ever been to Kingston on the works before?—A. Many times.
Q. Was he always sent for by telegram?—A. Generally by telegram.
Q. When you wanted him at Kingston you generally telegraphed for him?—A. Yes.
Q. Owen Murphy is a very bad man?—A. His record says that.
Q. You say he is?—A. He is a man I have very little confidence in.

Q. He is your uncle though?—A. Oh, Lord, no.

Q. He is not your uncle; is he no relation?—A. Well, I heard that he was; but upon my word I can't believe it.

Q. You are so honest and he is so dishonest you do not think it is possible that you can be related?—A. That is it.

Q. What relation is he to you?—A. I would not swear he was any relation of mine.

Q. What relation by reputation?—A. A cousin, I believe; but I am not sure.

By Mr. Tarte:

Q. You are not sure at all that he is a cousin?—A. How could I be sure.

Q. I did not ask that. Do you swear that he is not your cousin?—A. No; of course I do not swear that. Why should I swear that? I can only swear what I know of my own knowledge. You have to take other people's word for that.

By Mr. Amyot:

Q. Did you recognize him as your cousin?—A. When.?

Q. In letters or in speaking?—A. In writing to him, I think my usual mode of address was "Friend Owen."

By Mr. Tarte:

Q. So dishonest a man, "Friend Owen"?—A. At the time I had a good opinion of him.

By Mr. Amyot:

Q. When did that good opinion finish? When did you find out that he was a scoundrel?—A. When he commenced attacking us in the papers after we had paid him a large sum of money for his good will and interest in the business—nearly twice as much as we asked for a similar interest.

By Mr. Tarte:

Q. Will you swear that in 1883 that five notes of $5,000 each were not given?—A. I will not swear. They may have been given. We had a great many transactions that it is impossible for me to keep track of.

Q. Will you swear that these notes were not subsequently paid by the firm?—A. I suppose that if any notes were issued by the firm they were paid.

Q. Then you cannot say. You do not remember, I suppose, that these five notes of $5,000 each were paid by the firm?—A. If the notes were issued by the firm I am pretty well satisfied they were paid.

Q. But you do not remember that they were issued?—A. I do not remember the time they were issued. There were a great many notes issued by the firm and it is impossible for me to recollect the notes that were signed and issued by the firm.

Q. Were you generally present when the auditing of accounts took place?—A. I was generally consulted about the items that were objected to.

Q. Do you remember having found in one of the audits of the firm the amount of $25,000, representing these five notes that I speak of now?—A. I have no recollection.

Q. Did you generally sign the audits of the firm?—A. I generally signed them if they were presented to me.

Q. Then you do not remember if the audits in 1883, 1884 and 1885 have been presented to you?—A. I do not know; I would not swear that they had or had not.

Q. You do not remember?—A. I do not.

Q. Did you look to see if these audits were in your possession?—A. Not recently.

Q. When did you look for them last?—A. I do not remember that I ever looked for them.

Q. When you received the order to bring up here all the papers you had you

did not think proper to look if you had these papers?—A. No; I did not think there were any of my personal papers, except life insurance policies there.

Q. You did not enquire or look if these audits were in your own possession?—A. I did not.

Q. Do I understand you to say that all the notes paid by the firm—given and paid by the firm—were destroyed?—A. You must not understand me to say anything of the kind. They may be destroyed.

Q. Did you look for the notes and papers; that is, notes relating to these contracts? Did you look for the notes?—A. I did not. I had not the time. My time was very much occupied while I was in Quebec.

By Mr. Lister:

Q. You say that the office in Quebec was in charge of Mr. Kelly?—A. Yes; he was in charge as well of all the plant.

Q. What is Mr. Kelly's Christian name?—A. Patrick.

Q. Is he any relation of yours?—A. I believe he is.

Q. What relation is he by reputation?—A. A cousin, I believe.

Q. Mr. Tarte has asked you one or two questions about these notes. The charge here is that five notes of $5,000 each were made by the firm and were handed to and endorsed by each member of the firm and that these notes were prepared in the office of the firm at Quebec?—A. In the office of Larkin, Connolly & Co.?

Q. No; Thomas McGreevy's at Quebec. Were you there at all?—A. I never prepared or signed a note in the office of Thomas McGreevy in my life.

Q. Did you endorse one?—A. I do not think I did.

Q. Will you swear you did not?—A. To the best of my knowledge and belief I did not.

Q. Were you never told by the members of the firm that five notes had been given by the firm for $5,000 each, and endorsed by each member?—A. I do not recollect that I was ever told.

Q. Will you swear?—A. I may have been told, but I cannot remember it or recall the circumstance.

Q. Did you ever observe in the expense account that this $25,000 was charged to expenses?—A. I do not know that I ever looked over the expense account.

Q You do not remember that you ever endorsed a note in Mr. Thomas McGreevy's office?—A. I am very positive that I never did.

Q. Is there a room below Mr. McGreevy's office, and on the ground floor?—A. What office do you refer to?

Q. Has he several offices?—A. He has several offices. There is the office of the Richelieu and Ontario Navigation Company and the Tow Boat Office.

Q. The Tow Boat office—do you know that?—A. Yes.

Q. Has he an office up-stairs?—A. He had and has yet.

Q. Is there an office that can be entered by a trap-door?—A. If there is, I am sure I never went down the trap-door.

Q. Were you present when Larkin and other members of the firm endorsed promissory notes for $5,000 apiece?—A. If they made notes there and endorsed them, I swear I was not present. I swear I was never present in Thomas McGreevy's office where we signed and endorsed notes.

Q. Did you ever endorse a $5,000 note that now forms the subject of this inquiry?—A. Where?

Q. Anywhere?—A. I cannot tell. I may have. I generally endorse paper when it is presented to me.

Q. Without asking questions?—A. By thunder—yes.

By Mr. Curran:

Q. Did you ever endorse a note for $5,000 made payable to your order by the firm of Larkin, Connolly & Co. in any of Mr. McGreevy's offices, either the Tow Boat office, the Richelieu Company's office or the office at his private residence, or anywhere else to your knowledge?—A. No, Sir.

By Mr. Mulock:

Q. Or any other place?—A. If I ever endorsed a note it was at my office.

Q. Do you swear you never endorsed a note made by your firm for $5,000 and payable to your order?—A. I may have. It is quite possible I did.

By Mr. Tarte:

Q, You have been a partner with Mr. Murphy for a time? Have you been a partner with Mr. Murphy for a time?—A. No; except in the works that we were connected with.

Q. In what works were you connected with him or interested with him?—A. In the graving dock and harbour works and the British Columbia Graving Dock.

Q. As a matter of fact, did you know Owen Murphy before coming into Canada here?—A. Yes; I knew him in New York.

Q. Were you not born in Ireland, both of you?—A. I was very young at the time and I do not recollect it. I only have other people's words for that.

Q. As a matter of fact, do you not know you were born in Ireland?—A. I have the word of my parents that I was.

Q. And do you not know that Mr. Murphy was born in Ireland too?—A. I do not know of my own knowledge.

Q. You knew, I think, in the United States, as both you and he had lived there. Is that from your own knowledge?—A. Yes.

Q. You have known that man for a long time?—A. Yes; I have known him off and on for a great number of years.

Q. Is it a fact that you have asked from him many a service for a long time and that you have written letters to the same effect?—A. That I have asked services from him?

Q. Yes?—A. I never asked anything that was not due.

Q. Will you swear that you did not ask him to keep a share of the works in Quebec for you when you were in Texas?—A. Yes; certainly he was in correspondence with me all that time.

Q. I will say more than that. Is it a fact that you have recommended Hon. Mr. McGreevy to him? Is it a fact that you wrote such letters?—A. It is quite possible.

By the Chairman:

Q. Do you recollect either having signed or endorsed any note intended for the Hon. Thomas McGreevy in relation to these works?—A. I do not recollect having signed a note for the Hon. Thomas McGreevy in my life.

Q. Nor coming from your firm?—A. No.

Q. Are you sure about that?—A. I am pretty sure about it.

NICHOLAS K. CONNOLLY sworn.

By the Chairman:

Q. What is your first name?—A. Nicholas.

Q. When did you see Mr. Martin P. Connolly last?—A. Last week.

Q. What day last week?—A. I think it was on Wednesday last.

Q. Did you know then that he knew a subpœna had been issued for him to appear before this Committee?—A. I do not know that he did.

Q. On what occasion did you see him and where?—A. I saw him in Kingston, and in our office there.

Q. Why did he go there? Was he living in Kingston or somewhere else?—A. He was living in Quebec,

Q. For what reason did he go to Kingston?—A. To settle up, I think and see about our books.

Q. Who sent for him?—A. I did.

Q. By telegram or letter?—A. By telegram, I think.

Q. What did you say in your telegram ?—A. That I wanted him in Kingston.

Q. For what reason ?—A. To see about the books.

Q. Was it in relation to this investigation ?—A. No.

Q. Did you mention anything about this investigation after he arrived in Kingston ?—A. No.

Q. Did he say anything to you about it ?—A. No.

Q. When did he cease to be in your service ?—A. On Wednesday or Thursday, I think.

Q. Under what circumstances did he cease to be in your service ?—A. Our work is about finished, and he wanted to go and get a place where he could get another job.

By Mr. Lister :

Q. Your work is nearly finished, where ?—A. Kingston.

Q. Was he employed in connection with you in Quebec ?—A. He was employed at Quebec and occasionally came to Kingston.

Q. The last day you saw him, did he tell you where he was going to ?—A. My opinion is he went to Toronto, but I do not know.

Q. Upon what do you base your opinion ?—A. Upon the fact that he asked me if I could get him a pass on the boats to Toronto.

Q. Did he ask for a pass beyond that point ?—A. No.

Q. Did he tell you what he was going there for ?—A. No.

Q. Did he tell you what he was going there for ?—A. I inferred it was for work.

Q. Do you know where he is to-day ?—A. No.

Q. Suppose you wanted to communicate with him, what would you do ?—A. I would go to his mother, or where his father lives in Quebec.

Q. That is the only way you could find his whereabouts ?—A. Yes.

Q. He was your book-keeper in Quebec ?—A. Yes.

Q. Are you aware that these books are coming up to Ottawa to-day ?—A. My brother told me so.

Q. Is Martin Connolly the only man who could explain these entries in the book ?—A. I am not a bookkeeper myself.

Q. Can you explain these entries yourself ?—A. No ; I do not know that I could.

Q. Who is the best man to give the Committee any information about the entries in these books ?—A. I suppose any bookkeeper who is in the habit of keeping books.

Q. Will you give us the name or names ?—A. Any bookkeeper I think ; any expert bookkeeper.

Q. Would any expert give you the circumstances under which the entries are made ?—A. I think the entries were made in the regular way. I do not know anything to the contrary.

By Mr. Davies:

Q. How long was Martin P. Connolly in your employ ?—A. About five or six years.

Q. Under what terms was he employed ?—A. He was paid so much a month.

Q. How much ?—A. I think it was $50 a month.

Q. At the beginning of each month ?—A. Yes.

Q. He had been a faithful employé ?—A. Very good.

Q. When you sent for him to come up from Quebec, did you give him any intimation that you were going to discharge him ?—A. He has been doing little or nothing for the last two years.

Q. Did you give him any intimation in the telegram that you intended to discharge him ?—A. No.

Q. When he came there what did he come for ; for what work ?—A. Some settlement or to do some things with regard to the books. He was balancing the accounts.

Q. Have you many men employed ?—A. Yes; a good many.

Q. How many?—A. About 75 or 100.

Q. Somebody has to see them paid and prepare the pay lists?—A. Yes.

Q. What work did you put him at when he came there?—A. I did not put him at any particular work. He at once took hold of the work himself. It was not necessary to tell him anything.

Q. He went to work preparing the pay lists?—A. No; he was balancing the accounts, I think.

Q. Did he pay the men while he was there?—A. No; not as a general thing.

Q. I say this time?—A. No.

Q. Did he prepare the pay lists?—A. No.

Q. Did he get any instruction from your brother to do that?—A. Not that I know.

Q. Would it be curious if your brother had given instruction to him to see if the men were paid?—A. I do not think it would be curious. He used to do that when he was there constantly.

Q. When he went over the books, what did he do?—A. He first went over the books and made out vouchers for bills that had been paid.

Q. That is what he came there for?—A. Yes.

Q. How many days was he doing that?—A. I think two or three days.

Q. Then how many was it before that that he had been making up the books before he came?—A. He had been in Kingston, three or four different times since we commenced that work.

Q. How many days elapsed since the previous visit?—A. I think about two or three months.

Q. So that there were two or three months of books to go over?—A. Yes.

Q. Did he make up a balance sheet?—A. I do not know.

Q. Did you ask him to?—A. Yes. He said there was little or nothing to do any more.

Q. Did you ask him if he had made up a balance sheet?—A. No; I think not.

Q Then your books were not balanced up by him when he came there the last time?—A. No.

Q. I understood you to tell me that he was not to pay the men or make up a balance sheet, but to go at the books and make them up?—A. He did go at the books.

Q. That was what you sent for him for?—A. Yes; that was his business.

Q. When he came there he went at it?—A. Yes.

Q. But he did not finish it?—A. No; we are not done the work and he could not finish the work.

Q. And he did not make up your books for you?—A. No.

Q. What caused him to leave?—Did he go of his own accord?—A. Not entirely of his own accord; but partly. He wanted to get a job where he would have a longer job.

Q. He had been with you seven years?—A. Yes.

Q. And you still have 75 men in your employ?—A. Yes.

Q. And you will be engaged all this summer?—A. I think not.

Q. Do you mean to say he came to you and asked to be discharged?—A. No.

Q. Did you discharge him?—A. Not exactly. He said he wanted to go some place where he could do better, and I was quite willing to pay him off.

Q. He said he wanted to get some place where he could do better?—A. Yes.

Q. Where did this take place?—A. Kingston.

Q. Had you any conversation with him in which you expressed dissatisfaction?—A. No.

Q. He had never made any complaint before with regard to his work or pay?—A. No.

Q. But he suddenly came to you. On what day?—A. Thursday or Friday.

Q. Three or four days after his arrival. Did you say you were dissatisfied?—A. I do not think there was any dissatisfaction.

Q. When was that?—A. Last week.

Q. What did you say to him?—A. That I would be glad to see him do better.

Q. Was that the end of it?—A. Yes.

Q. Was anything more than that said?—A. Nothing more than that he wanted what money was coming to him. I gave him a cheque for what was coming.

Q. How much was that?—A. $150, I think.

Q. You made an entry of that at the time in the books?—A. No; I do not touch the books.

Q. Was there an entry made in the books?—A. Not unless he made it.

Q. What bank did you give him a cheque on?—A. The Union Bank.

Q. Of Kingston?—A. No; there is no Union Bank of Kingston.

Q. What Union Bank was it?—A. Of Montreal or Lower Canada.

Q. Which was it, Union Bank at Montreal or Lower Canada?—A. It is the Union Bank of Canada.

Q. Where was the cheque cashed?—A. It might be cashed in Kingston or Montreal

Q. On whom was the cheque drawn and on which of the Union Banks of Canada?—A. It is the Montreal Bank where we do our business.

Q. This man who had been in your employ seven years and came there to balance up your books, suddenly said: "I would like to do better," and you at once signed a cheque for $150; then there was nothing more said or nothing done about his leaving. At this time when you gave him this cheque and discharged him had you received the subpœna to attend before this Committee?—A. I had not.

Q. Had your brother received a subpœna?—A. I believe he had.

Q. Did you discuss that fact with your brother?—A. No.

Q. Did you receive the information from your brother that he had received a subpœna?—A. I receipted a letter for my brother with the subpœna in it.

Q. Was there any conversation between you and Martin P. Connolly about this investigation?—A. Not at that time.

Q. At any time?—A. Yes; there might have been.

Q. What time was it?—A. As soon as this Committee was first established.

Q. Where did the conversation take place?—A. I think it was in Quebec.

Q. What was the nature of the conversation you had with him?—A. I do not know that anything more was said than that there was going to be an investigation and we would likely all be up.

Q. You told him that?—A. There was a conversation something like that taking place.

Q. That was Martin P. Connolly and you. Was anyone else present?—A. I do not know that there was.

Q. Then this Committee was sitting?—A. It was about the time the Committee was formed.

Q. And you expected to be called upon to give evidence?—A. Yes.

Q. And he was the man who had the best knowledge of entries in your books and of all these transactions?—A. Yes.

Q. You knew he must be examined if the truth was to be got at?—A. I did not know that at that time.

Q. But you know now?—A. Yes; from what I have heard since I came up.

Q. Did you give a cheque to facilitate his coming to this Committee or to help him get away?—A. I had no choice. I do not know but I would prefer to have him here.

Q. Are you a Director of the Richelieu Navigation Company?—A. Yes.

Q. Did you give him a pass to go?—A. No.

Q. And did not assist him anywhere?—A. No.

Q. Did he ask for a pass?—A. No.

Q. Will you swear he did not get it?—A. Yes.

Q. Did he get a pass anywhere else?—A. I do not know.

Q. Did you try and get it?—A. No.

Q. What did you say to him in respect to that point?—A. I told him that the President would have to issue a pass or the General Manager.

Q. Who was the President?—A. Thomas McGreevy.

Q. And who was the Manager?—A. Julien Chabot.

Q. You do not know whether he went to the President or Manager to get a pass?—A. No.

Q. You do not know where he is now?—A. No.

Q. You do not know whether he got the pass or not?—A. No. My opinion is that he did not get a pass, for there was no one there to give him a pass.

Q. The Manager was not there?—A. No.

Q. Was the office opened where the Manager carries on his business?—A. Yes.

MR. CAMERON—The boats were not running until yesterday.

By Mr. Davies:

Q. Did he give you any idea that he was going to assured employment, or going on speculation to try and get it?—A. I do not know that it was assured employment.

Q. Well, employment in which he was engaged seven years ago?—A. Five or six years ago.

Q. Your brother has sworn it was in 1884?—A. Well, it may have been that long ago.

Q. Do you know anything about the custody of the books yourself?—A. I had nothing to do with the custody of the books or making entries in the books.

Q. Nothing at any time?—A. No.

Q. Who was the man who made entries in the books and who knows all about them?—A. We had several bookkeepers.

Q. Since 1884, Mr. Martin P. Connolly the witness who disappeared is the man, and the only man, who made entries in your books I believe.

MR. FERGUSON—There were several.

MR. DAVIES—No; I did not understand the witness to intimate there were several since 1884, I am asking previous to 1884?—A. In 1884 we had.

Q. I did not ask about British Columbia. I was asking who had charge of the books since 1884 and made entries in them?—A. Martin P. Connolly.

Q. And he was the only one?—A. Yes.

MR. LISTER—I object on the part of the Committee to the counsel interfering at all in the examination of this witness.

MR. FERGUSON—I did not interfere.

MR. LISTER—I think you have.

THE CHAIRMAN—I did not notice anything of the kind.

MR. LISTER—The question was "Who made the entries in the book." He said "Connolly," and my learned friend said "several."

Mr. FERGUSON—I beg your pardon, I made the remark to Mr. Davies and to Mr. Tarte.

By Mr. Davies:

Q. With respect to the books in relation to the British Columbia contract, where were these books kept?—A. In British Columbia.

Q. They were not kept in Quebec?—A. ——

Q. Were there any books kept in Quebec with regard to your British Columbia contract?—A. No.

Q. Do you or do you not know whether there were any books kept in the Quebec office in relation to the British Columbia contract?—A. Well, there were some entries made in the Quebec books of money sent to British Columbia to carry on that work, transmitted both ways, backwards and forwards.

Q. Then there would be an account opened with the British Columbia Bank in the Quebec books?—A. Yes.

Q. That account would contain entries of moneys forwarded there, I suppose?—A. Yes.

Q. And Mr. M. P. Connolly entered that?—A. Yes.

Q. And when the notes of the firm were paid was M. P. Connolly the man who would make entries in the books and give the cheques?—A. No. He never gave cheques.

'Q. He would make entries in the book, would he? A. He would make entries in the book.

Q. Who would give the cheques then, if Martin P. Connolly would not?—A. Martin P. Connolly would generally fill the cheques out.

Q. And who would sign them?—A. I would sign a great many of them, Mr. Murphy would sign many of them and my brother also.

Q. So you three members of the firm, yourself, your brother and Mr. Murphy would sign cheques as the book-keeper told you they were required?—A. Yes.

Q. When notes were given, who would sign them, an individual member of the firm?—A. Mr. Murphy might sign them, or my brother.

Q. Can you swear having signed notes yourself?—A. I think I did sign one or two.

Q. Do you remember certain notes that were drawn for the sum of $25,000 in notes of $5,000 each endorsed by the individual members of the firm in the City of Quebec?—A. I have no recollection of it.

Q. Do you remember, did you not endorse a note for $5,000 signed and drawn by Larkin, Connolly & Co. in your favour?—I do not think I did.

Q. Did the other members of the firm endorse notes for similar amounts at or about the same time?—A. I do not know. They may have done so.

Q. What is your belief; did they?—A. With regard to the signing of notes?

Q. With regard to others signing similar notes to the one you endorsed?—A. To the best of my opinion they have.

Q. They did sign. What became of these notes afterwards? Were they paid?—A. I think all our notes have been paid.

Q. Were these individual notes all paid—on your oath to the best of your belief?—A. I think so.

Q. Do you know where they are now?—A. I do not.

Q. Have you ever seen them since they were endorsed by you and the individual members of the firm?—A. I may have seen them. I do not know.

Q. Where do you keep the notes when they are taken up?—A. In the office.

Q. They are not destroyed?—A. Sometimes they may be destroyed.

Q. So, if these notes were paid in the usual course of events, they would still be in the office at Quebec?—A. If not destroyed.

Q. Was there any special reason for destroying them?—A. Not that I know of.

Q. When paid they would be charged in the books by Martin P. Connolly?—A. Yes.

By Mr. Amyot:

Q. Was there a book for the notes payable or receivable?—A. No; I think not.

Q. Are you sure that there was none?—A. There may have been, but to the best of my recollection there was not.

Q. I want to understand exactly what occurred with the witness Martin P. Connolly. Did he ask to go away, or did you send him away. Did you give him his discharge?—A. I did not give him his discharge exactly. He talked of going away for some time back. He told me he would like to do better, and asked me to give him what was coming to him. I asked him to see what was coming to him and I gave him a cheque for it.

Q. It amounts to him asking you to go away. Do you swear to that?—A. To what?

Q. To his asking to go elsewhere?—A. I had very little use for him any longer. His work has been done for nearly two years.

By Mr. Lister:

Q. Did you decide to send him away or did he ask to go away?—A. I decided to send him away because there was no work for him any more.

Q. So, it is out of your desire that he went away?—A. Yes.

Q. Did you do that without consulting the other members of your firm?—A. Yes.

Q. Did you inform any of them since?—A. Yes.

Q. Whom?—A. My brother.

Q. When?—A. When he came from Ottawa last Saturday or Sunday I, think it was.

Q. Was that in Kingston?—A. Yes.

Q. Will you kindly tell us what you told him about it?—A. I told him Martin had left us.

Q. On what account?—A. I did not say.

Q. You did not tell him at all?—A. No.

Q. You did not tell him if you had sent him away or if he had asked to go away?—A. I do not think that question was raised, but if I spoke about it I would say I had sent him away.

Q. You knew then that he was wanted as a witness here?—A. I had no knowledge of his being wanted here.

Q. Did you suspect that he was wanted here as a witness?—A. I did not know who would be wanted here as a witness.

Q. Did you ask him where he was going?—A. No.

Q. Did you ask him the combination of the safe at Quebec?—A. No; I did not.

Q. Did you ask him if he had the keys of the box containing the books?—A. No.

Q. Nothing at all?—A. No.

Q. Only you sent him away because you had nothing more to do with him? Was that the reason you sent him the telegram requesting his presence at Kingston a few days previous?—A. There was some work to be done there, some vouchers to be made out that he had been working at before, and he had nothing to do in Quebec.

Q. How many days afterwards was it that you dismissed him?—A. Three or four days.

By Mr. Davies:

Q. You stated that you endorsed a note for $5,000, and you believed the other members of the firm did so also? Will you tell me where you endorsed that note?—A. I think it was in our office in Quebec.

Q. Who were present at the time?—A. I do not remember who was present.

Q. You were not alone of course?—A. No.

Q. Can you recollect anyone who was there?—A. I think the book-keeper may have been there.

Q. Anybody else?—A. I do not know of anybody else; I do not remember.

Q. The book-keeper was Martin P. Connolly?—A. Yes.

Q. You think you and Martin Connolly were there alone?—A. No; I say there may have been somebody else.

Q. What other people would likely be there?—A. When any notes of that kind were endorsed Mr. Murphy was generally present.

Q. Notes of that kind, you say?—A. Notes of any kind.

Q. And Mr. Murphy would be present?—A. Yes.

Q. Do you recollect whether he was there or not?—A. I do not remember; he may have been there.

Q. Were any other members of the firm present?—A. I could not say.

Q. They may or may not have been?—A. If they signed they must have been there.

Q. Do you remember who filled the notes out?—A. I do not remember.

Q. What particular note of $5,000 is it that you have a distinct recollection of having endorsed in your office?—A. I have signed several notes of $5,000.

Q. You singled out one note of $5,000?—A. No; it was you singled it out.

Q. What makes you believe you endorsed it in the office?—A. That is the place where we generally do our business.

Q. And it was not because you had any special recollection of any particular note, but because you generally did your business there?—A. Yes.

Q. Will you swear you have no special recollection as to whether this particular note of $5,000 was signed by you?—A. No.

By Mr. Moncrieff:

Q. What $5,000 note is Mr. Davies talking about? (To witness) Have you endorsed more than one $5,000 note?—A. Yes.

Q. You have endorsed more than one?—A. Yes.

Q. How many?—A. I suppose ten or fifteen during the last five or six years.

Q. In answering Mr. Davies, what note of $5,000 were you referring to?—A. I am entirely at a loss as to any particular note, but I have signed notes for $5,000. If I saw the note I might be able to state whether I signed it or tell something about it.

By Mr. Davies:

Q. When you were answering my questions you had no reference to any particular note?—A. No; but I knew I had signed notes.

Q. On your oath now had you not reference, and did you not intend to give the Committee to understand, that you referred to a particular $5,000 note not signed by you?—A. I say I signed several.

Q. I did not ask you that?—A. A particular note? No; for the reason that I have not seen the note you are referring to.

Q. You know there was a note endorsed by yourself, and others by the members of the firm?—A. Yes; there were several.

Q. Had you not at the time you answered me, reference to a particular class of notes making $25,000 in all?—A. I do not know that I had.

Q. What was it for, then?—A. I do not know.

Q. You cannot swear about the $25,000 in notes made up in that way?—A. I could not swear there were $25,000, less or more.

Q. Have you a distinct recollection of such a transaction?—A. There was something of that kind.

Q. You have sworn already distinctly, as far as you are personally concerned, you did endorse a note of your own, you recollect that?—A. That is my recollection.

Q. And you swear further, if I understood you correctly, you believed the others endorsed their own?—A. Well, I could not swear to that.

Q. You could not swear positively to that, but that was your belief?—A. Yes.

Q. I understood you to say you believed those notes had been subsequently paid?—A. Yes. We paid off the notes outstanding against us.

Q. Did you have a monthly statement made up by your bookkeeper showing your expenditure?—A. No; not what you might call a monthly statement. Full statements were made up every year.

Q. But subsequent to giving and paying those notes, did you have a statement made up in which the payment appeared?—A. I could not swear to that.

Q. What is your belief on your oath now?—A. When notes were paid they were entered in the books.

Q. But subsequently to the payment of those particular notes that I have reference to, did you not have a statement made up in which those notes appeared to have been paid?—A. I could not swear to that.

Q. Have you any doubt of it?—A. It may or may not be.

Q. Have you not sworn just now that all the notes which were entered in this statement were paid?—A. I believe they were all paid.

Q. Would there be any special reason for excepting these particular notes in the statement showing what the firm had paid?—A. I do not know as there would.

Q. Well, were those notes in that statement?—A. I cannot swear they were in that statement—I have not seen that statement. Our yearly statement was made up at the end of the year as a general thing, and all those notes were included in that statement.

By Mr. Tarte:

Q. You were summoned to appear before this Committee?—A. Yes.

Q. Did you read your summons?—A. Yes.

Q. Did you notice in it that you were asked to bring up before the Committee papers and letters that you may have in your possession?—A. Yes.

Q. Have you got any letters or papers with you?—A. Letters or papers?

Q. Yes?—A. In reference to what?

Q. In reference to those contracts, of course?—A. I have not.

Q. Did you have any letters from Mr. Murphy?—A. Not in my possession now.

Q. Have you got any letters from Mr. Murphy that were written to you?—A. No.

Q. If there are any letters, you do not know where they are?—A. No; I do not.

Q. As a matter of fact do you know that another person has letters written to you by Mr. Murphy?—A. No.

Q. They may be in the possession of some one of your friends or relatives or one of your employés?—A. Not to my recollection.

Q. You have said that all the notes given by you were paid? and that afterwards they were kept as vouchers among your papers?—A. That is my opinion.

Q. Do you know what became of five notes of $5,000 each, given in 1883 in connection with the cross-wall contract?—A. What became of them?

Q. Yes?—A. I do not know.

Q. Were they paid?—A. If we gave them they were paid.

Q. Did you give them?—A. I think so.

Q. Then if you gave them they were paid. If they were paid, was that amount entered in the books of your firm, to your own knowledge?—A. Not to my own knowledge.

Q. Did you never examine the books?—A. I never examined the books to see.

Q. You swear to that?—A. I do.

Q. I think you said that you had a yearly audit of your account?—A. Yes.

Q. Is it a fact that you have some of these notes in your possession; or where are they?—A. They were in the office. Each member of the firm got the audit.

Q. Signed by every one of you?—A. Signed by the book-keeper, the auditors and by the firm.

Q. Will you swear that in these audits, even one of these audits, this sum of $25,000 was not entered?—A. I cannot swear positively.

Q. You have no recollection of that?—A. Not now.

Q. Did you think over it after having signed it or lately?—A. Did I what?

Q. Did you think about the notes?—A. I may have.

Q. Did you look to find out these notes as you were ordered to do?—A. I had none of the papers or books in my possession.

Q. But they were certainly under your power?—A. Yes. My brother went to Quebec on Saturday last to get them and I believe they are on the way up here.

Q. As a matter of fact, you have not in your possession to-day and you cannot tell us where those notes of $5,000 may be; and you cannot tell us whether there are letters written to you by Mr. O. E. Murphy in connection with these works. You cannot tell us that?—A. I never got any letters of Mr. Murphy.

Q. Did you keep copies of yours letters to him?—A. Some of them I may.

Q. Will you produce the copies of them?—A. They are in the office. They were copied in the regular books of the office.

Q. Will you undertake to have those copies here?—A. I expect they are included with the papers that are on the way here now.

Q. As a matter of fact, did you write a great many letters to Mr. Murphy in connection with these works?—A. Not a great many.

Q. Did you not write dozens and dozens to him?—A. No.

Q. You are sure?—A. Yes.

Q. Then how many do you think you have written?—A. I cannot tell you how many I have written, probably eight or ten, more or less.

Q. Then you are not sure you have copies of those letters ?—A. No.

By Mr. Curran :

Q. Do you know the office of Mr. McGreevy in Quebec ? How many offices has he ? He has an office for example with the Richelieu Navigation Company ?—A. I did not know that Mr. McGreevy has any office of his own in Quebec. I generally found him at the Richelieu office.

Q. You have been speaking of certain notes of $5,000 each that were given by your firm and endorsed by the individual members of the firm. Do you know Mr. Murphy was a witness here for the last few days ?—A. I saw by the papers he was here.

Q. Is that Mr. Murphy a partner in your firm ?—A. He used to be a partner of our firm.

Q. Are you aware that Mr. Murphy at any time took you and your partners into one of Mr. McGreevy's offices and there caused you to endorse notes for $5,000 each, prepared by him in the name of the firm, which were to be given to Mr. McGreevy as payment for his influence in connection with these contracts, and amounting in the aggregate to $25,000 ?—A. No ; there never was such a transaction.

Q. Do you remember having been at any time in any office, over which Mr. Thomas McGreevy has control, and passing down through a trap door into another office below, and such a transaction being carried out there?—A. No; there was never any such thing.

Q. On your oath, as a member of that firm, I ask you to swear positively whether on any occasion there was a sum of $25,000, or any sum of money whatsoever, paid by your firm to Mr. Thomas McGreevy for his influence in connection with any of these contracts ?—A. Not a dollar, to my knowledge.

By Mr. Tarte :

Q. Have you any recollection of having written letters to Mr. Owen Murphy asking him to secure the influence of the Honorable Thomas McGreevy? Did you write any letters of that kind?—A. I may have.

Q. Did you write such letters or not?—A. I may have done so.

Q. Do you remember having written such letters about the cross-wall in Quebec ?

(Objection taken that the question should not be put, unless the letters were produced.)

Q. Did you write any such letters ?—A. I may have done so, concerning his influence.

By the Chairman :

Q. You said something about $5,000 notes being signed ? Were any of those notes intended for Mr. Thomas McGreevy ?—A. Not to my knowledge.

Q. What do you mean by that ?—A. I mean that if Mr. Thomas McGreevy was to get any of that money I did not so understand it.

By Mr. Amyot :

Q. Who was to have them ?—A. That I could not tell you.

Q. Why cannot you tell ?—A. I could not say who was to get them.

By the Chairman :

Q. Because you have no knowledge of them ?—A. Yes.

Q. Do you undertake to swear that Thomas McGreevy directly or indirectly did not receive the produce of any of your notes or of any of your firm ?—A. Not a dollar to my knowledge.

By Mr. Edgar :

Q. You stated that you had audited statements from the firm delivered to you ? —A. Yes.

Q. Have you got them now?—A. No; they are in the office with the other papers. I did not keep the separate statements. I left them in the office.

Q. That is where they ought to be?—A. Yes.

Q. They ought to be produced to-day?—A. I did not know that they would be wanted.

Q. You left them in the office?—A. Yes; I left them with the book-keeper.

Q. You say you had statements to date, from the firm?—A. Yes.

Q. Have you got them now?—A. No; they are in the office, I think, with the other paper.

J. B. George Samson recalled.

By the Chairman:

Q. Did you make any enquiry about the receipt of the registered letter?—A. I enquired of Mr. Kelly, who was in charge of the office. He told me the registered letter was in the office.

Q. Who received the registered letter?—A. It must have been Mr. Kelly.

Q. Did he tell you?—A. I did not enquire of him.

Q. Did you see the letter?—A. No; I did not see the letter, but he told me it was in the office.

By Mr. Curran:

Q. Did you enquire of the Connolly's family in Quebec?—A. No, Sir.

Q. You see they were the only persons who could have given you any information?—A. I was instructed by Mr. Murphy and Mr. Robert McGreevy who were the most interested in the question that they were sure M. P. Connolly was not in Quebec. They made all the enquiries in company with me. I went to the place where he used to board and made all the enquiries I could but could not find him.

By Mr. Amyot:

Q. You did not go to his mother?—A. No. I went to the place where Connolly used to take his lunch every day—the Blanchard Hotel—and he had not been there for a couple of weeks.

Nicholas Connolly re-called.

By Mr. Edgar:

Q. Perhaps the witness could tell us if he heard by what train M. P. Connolly left by and where he went?—A. I cannot tell you any more of his departure from Kingston.

Q. He asked you for a pass to Toronto? You did not object to his going there or to Quebec or to anywhere at all?—A. I do not know which way he went.

Q. You swear you have not the faintest knowledge?—A. I swear to the best of my knowledge he went to Toronto, and that was the reason I gave for his asking me for a pass.

Q. Did he tell you he was going to see about employment at Toronto?—A. No; he did not tell.

Mr. Fitzpatrick.—I think it only right to state that I have not seen Martin Connolly since he left Quebec, if I recollect right, about a fortnight ago. Since that time I have neither seen nor heard of him, and I am prepared now to submit myself to a cross-examination under oath.

Mr. Davies.—Nobody suggests that you have.

Mr. Fitzpatrick.—I am not so sure about that. However, I have to say further that if Connolly is not produced, it will be a matter for me to consider seriously how far I can be further connected with this case. I now submit I am prepared to answer any question under cross-examination.

Mr. NICHOLAS CONNOLLY re-called and examined.

By Mr. Mulock:

Q You telegraphed Martin P. Connolly—by what line?—A. I think it was by the Canadian Pacific Railway.

Q. Well, I would like to have that telegram produced. Perhaps it can be produced at less expense than by bringing up the officer who has custody of it? At any rate I would like to have the telegram here. And I presume the examination of both the Connollys is to be continued.

Mr. FRASER.—If Mr. Connolly would agree the Canadian Pacific Railway Co. would have no objections to sending a certified copy.

THE CHAIRMAN.—Do you agree to that Mr. Connolly?—A. I have no objection to that.

The Committee then adjourned.

HOUSE OF COMMONS, Wednesday, 3rd June, 1891.

The Committee met at 10.30 a.m., Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

MR. MICHAEL CONNOLLY (re-called).

WITNESS.—I wish to state, Mr. Chairman, that all the books we have in our possession are here in the building and we are ready here to submit them to inspection, but I do not think we ought to have them open to the public. If there is any particular entry wanted I am ready to read it.

By Mr. Tarte:

Q. Will you produce on the table of this Committee all the books, contracts, vouchers, letters, receipts, cheques and other documents in your possession or under your control in connection with: first, the dredging of the Harbour of Quebec since 1882; second, the cross-wall in connection with the same work; third, the dredging of the wet basin in the same harbour; fourth, the south wall or retaining wall in the same harbour; fifth, the graving dock at Lévis; sixth, the graving dock at Esquimalt, as ordered by a subpœna issued by this Committee upon the 20th May last and again by a second summons dated the 26th May last, and again by an order given on the 29th May last to you?—A. Here is a list of the documents we have and if there is anything here that this Committee——

By the Chairman:

Q. Is this a list of the documents asked for by Mr. Tarte?—A. I believe it is.

By Mr. Davies:

Q. Do you produce the documents asked for here?—A. Yes; I do.

By Mr. Tarte:

Q. Will you read the list you have produced?—A. Lévis graving dock—two cash books, two ledgers and two journals. Quebec Harbour Improvements—two cash books, one ledger and one journal. South wall—ledger and journal. Esquimalt dock—two ledgers, three journals and one cash book.

By Mr. Amyot:

Q. These books now belong to the Committee?—A. No; they do not belong to the Committee.

MR. FERGUSON.—The statement I have to make on behalf of Mr. Michael and Nicholas K. Connolly is that they are ready and willing to attend before this Committee and to exhibit the books from time to time for the purpose of showing any particular entries therein, as to which witnesses may be examined pertaining to the charges referred for investigation in this matter. We take the position that these books contain a large number of accounts and transactions in no way pertaining to the subject of investigation before this Committee. There are a large number of unsettled accounts by the firm of Larkin, Connolly & Co., for which Nicholas K. Connolly and Michael Connolly are alone liable, and they submit that they should not be called upon to submit these books for general exploratory inspection but that they should be called upon to produce them and point out entries and accounts from time to time as they are required for the purposes of the Committee, and that they should not be given up for general inspection and general discovery. They should remain in their own custody. The point I make is that in the general meaning of the word *production* they are not produced. The witness is attending here under a subpœna *duces tecum* but they are not produced in the ordinary sense in which documents would be produced in a suit. He is here as a witness producing them from time to time, the books remaining in his custody.

By Mr. Tarte:

Q. You have handed to this Committee a list of the books which we have now in our possession?—A. A list of the books I have here yet.

Q. But you have produced here a list of books?—A. Yes.

Q. Have you got any other papers, vouchers, receipts, cheques or notes belonging to you, or under your control, bearing on the works that are the subject of this enquiry?—A. All the papers I have are here. There is another list not enumerated in that list, but they are here. This is the list:—1. Trial balance-sheet, Esquimalt graving dock. 2. Contracts—(*a*) Graving dock, Esquimalt; (*b*) Closing of opening of Louise embankment; (*c*) Graving dock, Point Lévis; (*d*) Contract for dredging Quebec Harbour; (*e*) Cross-wall; (*f*) Quebec Harbour dredging; (*g*) Letter, H. F. Perley to Larkin, Connolly & Co., May 17, 1883.

Q. Is there a trial balance-sheet?—A. Yes.

Q. Will you produce it?—A. With pleasure. Here is the contract for the Esquimalt graving dock (marked X2).

Q. You say you have brought the contracts here?—A. All the contracts enumerated in that list are here.

Q. What are they?—A. For the closing of the opening in the Louise embankment (marked Y2); Contract for dredging the Quebec Harbour works (marked Z2); Contract for the construction of the quay wall; an entrance for the wet dock, Quebec, between the Quebec Harbour Commissioners and Messrs. Larkin, Connolly & Co., dated Quebec, 6th June, 1883 (marked A3); Contract for dredging and removing material from wet basin, Quebec Harbour Commissioners and Larkin, Connolly & Co., No. 3796 (marked B3); graving dock contract, Point Lévis (marked C3). This is a trial balance-sheet of the Esquimalt graving dock (marked D3).

By Mr. Edgar:

Q. Is that the final one?—A. I cannot tell.

Q. Look at it?—A. It says: "Trial balance of Esquimalt graving dock up to date."

Q. What date?—A. I do not see any date on it.

By Mr. Tarte:

Q. In the list of the books I see "Levis graving dock—two cash-books." Will you produce them?—A. They are all here, and I am ready to produce any item you want.

Q. Will you produce them?—A. I must decline to give them up.

Q. Will you please put those two books on the table of this Committee?—A. The books are on the table. I am willing to point out any particular item in the the books and read it to the Committee, and willing to remain here from day to day and be examined on any item.

By the Chairman:

Q. You are ordered to lay those two books on the table and leave them under the control of the Committee?—A. I am quite willing to leave them on the table and open the books and read any portion that the Committee may desire, but to turn them over to the custody of the Committee I must decline.

By Mr. Davies:

Q. I ask you to produce those two books and have them identified?

(No answer.)

The CHAIRMAN.—Let the Clerk take the books.

WITNESS.—I decline to allow the Clerk to touch those books.

By the Chairman:

Q. You are ordered to lay on the table the above two cash books for the purpose of being marked and identified?—A. I am quite willing to do that, but I do not know

exactly what that means. If it means turning the books over to the custody of the Committee I must decline ; but if it does not mean that, if it is intended for the purpose of investigation, I am quite willing to do that.

Q. Are you quite willing to lay the books on the table for the purpose of being marked and identified?—A. Yes.

Q. Give us those two cash books in order that a letter may be put on each of them?—A. I may state, if you will allow me, that we have made every effort since yesterday to ascertain the address of our bookkeeper. If possible we will have him here. He can identify everything in these books. We have nothing to hide or conceal.

The following exhibits were filed :

LEVIS GRAVING DOCK.

(Exhibit "E 3.")—Cash book.
(Exhibit "F 3.")—First journal.
(Exhibit "G 3.")—First ledger.
(Exhibit "H 3.")—Second ledger.
(Exhibit "I 3.")—Second journal.
(Exhibit "J 3.")—Third journal.

QUEBEC HARBOUR IMPROVEMENTS.

(Exhibit "K 3.")—Cash book.
(Exhibit "L 3.")—Second cash book.
(Exhibit "M 3.")—Ledger.
(Exhibit "N 3.")—Journal.

SOUTH WALL.

(Exhibit "O 3.")—Ledger.
(Exhibit "P 3.")—Journal.

ESQUIMALT DOCK.

(Exhibit "Q 3.")—Cash book.
(Exhibit "R 3.")—First journal.
(Exhibit "S 3.")—Second journal.
(Exhibit "T 3.")—Second cash book.
(Exhibit "U 3.")—Ledger.

THE CHAIRMAN—I understand, Mr. Ferguson, that you undertake to produce the books here to-morrow.

MR. FERGUSON—Yes.

MR. MULOCK—We do not want any undertaking.

MR. FERGUSON—Then I withdraw my undertaking.

By Mr. Tarte:

Q. Can you point out in any one of the books any entry for expense, for notes of $25,000 in 1885, I think?—A. I suppose I could. It would take me a good while to find it though.

Q. Will you try—from 1883 to 1885?—A. What book is the entry in?

Q. The cross-wall.—A. What date?

Q. I cannot give you the date?—A. You see I will have to hunt through the whole book.

Q. You will hunt then ?—A. What year was the entry you speak of.

Q. I did not make the entry myself. Did you make the entry about the notes?—A. I did not.

Q. Who did?—A. I think that all the entries in these books were made by Martin P. Connolly.

Q. Is it to your knowledge that some entry was made about $25,000 notes, given in 1883, in connection with the cross-wall?—A. I cannot say that there was.

Q. Did you ever see any entry in the books about those notes?—A. I never examined the books. My time was fully occupied on the works directing the operation of the men and that sort of thing.

Q. Then you are not in a position to say when that entry was made, if made? —A. No, Sir, I am not.

Q. You cannot point out to us the books, or the book, in which such entry should have been made or has been made?—A. No; all I can do is to bring the books here and hunt up any item you tell me, which, of course, I am quite willing to do.

Q. Can you tell us if to your knowledge any entry of about $22,000 notes in 1884 was entered in the books?—A. These books? These books are the books of the Quebec Harbour Improvements.

Q. Have you the books in connection with the graving dock at Lévis?—A. I have.

Q. And the supplementary contracts?—A. I have them here.

Q. Are you in a position to point out to me in what book that entry of about $22,000 notes was made?—A. I am not.

Q. Did you make the entry yourself?—A. No.

Q. You never saw such an entry before?—A. I never examined the books nor audited them.

By Mr. Davies:

Q. Did you see it?—A. I may have seen that or I may not. As I said before my time was fully occupied.

Q. Did you see the entry or did you not?—A. I won't swear that I did or did not.

By Mr. Tarte:

Q. Did you ever see any of the cheque books of the firm? A. Yes; I have seen many cheque books.

Q. Have you some of those cheque books left with you?—A. There are none of them here. I telegraphed to Quebec yesterday afternoon when you gave an order for the books, and, I think all the cheque books, letter books and vouchers will be here to-day.

Q. Are you prepared to hand over to this Committee the vouchers that are coming up to-day?—A. I am prepared to hand over or explain anything to the Committee that I am able to explain, but to give up possession of the books, I must decline, as I said before.

Q. I do not speak of the books, but the vouchers, receipts, papers or notes that you may have in your possession?—A. I have no objections to the vouchers, but the letter books must remain in our possession. I am willing to read any letters in those books.

Q. Will you answer in a positive manner that you have no objection to handing over letter books, cheque books, notes, and receipts that you may have in your possession in connection with the cross-wall, dredging in Quebec, and the graving dock at Esquimalt and Lévis?—A. I have answered that. I am willing to turn over any vouchers we have, but letter books and account books we must consider in our possession, of course allowing the Committee the privilege of hearing any entry that they may wish, or having any letter read.

Q. You have stated a minute ago that you have no knowledge that an entry for $25,000 notes was made in 1883?—A. No; I did not say that. They may be there or they may not.

Q. You said to your knowledge there was no such entry?—A. I said nothing of the kind. I said they may be there. If you ask me to read any item I will.

Q. Can you point out to me where that entry is?—A. I cannot. I will have to look it up.

By Mr. Daly:

Q. Will you kindly turn up the expense account of the Quebec Harbour Improvements in May, 1883?—A. I cannot find it.

The Committee then adjourned.

HOUSE OF COMMONS, THURSDAY, 4th June, 1891.

The Committee met at 10:30 a.m., Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

MR. AMYOT.—What has become of the books, and are they in the possession of the Committee?

MR. FERGUSON.—Yesterday the books were taken by the Messrs. Connolly into the other room and put in a box which they had there for that purpose and which they had brought from Quebec, and locked them up under lock and key, the key being in possession of Mr. Connolly and they are there yet.

THE CHAIRMAN.—Are the books now at the disposal of the Committee?

MR. FERGUSON.—In the same way as yesterday, They will be produced here when called for as yesterday.

MR. DAVIES.—Mr. Ferguson claims control and will not give them to the Committee.

MR. FERGUSON.—Exactly.

MR. EDGAR.—Are the books here for the Committee to examine?

MR. FERGUSON.—No.

MR. KIRKPATRICK.—Are they open for examination by any member of the Committee on any item connected with this enquiry?

MR. FERGUSON.—Yes.

Mr. MICHAEL CONNOLLY re-called.

By the Chairman:

Q. Will you bring those two cash books please?—A. Yes Sir; here are the two cash books.

By Mr. Choquette:

Q. Let me see the two cash books. Will you hand those books to me that I may look into them?—A. No, Sir; I must decline to let the books pass out of my possession.

By Mr. Moncrieff:

Q. I would ask Mr. Connolly whether you would have any objection to let any member of the Committee look at any page of the book while you stand by and have possession of the book?—A. Not the slightest.

Q. You are perfectly willing that I should go there and turn over every page of the book?—A. No; not every page. I wish them to specify what particular page they want.

Q. Of every account belonging to this investigation?—A. Yes; every account from start to finish.

Q. At the same time keeping control of your books?—A. Yes.

By Mr. Kirkpatrick:

Q. Why didn't you allow Mr. Choquette to look at your book?—A. Because he did not specify the account.

By Mr. Daly:

Q. I would like to know if Mr. Connolly has any specific reason for not wishing to produce the books in the manner required by Mr. Choquette?—A. I have, Sir.

There are a great many unsettled claims in those books and a great many other matters not pertaining to this enquiry that I do not want other people to prowl through.

Q. Can you give us the names of those people?—A. There are a great many contractors here that I do not want to have see our books.

Q. And there may be friends of the contractors on the Committee?—A. Just so.

By Mr. Amyot:

Q. Would you kindly state the names of some parties who have claims against Larkin, Connolly & Co. in 1883?—A. I must decline to state that.

Q. Do you give the same answer to 1884, 1885, 1886 and following years?—A. I must decline to give the name of any of our creditors.

Q. Would you give us an idea of the amount of claims there are?—A. They are not the subject of enquiry before this Committee.

Mr. A. GOBEIL, Deputy Minister of Public Works, sworn:

By Mr. Geoffrion:

Q. In what capacity are you now employed in the Public Works Department?—A. As Deputy Minister.

Q. Since when?—A. Since the 1st of January last.

Q. Prior to that date what was your employment?—A. I was Secretary of the Department of Public Works.

Q. For how many years?—A. I was appointed Secretary in January, 1885.

Q. Who was your predecessor?—A. Mr. Ennis; he is now dead.

Q. Will you be kind enough, if you find it amongst the papers of the Public Works Department, to fyle before this Committee a letter from Mr. John B. Gallagher to the Department, dated the 16th of May, 1883, giving the number?—A. The number of the paper as filed in our Department is 34629.

Q. In whose handwriting is the body of the letter? Do you know whose it is?—A. I cannot tell.

Q. To whom is it addressed?—A. It is addressed to the Secretary of the Department of Public Works, Ottawa.

Q. Read it.

(Exhibit "V 3.")

"To the Secretary,
"Department Public Works,
"Ottawa.

"MONTREAL, 16th May, 1883.

"SIR,—Since my proposal for the 'Cross Wall,' Quebec, which I learn from the Secretary of the Harbour Works has been sent to your Department, I find, owing to the length of time that has passed since my tender went in and the time it may take to decide, and from the fact of fearing further delay, I have taken another contract and wish to withdraw my tender for the said work on condition of my deposit cheque being returned to me.

"Very respectfully, &c.,

"JOHN GALLAGHER."

Q. Will you fyle, if it is there, a letter dated 9th June, 1883, from Mr. Ennis addressed to Mr. Verret, Secretary of the Harbour Commission of Quebec, in connection with that letter of Mr. Gallagher's?—A. Yes.

Q. What is the number of the letter?—A. The number of the letter sent is 18801.

Q. Will you read it please?

A. (Exhibit "W-3.")

No. 18801

12

34629, 34911, 35034.

"DEPARTMENT OF PUBLIC WORKS,

"OTTAWA, 9th June, 1883.

"SIR,—An Order in Council having issued to allow Mr. John Gallagher to withdraw his tender for the construction of a proposed cross-wall, Quebec Harbour Works, and return to him the bank cheque for $7,500 submitted with his offer, I am directed to enclose herewith the cheque in question to be transmitted by you to Mr. Gallagher.

"I have the honour to be, Sir,

"Your obedient servant,

"F. H. ENNIS,

"*Secretary.*

"A. H. VERRET, Esq.,

"Secretary Harbour Commissioners,

"Quebec."

(Dept. Note)—Enc. cheque on Imperial Bank of Canada for $7.500 favour Minister of Public Works, dated St. Catharines, April 30th, 1883 and signed John Gallagher.

Q. Will you see whether you can find a copy of a letter from Mr. Perley to Mr. Gallagher allowing him to withdraw his tender?—A. I think it has already been fyled a few days ago.

Q. Can you fyle all the tenders that were put in for the cross-wall at Quebec?—A. No, Sir.

Q. They are not in the Department?—A. I understand they are not in the possession of the Department. I understand they were first of all received by the Harbour Commissioners, then sent by them to the Department of Public Works and after the contract had been awarded they were returned to the Harbour Commissioners.

Q. Have you the extensions of those tenders?—A. Yes, Sir. It is the same bundle of papers that were produced before, at least I expect it is.

By Mr. Fitzpatrick:

Q. Let us verify that fact?—A. The extensions of the tenders are here.

By Mr. Geoffrion:

Q. Will you fyle them?—A. Yes.

(Extension of Tenders fyled and marked Exhibit X 3.)

Q. Now the report of Mr. Perley on the tenders?—A. Here it is.

(Report fyled and marked Exhibit Y 3.)

The next paper is the copy of a letter from Mr. Perley to Messrs. Larkin, Connolly & Co., dated 17th May, 1883.

(Letter fyled and marked Exhibit Z 3.)

The next one is the reply of Larkin, Connolly & Co. to Mr. Perley's letter and dated 19th May, 1883.

THE CHAIRMAN—That document has already been fyled as Exhibit W 2.

WITNESS—The next document I have is a copy of a letter from Mr. Perley to John Gallagher, dated 17th May, 1883.

(Letter fyled and marked Exhibit A 4.)

The next is the reply of John Gallagher to Mr. Perley's letter, and is dated 19th May. I see it has already been fyled as Exhibit V 2.

By Mr. Geoffrion:

Q. Do you know the handwriting?—A. I do not know the handwriting at all.

Q. Now the next one?—A. The next one is a letter similar to the others, and is addressed by Mr. Perley to Mr. Beaucage.

(Letter fyled and marked Exhibit B 4.)

Then there is the reply from Beaucage, dated May 21st, 1883.

THE CHAIRMAN—That is in already as Exhibit W 2.

By Mr. Geoffrion:

Q. Do you know whether there was any correspondence between Mr. Perley and the Harbour Commissioners about Gallagher withdrawing his tender?—A. I cannot find any.

Q. Do you find an Order in Council dated the 30th May, 1883, and No. 35034? —A. Yes.

Q. Please fyle it and read.

(Exhibit "C 4.") 1290

CERTIFIED COPY *of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on the 30th May,* 1883.

"On a Memorandum, dated 30th May, 1883, from the Minister of Public Works, stating that of the tenders received by the Harbour Commissioners of Quebec, and forwarded to his Department, for the construction of the proposed cross-wall in connection with the works of harbour improvements at the mouth of the River St. Charles, the lowest was that made by Mr. John Gallagher.

"The Minister represents that an evident error was made in such tender, and Mr. Gallagher was communicated with and that he adhered to his prices, but having in the meantime taken another contract, he desired to be allowed to withdraw his offer, and requested the return of the accepted cheque enclosed therewith.

"The Minister recommends that authority be given to allow Mr. Gallagher to withdraw his tender, and to return to him the cheque.

"The Committee submit the above recommendation for Your Excellency's approval.

"JOHN J. McGEE.
"*Clerk, Privy Council.*"

Q. Can you find a letter written by Mr. Ennis to Mr. Verret, dated 30th May, 1883?—A. Yes, Sir; here it is.

(Exhibit "D 4.")
(Copy) 18604
12
34891

"OTTAWA, 30th May, 1883.

"SIR,—I am directed by the Honourable the Minister of Public Works to transmit to you herewith a copy of the Order in Council of the 28th inst., accepting the tender of Messrs. Larkin, Connolly & Company for the construction of the proposed cross-wall in connection with the works of harbour improvements at the mouth of the River St. Charles.

"I also enclose the form of contract and of security agreement used by this Department for works of about the same nature, which form the Honourable the Minister suggests might be used in the present instance by the Board of Harbour Commissioners. If used, it will not be necessary to submit the draft contract to this Department.

"Should any change be made from the conditions of the enclosed form, then the draft of the proposed contract will require to be sent here for the approval of the Honourable the Minister, the Department of Justice having given its opinion that such should be done.

"I return herewith the tenders forwarded with your letter of the 2nd inst., and the cheques enclosed with those offers, with the exception of that submitted by

Mr. Gallagher, which is retained pending the taking of the necessary steps for its proper disposal.

"I have the honour to be, Sir,
"Your obedient servant,
"F. H. ENNIS,
"*Secretary.*

"A. H. VERRET, Esq.,
"Secretary Harbour Commissioners,
"Quebec."

Q. Will you fyle a telegram dated the 23rd of March, 1883, addressed by Sir Hector Langevin to his Deputy from Quebec?—A. Yes.

(Exhibit "E 4.")
(No. 49, by telegraph from Quebec.)

"OTTAWA, 23rd March, 1883.

"To G. F. BAILLAIRGÉ.

"Send to Quebec Harbour Commissioners plan and specifications about cross-wall, with letter asking them their opinion thereon. Do that immediately.

"HEC. L. LANGEVIN."

Q. Will you ascertain whether between the 26th of May, 1884, and the end of October, 1884, there were any new plans prepared for the Esquimalt Graving Dock?—A. I have a paper here which seems to have some connection with the preparation of some modified plans. It is a letter from Mr. Trutch.

Q. Will you make a search for the plans or modifications to which you find reference in that letter?—A. I will, but I cannot give you the answer now.

Q. Have you fyled the original plans of those works?—A. I believe not. I believe they are in the Department.

Q. I mean those anterior to those referred to in this letter?—A. We could fyle the contract plans. They have been sent down.

Q. And accompanied by specifications?—A. The specifications are attached to the contract, which I think is attached to the papers.

Q. And the plans, too?—A. The plans are here. There is a long roll of plans, 16 or 17 of them, by themselves in the next room.

Q. The contract would contain the specifications?—A. Yes; this is the contract with the specifications attached.

(Contract fyled and marked Exhibit F 4.)

By Mr. Edgar:

Q. What is the number?—A. No. 685.

By Mr. Geoffrion:

Q. Can you find a memorandum addressed to the Minister of Public Works by Larkin, Connolly & Co., or in their behalf, in connection with this Esquimalt Dock contracts prior to the awarding or signing of the contract?—A. I cannot find any trace of such a memorandum. Of course there is the usual correspondence between the contractors before the awarding of the contract, and after the tender has been decided upon—the correspondence asking them if they are prepared to enter into a contract, and their answer thereto, saying whether they will or not. This is the usual correspondence. Outside of that I cannot find any other. I have a telegram to Larkin, Connolly & Co. of the 28th October, asking them if they are prepared to enter into a contract for the Esquimalt Graving Dock. Then there is an answer and after that a telegram to Larkin asking if he got the message repeated from Quebec.

By Mr. Edgar:

Q. Have you got 28590 there?—A. Yes.

Q. That is a telegram to Larkin, Connolly & Co. informing them that the contract for the Esquimalt Graving Dock would be ready for signature on Friday and that a further sum would be required on deposit from them. That is a synopsis of the document.

Q. Read the whole of it please, and fyle?—A.

(Exhibit "G 4.")

"Copy of telegram sent No. 28590.

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 5th November, 1884.

"LARKIN, CONNOLLY & Co.,
Indian Cove, Quebec.

"Contract for B. C. Graving Dock will be ready for your signature Friday next. A further sum of $11,200 will be required in addition to your cheque for $7,500 to complete 5 per cent. security. Please have it in readiness on Friday, when Sir Hector desires you to be here to sign the contract.

"F. H. ENNIS."

By Mr. Geoffrion:

Q. Will you see whether you can find a letter from Thomas McGreevy to Mr. Perley, dated 9th September, 1884?—A. It is not here.

Q. Will you try and find a letter from Mr. McGreevy to Mr. Perley any time during the month of September?—A. I have been looking through the letters for the whole of that month. I had only four letters in that month, and cannot find what you want.

Q. You have none from McGreevy to Perley?—A. No, Sir.

Q. Is there an answer by Mr. Perley to Thomas McGreevy dated the 11th September, 1884?—A. No, Sir; I have none.

Q. The list you have is that of all the letters and papers on fyle in the Department?—A. Yes, Sir; in so far as a very careful search has enabled me to find out. It has been done very carefully.

Q. Will you find a letter of 8th May, 1884, from Mr. Baskerville to the Department, and fyle it?—A. It is here.

(Exhibit "H 4.")

"OTTAWA, 8th May, 1884.

"The Honourable SIR HECTOR LANGEVIN,
"Minister of Public Works, Ottawa.

"DEAR SIR,—We have some time since submitted a tender for the completion of a graving dock at Esquimalt, B.C.

"If you will agree to the substitution of solid masonry and dispense with the use of concrete and brick backing, we will consent to build the same for $16 per square yard, which will reduce the bulk sum about fifty-three thousand dollars ($53,000). Hoping that this will meet with your approval,

"We remain, your obedient servants,

"BASKERVILLE & CO."

By Mr. Tarte:

Q. Do you know the handwriting?—A. I do not.

By Mr. Geoffrion:

Q. Will you now fyle Mr. Perley's report, dated the 9th May, 1884, No. 47049?—A. Yes.

(Exhibit "I 4.")

"Department of Public Works,
"Chief Engineer's Office, Ottawa, 9th May, 1884.

"No. 19319.

"Subj., Esq. Graving Dock.

"Sir,—With reference to the communication from Messrs. Baskerville & Co., containing an offer in modification of their tender for the construction of the graving dock at Esquimalt, B.C., I have to report as follows:—

"In February last, tenders were called for the completion of this dock and only two were received, one from Messrs. Baskerville & Co., and the other from Messrs. Starrs & O'Hanly.

"Using the quantities supplied by Mr. Bennett, the resident engineer, through the Honourable Mr. Trutch, the tenders monied out as follows:

Baskerville & Co.....	$465,309.54
Starrs & O'Hanly.....	315,240.58

"As from each of these tenders the sum of $50,288.69 for plant, tools, materials, &c., on the works have to be deducted, their net amounts become respectively $415,-028.85 and $264,951.89.

"In my estimate of the cost of this graving dock, I placed the cost of completing the dock work proper at $340,000, and in my memorandum of 17th April last, on these tenders, I expressed the opinion that one tender was greatly in excess of the actual value of the work to be done, whilst the other was as much too low.

"Since the date of my memorandum, Messrs. Baskerville, Cassidy and Stewart have called on me with reference to their tender, and as Mr. Stewart had made a special visit to British Columbia, for the purpose of examining the work done and to be done, where materials could be procured, prices of labour, &c., I ascertained that the amount fixed by the Honourable Mr. Trutch (See No. 43615) and myself was less than the work could be constructed for, if the plans and specifications were strictly followed.

"These plans were prepared by Messrs. Kinniple and Morris, English engineers, and are based as regards the materials used in their construction upon English practice and English precedent, principally in the use of Portland cement, concrete in the backing up what may be termed a veneering of ashlar masonry.

"In Canada the cost of this backing is very expensive, owing to the fact that the Portland cement required has to be obtained from England and large quantities are needed.

"On the canal works the masonry in the lock chambers is analogous to the masonry in a graving dock, and in all that has been constructed since the introduction of a canal system, rubble backing alone has been employed, using Thorold and other cements which are allowed to be inferior in quality to Portland cement,—yet for all this no complaints have ever been made respecting the strength, permanence and utility of masonry which has been constructed, and I see no reason why the walls of the graving dock in British Columbia may not be constructed with rubble backing instead of concrete backing and the brickwork in connection therewith.

"Having submitted to Messrs. Baskerville & Co. a proposition to amend their offer by the substitution of rubble backing in lieu of concrete backing, brickwork, &c., they now offer to build the masonry for the sum of $16 per yard, which would have the effect of reducing the net bulk sum of their offer to (say) $362,000., which in view of the high cost of labour and materials in British Columbia may be accepted as a fair value of the work to be done to complete this dock.

"As Messrs. Baskerville & Co. have executed for the Department of Railways and Canals, the new works on the Ottawa at Ste. Annes, and as contractors possess experience and means for carrying out large works, I beg leave to submit for consideration by the Honourable the Minister the desirability of arranging with that firm for the works at Esquimalt under the terms of their tender as amended by them, and the alteration on the plans whereby rubble backing shall be used instead of concrete backing, and that such other changes be made as will dispense with the use of brick work in connection with the walls.

"I have the honour to be, Sir,

"Your obedient servant,

"HENRY F. PERLEY,

"*Chief Engineer.*

"F. H. ENNIS, Esq.,

"Secretary, Public Works Department."

Q. Please read and fyle a letter from Mr. P. Baskerville dated 26th May, 1884, to Sir Hector Langevin?

(Exhibit "J 4.")

"OTTAWA, 26th May, 1884

"Honourable Sir HECTOR LANGEVIN,

"Minister of Public Works, Ottawa.

"DEAR SIR,—Since I had the last interview with you, in reference to the B. C. Graving Dock contract, my brother had a proposition from your engineer, Mr. Perley, which he accepted and put in writing; therefore I consider the matter was finally settled to your Honour's satisfaction, until I was informed on Saturday last by Mr. Bryson, M.P., that he heard it was to be tendered for over again. I, therefore, made several attempts to-day to see you, but as I did not succeed and having heard that you were going away, I thought I would write you again.

"As I always try to be guarded and not place your Government in any false position, before moving in this matter, and as they were both Irish Catholic firms that were in for the work, and being aware that collusion is very often practised in tendering for contracts, I asked my brother if he had been aware of Starrs & O'Hanly's tender before they were opened, and both he and the rest of the members of his firm informed me that they did not, and were all willing to make affidavit to that effect if necessary. They further stated that although they expected a good deal of competition there were no parties more surprised than they were to find competition from that quarter.

"Therefore, feeling satisfied that their tender was a *bonâ fide* one, I thought it my duty to ask your honour to accept it, and am willing to hold myself responsible for their actions.

"Mr. Stewart, one of the members of the firm, had an interview with Mr. Perley respecting the work and prices tendered for, since my last interview with your honour; therefore Mr. Perley can inform you as to Mr. Stewart being out to view the situation, and his knowledge of the work. Not hearing from your honour since my last interview with you, yet I trust the result will be favourable to my friends, notwithstanding the rumours I have heard to the contrary. If it should not, it will place me in an awkward position with my friends in the different constituencies around here, and if it should be favourable to them I will always look on it as a personal favour to myself, and I have no doubt everything will be carried out to your satisfaction.

"As your honour remarked to me to have this matter kept quiet, my brother and I did so. He still holds the cheques in his possession as he expected he would get the work and would require to return them to you. Trusting that you will excuse me for troubling you so much and let me know the result of your decision as soon as convenient.

"I remain your humble servant.

"P. BASKERVILLE."

By Mr. Tarte :

Q. There is something written by the Minister on the letter, please read it?—A. "Memo.—Inform Mr. Baskerville that new plans and specifications have been ordered and that new tenders will be called for.—H. L. L."

By Mr. Edgar :

Q. Whose handwriting is that in?—A. In Sir Hector Langevin's handwriting.

By Mr. Geoffrion :

Q. Please fyle copy of a letter addressed by the Public Works Department to Starrs & O'Hanly, dated 7th October 1884?—A.

(Exhibit "K 4.)"

"Copy of letter sent No. 28, 140.

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 7th October, 1884.

"GENTLEMEN,—Having reference to your tender, dated the 20th ult. for the completion of the graving dock at Esquimalt B. C., I am directed by the Honourable the Minister of Public Works to inform you that he allows you until Saturday next the 11th inst., at 11 o'clock a. m. to strengthen yourselves financially by associating with you some man financially strong.

"At the time mentioned he, the Minister, will expect to be informed of the name of such associate, if any; and whether he and you will be prepared to sign then a contract for the execution of the work.

"I have the honour to be, gentlemen,
"Your obedient servant,
"F. H. ENNIS,
"*Secretary.*"

"Messrs. STARRS & O'HANLY,
"Contractors, Ottawa.

Q. Do you find an answer to this letter dated the 10th October, 1884?—A. Yes.

(Exhibit "L 4.)"

"OTTAWA, 10th October, 1884.

"F. H. ENNIS, Esq.,
"Secretary Department of Public Works, Ottawa.

"SIR,—We have the honour to acknowledge the receipt of your letter of the 7th inst., conveying the wish of the Honourable the Minister of Public Works, *re* our tender for the completion of the Esquimalt Graving Dock, British Columbia.

"In reply we beg to inform you that after considering the suggestion made of associating another contractor with us, we are of opinion that as we have the necessary means ourselves we will be better able to perform the contract to the satisfaction of the Government, without the assistance of another contractor.

"We will be ready to sign the contract Monday and make the necessary deposit.

"We have the honour to be, Sir,
"Your obedient servant,
"STARRS & O'HANLY."

Q. Please file a letter dated the 21st of October, 1884, addressed by the Department to Starrs & O'Hanly?

(Exhibit "M 4.)"

"Copy of letter sent No. 28376.

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 21st October, 1884.

"MICHAEL STARRS, Esq.,
"Clarence Street, Ottawa.

"Will you be good enough to call to this Department at once, *re* Esquimalt Graving Dock.

"F. H. ENNIS,
"*Secretary.*"

By Mr. Edgar:

Q. Will you now produce Mr. Perley's report dated the 29th September, 1884?

(Exhibit "N 4.)"

"CHIEF ENGINEER'S OFFICE,
"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 29th September, 1884.

No. 11728, Subj., Esq. Graving Dock.

(*Memorandum.*)

"Eight tenders have been received for the completion of the graving dock at Esquimalt, British Columbia, under the terms and conditions stated in an advertisement dated Ottawa, 8th August, 1884, which have been marked respectively A to H.

"On applying the quantities to the prices stated in these tenders it is found that tender 'A,' amounting to $338,945.19, is the lowest.

"With reference to the lowest tender, I am of the opinion that, after deducting the amount to be paid for plant as per specification, namely, $50,288.69, the balance remaining, namely, $288,656.40, is too small for the completion of the work in a satisfactory manner.

"The tender next in order, letter 'C,' that of Messrs. Larkin, Connolly & Co., for $374,559.53, gross, or, deducting the amount to be paid for plant, &c., $324,270.84, net, is one for which the works can, in my opinion, be completed. This firm is now engaged in the construction of the graving dock at Quebec and possesses not only the requisite plant, but also special knowledge and experience in connection with the manner in which graving docks are built.

"HENRY F. PERLEY,
"*Chief Engineer.*"

Q. Is there nothing to show what was done with that report; whether it was approved or not?—A. There is nothing on the paper.

Q. Now we want the Order in Council of the 16th October, 1884, awarding the contract to Starrs & O'Hanly?—A. It is numbered 52845.

(Exhibit "O 4.)"

"CERTIFIED COPY *of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on the 16th of October*, 1884.

"On a Memorandum dated 13th October, 1884, from the Minister of Public Works submitting, that in answer to public advertisement, eight tenders for the completion of a graving dock at Esquimalt, British Columbia, were received and that the tenders were made at schedule rates, and with the prices applied to approximate quantities were found to range from $338,945.19 to $540,454.35, if concrete be used for backing, and from $375.238.49 to $563,264.85, if rubble be used for backing.

"The Minister represents that the lowest $338,945.19 is from Messrs. Starrs & O'Hanly of this city, who have, as required by advertisement, deposited with their tender an accepted security cheque for $7,500, and that upon the submission of Messrs. Starr's & O'Hanly's tender, the chief engineer reports expressing opinion that after deducting the amount, $50,288.69, to be paid for plant as per specification, the balance which would remain to the lowest bidders, namely, $288,565.40, is too small for the completion of the work in a satisfactory manner.

"The Minister further represents that Messrs. Starrs & O'Hanly were communicated with under date 7th October, inst., requesting them to strengthen themselves financially by associating with them some man financially strong, and informing them that they would be allowed until Saturday last the 11th, at 11 a.m., to do so, when they would be expected to give an answer stating the name of such associate, if any, and whether they would then be prepared to sign the contract, and that a reply dated the 10th inst. has this day been received in which Messrs. Starrs & O'Hanly state that in their opinion they have the necessary means themselves, without the assistance of another contractor, and that they are ready to sign the contract and make the necessary deposit, it being 5 per cent. of the amount of the tender, or say $17,000.

"The Minister in view of all the circumstances and considering the large amount of $17,000 which will be held by the Government as security for the fulfilment of the contract does not consider that the lowest bidder should be passed over and recommends that upon Messrs. Starrs and O'Hanly depositing to the credit of the Hon. the Receiver General, the sum of $9,500, required to complete the security for the amount of their tender, the contract for the completion of the dock be awarded to them.

"The Committee submit the same for your Excellency's approval.

"JOHN J. McGEE,
"*Clerk, Privy Council.*

"To the Honourable
"The Minister of Public Works."

Q. Please fyle copy of the Order in Council of the 25th October, 1884?

(Exhibit "P 4.)"

2055.

"CERTIFIED COPY *of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on the 25th October,* 1884.

"On a Memorandum dated 24th October, 1884, from the Minister of Public Works, submitting that Messrs. Starrs & O'Hanly whose tender for the completion of the Esquimalt graving-dock was accepted by Order in Council of the 16th October instant, have to-day by letter signified that they made mistakes in some items of their tender, and find that their prices are generally too low, submitting that it would not therefore be prudent for them to take the contract and requesting to be allowed to withdraw their tender and have their deposit cheque returned to them.

"The Minister states that the chief engineer of his Department reports to the effect that their tender was too low and that the work could not be done for the prices named; that the figures for masonry and concrete, the two principal items, are so low that they barely cover the cost of the stone to be quarried, leaving nothing for cement and labour and cutting and settling the stone in the work, and that it is evident that Messrs. Starrs & O'Hanly have made serious mistakes in their tender as regards these items.

"The Minister in view of these circumstances, recommends that Messrs. Starrs & O'Hanly be permitted to withdraw their tender and have the security deposit returned to them, and that the contract be awarded to the next lowest tenderers, Messrs. Larkin, Connolly &, Co., whose offer is for $374,559.53, if concrete be used for backing and $403,373.03, if rubble backing be used.

"The Committee submit the same for your Excellency's approval.

"JOHN J. McGEE,
"*Clerk, Privy Council.*

"To the Honourable
"The Minister of Public Works."

Q. Will you now produce the schedule of tenders, the second set, No. 53501?—A. It is here.

Q. What is it endorsed?—A. "Schedule of tenders for completion of graving dock at Esquimalt, B.C. (second set)."

Q. Is there any endorsation upon it?—A. Yes.

Q. Please read it?—A. "Report to Council, recommending the acceptance of the lowest tender, viz., that of Messrs Starrs & O'Hanly.—H.L.L.

"OTTAWA, 13th October, 1884."

The contract with Larkin, Connolly was signed on the 8th October, 1884.

Q. Whose writing is that?—A. This is the writing of the endorsation clerk in the Department.

Q. Who is H.L.L.?—A. The Minister of Public Works.

Q. Please fyle it?

(Exhibit "Q 4.")

"SCHEDULE of Tenders received for Completion of the Graving Dock at Esquimalt, B.C.

Letters.	Name.	Address.	Remarks.
A	M. Starrs J. L. P. O'Hanly	Ottawa	Accepted cheque for $7,500.
B	John McMullin	Victoria, B. C	do $7,500.
C	Larkin, Connolly & Co	124 Dalhousie St., Quebec	do $7,500.
D	W. J. Baskerville Hugh Stewart	Ottawa. Montreal	do $7,500.
E	M. P. Davis W. H. Davis J. T. Davis Wm. Davis & Sons	Ottawa	do $7,500.
F	R. P. Cooke Chilion Jones P. L. Innes	Brockville do Toronto	do $7,500.
G	H. F. Keefer	Victoria, B. C.	do $7,500.
H	R. P. Mitchell John McKenna	Ottawa	No cheque enclosed.

"Engineer's estimate, $340,000 net, after allowing for deduction for plant.

"SUMMARY.

No.	Name.	Letter.	Amount with Concrete Backing	Amount with Rubble Backing.
			$ cts.	$ cts.
1	Starrs & O'Hanly	A	338,945 19	375,238 49
2	Larkin, Connolly & Co.	C	374,559 53	403,373 03
3	Baskerville & Stewart	D	401,367 35	498,357 55
4	John McMullin	B	409,426 36	521,969 26
5	H. F. Keefer	G	429,298 02	505,425 52
6	Mitchell & McKenna	H	503,458 15	558,819 40
7	Cooke, Jones & Innes	F	512,904 52	591,736 17
8	Wm. Davis & Sons	E	540,454 35	563,264 85

"Report to Council recommending the acceptance of the lowest tender, namely, that of Messrs. Starrs & O'Hanly.

"HECTOR L. LANGEVIN."

"OTTAWA, 13th October, 1884."

Q. Have you in your Department the tenders put in by Baskerville, Starrs & O'Hanly, and Larkin, Connolly & Co. ?—A. There are eleven tenders altogether.

Q. I refer more especially to those of Baskerville, Starrs & O'Hanly, and Larkin, Connolly & Co.?—A. No. 53490 is that of Starrs & O'Hanly.

Q. How is it signed ?—A. It is signed M. Starrs, Contractor, Ottawa ; J. L. P. O'Hanly, Civil Engineer, Ottawa.

Q. Now Baskerville's—how is it signed ?—A. W. J. Baskerville, Contractor, Ottawa ; James O'Connor, Contractor, Ottawa; Patrick Cassidy, Contractor, Ottawa ; Hugh Stewart, Contractor, Montreal.

Q. What is the number ?—A. No. 53491.

Q. Now Larkin, Connolly & Co.'s—how is it signed ?—A. Larkin, Connolly & Co. per O.E.M., Contractors, 124 Dalhousie Street, Quebec.

By Mr. Tarte:

Q. Do you know the handwriting ?—A. I could not tell.

The Committee adjourned.

HOUSE OF COMMONS, FRIDAY, 5th June, 1891.

The Committee met at 10.30 a.m.; Mr. Girouard in the chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, etc., resumed.

Mr. A. GOBEIL, Deputy Minister of Public Works, recalled.

By Mr. Geoffrion:

Q. Will you fyle a copy of the Order in Council passed 3rd February, 1885, in connection with the Esquimalt contract?—A. The document is here.

Q. Will you please read the endorsation?—A. "Order in Council authorizes that the inverts and caisson recess shown in plans for Esquimalt Graving Dock be not constructed, and that the dock bottom be carried out in order to obtain an additional length of 50 feet at the further cost of $35,000."

"To Mr. Perley. Yes. H.L.L."

"Mr. Trutch has been furnished with a copy of this account and instructed to have its provisions carried out. H. F. Perley."

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The document was fyled and is as follows:

(Exhibit "R 4.")

CERTIFIED COPY *of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on the 3rd February*, 1885.

"On a Memorandum dated 26th January, 1885, from the Minister of Public Works, submitting that it has been represented that the Graving Dock at Esquimalt, B.C., the works for the completion of which are now under contract, will, if constructed in accordance with the present design, prove to be too short—not for the vessels employed in the present traffic, but for those likely to be engaged in that of the future, the tendency being to increase the size of vessels as traffic increased.

"That according to the contract plans, the available length of the dock will be 380 feet, the width at the bottom or floor 65 feet, and at the top or ground level 90 feet; the width at the entrance 65 feet, with, say, 25 feet on the sill at ordinary high water.

"That the steamers now plying between Europe and the Atlantic ports, range from 360 to 460 feet in length, and it may be assumed that steamers of a similar class will ply to and from the Pacific side of the Dominion.

"That therefore the question has been mooted whether it is not desirable now, whilst opportunity offers, to construct the dock of a sufficient length to accommodate such a class of vessels.

"The Minister of Public Works represents that the Chief Engineer of his Department reports that so far as he has been able to ascertain, no increase in the length of the dock is, he thinks, required for Her Majesty's ships. He states that the "Minotaur," "Agincourt" and "Northumberland" are each 400 feet in length, that the draft of the last mentioned vessel being 28 feet is too great to permit her to enter the dock; that the "Inflexible," "Ajax" and "Agamemnon" are each 320 feet long, but that owing to their width—the "Inflexible" being 75 feet wide and the "Ajax" and "Agamemnon" each 68 feet—they also will be unable to enter the dock; that following the vessels named, the longest ships in the British navy are the "Inconstant," the "Shah," the "Iris," and the "Mercury," which range from

309 to 337 feet in length, and which could be docked provided their draft does not exceed 25 feet.

"The Minister further represents that the plans show and the contract provides for the construction at the head of the dock of inverts and a caisson recess, in anticipation of the construction, at a future date, of another dock beyond the present one, and the Chief Engineer reports that these inverts, etc., which occupy a length of 50 feet 6 inches are and will remain practically useless for any purpose in connection with the dock, merely adding to the cost of its construction without adding anything to its usefulness, and that if the dock bottom were carried out, and these works abolished, a further length of 50 feet would be obtained within the limits of the present contract at an additional expense of say $35,000, or a total of $410,000.

"The Minister recommends that authority be granted that the inverts and caisson recess provided for in the plans, etc., and herein referred to be not constructed, and that the dock bottom be carried out at the additional cost of thirty-five thousand ($35,000) dollars, as estimated.

"The Committee concur in the foregoing recommendations and they submit the same for Your Excellency's approval.

"JOHN J. McGEE,

"*Clerk, Privy Council.*"

Q. Now a letter from Mr. Perley dated 14th February, 1885?—A. I do not appear to have a letter of the 14th. I have a letter of the 16th February from Mr. Trutch.

Q. Will you read the letter?

(Exhibit "S 4"). "OTTAWA, 16th February, 1885.

"SIR,—I have the honour to acknowledge the receipt of a copy of an Order in Council, conveyed to me under covering letter of the 14th instant from the Chief Engineer, authorizing the omission of the works for a second entrance at the head of the Esquimalt Dock and the extension of the dock bottom and side walls to obtain a further length of 50 feet in the body of the dock, and to state that the necessary instructions will be at once sent to the resident engineer and to the contractors, for carrying these alterations into effect.

"In connection with this subject, I take this opportunity of calling your attention to the fact that the sandstone intended to be used in this work, though the best obtainable after a careful search and selection, is of a soft character, and will, I fear not wear well in positions in the work where it is liable to crushing strain, heavy blows and much friction, as, for instance, in positions such as the altars, the ladders, the dock bottom under the keel blocks, the culverts, etc.

"It would undoubtedly add very materially to the value of the dock by rendering it a more permanent work, and thus diminishing the liability to after expenditure for the removal of these portions of the work (which would certainly be a contingency to be provided for if they were built of sandstone) should they be constructed at once of granite instead, an abundant supply of which material of excellent quality is available to the contractor.

"A price for granite is specified in a schedule of the existing contract and at this price the additional cost of substituting granite for sandstone in the portions of the work which, in my judgment, should be constructed of this enduring material would not exceed $45,000—an increase of cost which, I am of opinion, would be far more than compensated by the economic advantages which would be thereby secured.

"I have the honour to be, Sir,

"Your obedient servant,

"JOSEPH W. TRUTCH."

Q. Will you fyle Mr. Perley's report dated 21st February, 1885?—A. The paper is produced.

Q. Will you read it?

(Exhibit "T 4") "CHIEF ENGINEER'S OFFICE, OTTAWA, 21st February, 1885.

"No. 13036.

"Subj.: Esquimalt Graving Dock.

"Ref. No. 56915.

"SIR,—I have carefully read Mr. Trutch's letter of the 16th (No. 56915) calling attention to the desirability of substituting granite for sandstone in certain portions of the Graving Dock at Esquimalt, and recommending that such substitution be authorized.

"Having had occasion last summer to examine a large number of graving docks in England and Scotland, I particularly noticed that the bottom of the docks, the altars, filling and emptying culverts, steps, timber slides and copings were the points where the greatest wear and tear took place—in fact that they were the working points of the docks, and, therefore, were built accordingly.

"The sandstone specified for the Esquimalt Dock is of a very soft and pliable nature and liable to fracture under a heavy blow or strain, and may be classed as unfitted for use at points where it would be subject to the constant wear it would sustain if placed in the parts of the dock above referred to.

"By subtituting granite for sandstone, at these points, not only would a greater degree of solidity be given to the work, but the amount of ordinary wear and tear would be reduced to a minimum—in fact, it might be assumed that once built a necessity for repair would be almost nil, whilst, if built of sandstone, I believe a yearly expenditure would have to be made for restoration of damaged work.

"I have also looked into the matter of cost and find that by substituting granite for sandstone at the salient points, there would be added about $45,000 to the cost of the dock, and I am of the opinion that the benefit to be derived by the use of granite would justify the expenditure required to place it in the work, and I therefore join with Mr. Trutch in recommending its use.

"I have the honour to be, Sir,

"Your obedient servant,

"HENRY F. PERLEY,

"*Chief Engineer.*"

"Approved and recommended,

"HECTOR L. LANGEVIN.

"OTTAWA, 21st February, 1885."

Q. Will you read the endorsation?—A. "I have been informed by the Minister that Council has decided against this application.

"27 | 2 | 85." "HENRY F. PERLEY."

By the Chairman:

Q. That is written by whom?—A. Mr. Perley.

Q. That is his signature?—A. Yes; the whole of it is in his handwriting.

By Mr. Geoffrion:

Q. Can you find any Order in Council to which reference is made in that endorsation?—A. No.

Q. You do not find any?—A. No.

Q. Will you fyle a report by Mr. Perley, dated 21st January, 1885, and also read the endorsation?—A. "No. 55887, 21st January, 1885. Esquimalt Graving Dock, B.C. Chief Engineer Public Works submits a memorandum in which suggestions are made in reference to proposed additional length of the Graving Dock at Esquimalt, B.C., at a further cost of $35,000, or a total of $410,000.

"Prepare for my signature on Monday morning a report to Council in the sense of this document. Ottawa, 24th January, 1885.—"H. L. L."

Q. Will you read the document in full?

(Exhibit "U 4.")

"*Memorandum for the Hon. the Minister in re Esquimalt Graving Dock:*

"As per the contract plans the available length of the graving dock at Esquimalt, B.C., is 380 feet, the width at the bottom or floor 65 feet and at the top or

ground level 90 feet; the width at the entrance 65 feet, with, say, 25 feet on the sill at ordinary high water.

"The plans show, and the contract provides for the construction at the head of the dock of inverts, a caisson recess in anticipation of the construction at a future date of another dock beyond the present one, and these inverts, &c., occupy a length of 50 ft. 6 ins. and are practically useless for any person in connection with the dock. They merely add to the expense of its construction without adding anything to its usefulness.

"It has been stated that the dock is too short and should be lengthened, not in view of the present traffic, but in view of the traffic of the future, as the tendency is to increase the size of vessels with the increase of traffic.

"The steamers now plying between Europe and the Atlantic ports range from 360 to 460 feet in length; and it may be assumed that steamers of a similar class may ply to and from the Pacific side of the Dominion; and therefore the question has been mooted whether it is not desirable now, whilst opportunity offers, to construct a dock of sufficient length to accommodate such a class of steamers.

"So far as I have been able to ascertain, I do not think that any increase in length is required for Her Majesty's ships.

"The 'Minotaur,' 'Agincourt,' and 'Northumberland' are each 400 feet in length, and I am personally aware that the 'Northumberland's' draft is 28 feet—too great to enter the dock.

"The 'Inflexible' is 320 feet long, and 76 feet wide, and the 'Ajax' and 'Agamemnon' are 320 feet long and 68 feet wide, but these ships are too wide to enter the dock.

"Following these, the longest ships in the navy are the 'Inconstant,' the 'Shah,' the 'Iris' and the 'Mercury,' which range from 300 to 337 feet in length, all of which could be docked, provided their draft does not exceed 25 feet.

"As before stated, the works for a second entrance at the head of the dock are and will remain useless; and if the dock bottom were carried out, and these works abolished, a further length of 50 feet would be obtained within the limits of the present contract, at an additional expense of, say, $35,000, or a total of $410,000.

"HENRY F. PERLEY,
"*Chief Engineer.*"

"CHIEF ENGINEER'S OFFICE,
"PUBLIC WORKS DEPARTMENT,
"OTTAWA, 21st January, 1885."

Q. Will you look for a letter from Mr. Trutch dated 16th April, 1885?—A. I find it.

Q. Is there a letter from Mr. Bennett?—A. There is a copy of a letter from Mr. Bennett to Mr. Trutch.

Q. Please read them?

(Exhibit "V 4.") VICTORIA, BRITISH COLUMBIA, 16th April 1885.

"SIR,—I have the honour to enclose a copy of a letter to me from Mr. W. Bennett resident engneer on the Esquimalt Dock Works, stating that he has delivered over to the contractors the whole of the plant and material detailed in the schedule attached to the specifications which form part of their contract, except a few articles which had been expended amounting to the aggregate value of $10.45 as per the list thereof appended to Mr. Bennett's letter.

"Since my return to Victoria, Mr. Connolly, representing the contractors for this work, has represented to me at an interview at this office that their firms are unwilling to take over the articles of plant referred to in Mr. Bennett's letter as having been objected to by them, to the agregate value of $12,403.09 as per schedule, as they find them not suitable for the purposes of the work, and, therefore, valueless, and that they consequently do not consider themselves bound to take over these articles or to be charged for them at the rates of price stated in the schedule.

" I represented to Mr. Connolly that I understand it to be clearly one of the terms of their contract that the whole of the material and plant detailed in the schedule should be taken over by them, and be charged against them at the prices stated, and that this material and plant had accordingly been handed over to them, and was now in their possession and would accordingly be charged against them, except as to the missing articles to the value of $10.45 and that, as provided in the stipulation attached to the contract, a deduction of $\frac{1}{12}$ of the aggregate price of the material and plant so handed over to them would be made from the amount of the payment to be made to them on each of the 12 first monthly progress estimates, certified to by the resident engineer.

" Upon this, Mr. Connolly asked that the first progress estimate to be given on the 1st proximo should not be subject to any deduction on this account, as their firm had made larger expenditures in preparing to commence this work; but that the first deduction on account of plant and material should be deferred, and be charged against the second estimate to be given on the first June next. To this I replied that I could only refer his application for your consideration and decision, as I now beg to do.

" I have the honour to be Sir,
" Your obedient Servant,

" JOSEPH W. TRUTCH."

" Sir HECTOR LANGEVIN, C.B., K.C.M.G.,
" Minister of Public Works,
" Ottawa, Canada."

(Exhibit " W 4.")
(Copy.)

" ENGINEER'S OFFICE,
" ESQUIMALT, 16th April, 1885.

" SIR,—I have the honour to inform you that in December last, Messrs. Larkin, Connolly & Co., the contractors for the Esquimalt Graving Dock were placed by me in possession of the plant and materials as per schedule attached to specification.

" The whole of the plant and materials mentioned in the schedule were shown to the contractors and handed over to them by me, except the articles mentioned in the list herewith enclosed, which were not forthcoming, having been expended during the period since the work and plant were taken over by the Dominion Government; the aggregate value of these articles as per schedule is, however, only $10.45.

" The contractors took over, without demur, sundry articles of the plant and material, amounting to the aggregate valuation as per schedule of $38,038.28, but expressed themselves reluctant to receive the balance of material and plant, valued in the schedule at $12,403.09.

" I have the honour to be, Sir,
" Your obedient servant,

(Signed) " W. BENNETT,
" *Resident Engineer.*"

" Hon. J. W. TRUTCH, C.M.G.,
" Victoria."

Q. Can you now find Mr. Perley's letter dated 29th April, 1885?—A. The paper has been sent here, but I cannot find it at the present moment.

Q. Will you be kind enough to make a search for it?—A. Yes.

Q. Will you give us your synopsis of it until it is found?—A. " The Chief Engineer reports on 58847 and states that the above plant, &c., should be accepted by the contractors at prices named in the inventory attached to specification, and also recommends that the first deduction on account of same be made from the second estimate and that Mr. Trutch be notified of the above at once."

Q. Can you now give us Mr. Gobeil's letter of the 12th May, 1885?—A. It is here.

Q. Will you read it?

(Exhibit "X 4.")
(Copy of letter sent, No. 31916.)

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 12th May, 1885.

"SIR,—Having reference to your letter of the 16th ult., stating that the contractors for the completion of the Esquimalt Graving Dock are unwilling to accept certain plant to the value of $12,403.09, included in the inventory attached to the contract, and which, by the terms of such contract, they agreed to take over at the prices stated in that inventory, and that they request no deduction to be made on account of plant, from the first progress estimate in their favour; I am directed by the Hon. the Minister of Public Works to state that the specification is very clear, and that there is no option on the part of the contractors to take what plant, etc., they please and to refuse what they do not want; and that they will have to take over all that is named in the schedule.

"The Honourable the Minister agrees, however, that the first deduction on account of the plant shall be made only on the second progress estimate.

"I have the honour to be, Sir,
"Your obedient servant,
(Signed) "A. GOBEIL,
"*Secretary.*"

"Hon. J. W. TRUTCH, C.M.G.,
"Resident Agent for the Dominion,
"Victoria, B.C."

By Mr. Edgar:

Q. Will you turn up fyle No. 108538 please?—A. That is a very late paper. It is here.

Q. What document is that?—A. I could not find the paper, but so as to satisfy the Committee that I was doing my best to get every paper, and to bring every paper in my Department, I got the backing of the paper. As I could not find the paper, to show I was producing as much as possible under the circumstances, I copied the endorsation and produced the back.

Q. Read the backing.—A. (Exhibit "Y 4.") "Graving Dock, Esquimalt. Clerk Privy Council. Transfer copy of a despatch from the Secretary of State for the Colonies, conveying information to the effect that the Lords Commissioners of the Admiralty are unable to incur any expenditure from naval funds for the purpose of extending the Graving Dock, as the present dock is considered to be large enough for all naval requirements."

Q. Where would the original be in your office?—A. It ought to be in the Department of Public Works. As a matter of fact, I have seen it before. It is sent by the Clerk of the Department of Public Works to the Clerk of the Privy Council. The paper must be in the Department somewhere, but I could not lay my hands on it at the time.

Q. You have seen it before yourself?—A. I was secretary during that time and I must have seen it. It must have come to me first.

Q. You caused that endorsement to be made?—A. Yes; it was made by the endorsing clerk.

Q. And you have reason to believe it is correct?—A. Yes; I have.

Q. Will you make enquiries of the Privy Council Office to see if the original is there?—A. Yes.

Sir JOHN THOMPSON—The original is never returned to the Department but a copy.

Q. Can you find for me, if you have not got it here, the report of the Minister of Public Works, made 12th November, 1889, on the subject of an increase of the length in the Esquimalt Dock? That is the document I wish you to be good enough to try and find?—A. I will try and get it. The Order in Council is here.

Q. Read it?

(Exhibit "Z 4.")

(Copy of No. 103765.)

"CERTIFIED COPY *of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on the 21st November,* 1889.

"On a Report, dated 18th November, 1889, from the Minister of Public Works, submitting that the Secretary of the Canadian Pacific Railway Company represented to him that the company has entered into contracts for the construction of three steamers for service across the Pacific Ocean, which are to be delivered in 14, 15 and 16 months, and that these vessels will measure about 480 feet in length, and are built under an arrangement with the Imperial authorities by which they may be used as cruisers in time of war, and as the Esquimalt Graving Dock is only 434 feet in length, the company asks that its length be increased by 100 feet.

"The Minister states that there are at present three graving docks on the North Pacific Coast, besides the one at Esquimalt. They are all situated at San Francisco; one owned by the United States Government, being 4 feet longer than the Esquimalt Dock, and the other two owned by private companies, being somewhat larger and able to accommodate vessels of about 6,000 tons. Should the length of the Esquimalt Dock be increased by 100 feet, it would be by far the finest dock on the Pacific Coast.

"The Minister in view of the representation of the Canadian Pacific Railway Company, and of the growing importance of the Pacific trade and the necessity for affording it proper facility, is of opinion that the length of the Graving Dock at Esquimalt should be increased by 100 feet, giving a total length of 534 feet, and that its extension would cost at least $100,000, he recommends therefore, that inasmuch as the Graving Dock at Esquimalt is of great importance from an Imperial standpoint, and a contribution of £50,000 sterling (out of a total cost of $1,157,060.41, equal to £237,752, to 30th June, 1889) was made by the Imperial Government towards its construction to its present size, the fact of the enlargement required by the size of the Canadian Pacific Railway Company's steamers be communicated to Her Majesty's Government with a view of a further contribution to the extent of ten thousand pounds sterling.

"The Committee concurring advise that Your Excellency be moved to forward a copy of this Minute to the Right Honourable the Secretary of State for the Colonies.

"All of which is respectfully submitted for Your Excellency's approval.

(Signed) "JOHN J. McGEE,
"*Clerk Privy Council.*"

"To the Honourable
"The Minister of Public Works."

By Mr. Geoffrion:

Q. I read at page 573 of the Sessional Papers, Volume 21, No. 2 of 1888, the following entry under the head of Esquimalt Graving Dock:—"Plant taken by contractors, $50,288.67; less rendered useless, $19,873.18. Paid in 1884-85, $34,480; paid in 1885-86, $325,720. Amount retained as drawback, $127.41." Can you find any report or Order in Council authorizing that reduction after the report of Mr. Bennett that only $10 was to be deducted?—A. That is a question of account and I am afraid that I will not be able to explain it.

Q. Is there any Order in Council allowing the reduction? What I want is letters, reports or telegrams, and that would justify this entry with the reports fyled up to this minute; that there was no reduction contemplated except $10?—A. I cannot find any just now.

Q. Will you then take a note of it and endeavour to search for it? Any public officer ought to be able to find out how this was done?—A. I will look it up.

Q. Will you now look at page 235 of the Sessional Papers, volume 19, No. 10, 1886, being the Public Works Report, or the report from Joseph W. Trutch to the Department of Public Works, and included in the Department of Public Works

Report, and say whether you have found the following telegrams and letters which are mentioned in the report :—"Letter of 22nd July, 1884?—A. It is here. It was produced yesterday.

Q. Fifteenth September, 1884?—A. I cannot see that one.

Q. Fourth November?—A. I have a letter to Trutch of the 3rd.

Q. Have you any letter from Trutch, 4th November?—A. No.

Q. Eighth December?—A. I have not got it.

Q. Tenth December?—A. I have not got it.

Q. Twelfth December?—A. No.

Q. Now, 6th May, 1885?—A. There is a telegram from Mr. Trutch.

Q. Have you a letter?—A. I have a letter of 6th May.

Q. Is it here?—A. Yes.

Q. Fourteenth May?—A. It is not here.

Q. Nineteenth May?—A. There are two of the 19th May.

Q. They are missing. Now the 22nd of May?—A. There is one here dated 22nd of May, from Mr. Trutch.

Q. What is your memo.?—A. My memo. is :—"Acknowledges 31916 and states that instructions will be duly carried out."

Q. Telegrams of the 3rd July, 1884?—A. No.

Q. Eighteenth July?—A. Not here.

Q. Also missing. 31st August?—A. Not found.

Q. Third September?—A. No.

Q. Fouth September?—A. No.

Q. Fifteenth September?—A. No.

Q. Fifteenth April 1885. Two on that date are mentioned in the report?—A. I have one of the 16th, but none of the 15th.

Q. There should be two on the 15th. 18th April?—A. Not here.

Q. First of May?—A. I have one telegram.

Q. There are two telegrams of that date?—A. I find one.

Q. You mentioned that you have one telegram dated 1st May. Have you any of the 2nd of May?—A. I do not see any there.

Q. To help you in your search, will you be kind enough to take note of the reference made to such a message at page 39, Sessional Papers, 59 g 1890, which is the book you hold in your hand, and where you read of your long letter to Mr. Perley and your long message of the 2nd laid before Sir Hector?—A. I cannot find such a letter.

Q. Do you remember having seen such a long message whilst in the Department?—A. It is a long while ago. I must have seen it. I suppose I must have seen it, as I was Secretary then ; but I do not remember it.

Q. To further help your memory can you state whether in a letter now before this committee, written by Mr. Thomas McGreevy and dated 4th May, 1885, page 23 of the Proceedings, reference is made to the following despatch: "Still there was a despatch from them to-day which cost $15."?—A. I never saw it that I can remember. I never saw a message costing $15 that I can recollect.

Q. Will you look at the 4th May, and see if you find another telegram?—A. No.

Q. Sixth May do you find two? There are two on that date.—A. I find only one from Mr. Trutch on that date.

Q. Seventeenth June?—A. I find one of the 15th.

Q. The 17th June you do not find?—A. No.

Mr. Geoffrion.—The examination of this witness may now be suspended until he has made the search for these papers.

Witness—I have been looking through the book exhibited by Mr. Geoffrion and find, and I believe I am correct, that all those letters which he asked me to produce are correspondence which passed between the Chief Engineer and Mr. Trutch. There is a kind of unwritten rule in the Department that all correspondence which only refers to routine matters between the Chief of that branch and his assistants outside, is not fyled in the Department. I expect that every one of those

letters is an authority for the expenditure of money or some detail of work which it is not necessary to fyle in the Department and keep there. I think I can get them. I do not say that I will not produce the papers, but I will try to obtain them. That is the explanation I have to give in case I should not produce them.

By Mr. Edgar:

Q. There may be others of the same kind?—A. There may be, but I do not know. Of course as I say in matters of detail of that sort,——

Mr. TARTE (interrupting)—They do not bear at all on details?

WITNESS.—That is the question. I will look for them and produce as many as I can get.

Mr. OWEN E. MURPHY recalled.

By Mr. Geoffrion:

Q. You have already stated that you are a member of the firm of Larkin, Connolly & Co.?—A. Yes, Sir.

Q. Will you look at this document now shown to you and say whether it is the articles of partnership between you and your co-partners? To make the question more precise, I mean the partnership in connection with the cross-wall contract?—A. Yes, that is the contract making Robert McGreevy a partner.

Q. Robert McGreevy a partner in the cross-wall contract?—A. Yes.

Q. That is to say there was a partnership for general business by Larkin, Connolly & Co., and this document shows that Robert McGreevy became interested with Larkin, Connolly & Co. in the cross-wall work?—A. Yes.

Q. By whom is it signed?—A. It is signed by Patrick Larkin, Nicholas K. Connolly, myself, and Robert H. McGreevy.

Q. In whose handwriting is the body of the document?—A. Michael Connolly's.

Q. Is it dated?—A. Yes, 6th June, 1883.

(Exhibit "A 5").

ARTICLE *of co-partnership made this 6th day of June,* 1883, *by and between Patrick Larkin, of the City of St. Catharines and M. K. Connolly and O. E. Murphy and Robert H. McGreevy of the city of Quebec.*

"The said parties hereby agree to form and do form a co-partnership for the purpose of carrying on the contract for the cross-wall in the harbour of Quebec, and all work connected therewith, on the following terms and articles of agreement, to the faithful performance of which they mutually engage and bind themselves.

"The style and name of the firm or co-partnership shall be Larkin, Connolly & Co. and shall begin this day. Each of the said parties agrees to contribute to the funds of the co-patnership when called upon, and at any time in the following proportions:—R. H. McGreevy, thirty one-hundredths, and the remainin g members their proportion of the balance of the funds required for carrying on the above mentioned contract, and the said parties shall be owners of the joint contract in the same proportion,

"In witness whereof the said parties have hereunto set their hands and seals the day and year first above written.

"Signed in the presence of
"M. CONNOLLY.

"P. LARKIN.
"N. K. CONNOLLY.
"O. E. MURPHY.
"ROB. H. McGREEVY."

Q. Had Michael Connolly an interest in that cross-wall contract?—A. Not then.

Q. Did he become interested in it?—A. Yes.

Q. When?—A. After we got the papers signed. I cannot give you the date. It was sometime after this that Mr. Connolly, his brother, myself and Mr. Larkin, gave him 17½ per cent. interest in the cross-wall contract.

Q. You did not alter the proportion of Robert McGreevy by taking this new partner?—A. No.

Q. This 17½ per cent. was taken from your three shares?—A. There was 70 per cent. divided equally amongst the four of us.

Q. You have already stated that you have negotiated with Mr. Thomas McGreevy, and had seen him frequently about the different contracts you had obtained. When you so acted, was it with the knowledge and authorization of your partners?—A. Yes.

Q. Have you any correspondence from them ratifying or suggesting that you should go on with those negotiations?—A. I believe there are letters to that effect.

Q. Have you any letters from Nicholas Connolly?—A. I think so.

Q. Will you take communication of the letter which is now shown to you and say whether it is one of the letters that you received from Nicholas Connolly in connection with the cross-wall work and Thomas McGreevy.

Mr. Fitzpatrick—I object to the production of this letter on the ground that it is not the best evidence.—A. It is in the handwriting of Nicholas Connolly and received by me.

By Mr. Geoffrion:

Q. And signed by him?—A. Yes.

Q. Did you receive it about the date it bears?—A. The usual time. A few days after. It is written from St. Catharines and took a couple of days to come down.

Q. In the usual course?—A. Yes; (letter identified).

Q. I will now ask to be allowed to have the letter read.

(Counsel objected—Objection sustained.)

By Mr. Geoffrion:

Q. You have stated that money had been paid by the firm of Larkin, Connolly & Co., in connection with these contracts, and especially so far, with the cross wall contract?—A. Yes.

Q. Did you have any entries made in your books about those payments? Did you instruct that entries should be made?—A. The different members of the firm discussed that question. I caused none myself.

Q. Do you know as a matter of fact whether those payments were entered in the books?—A. I believe so.

Q. What are your grounds of belief that these were entered in the books?—A. I asked the bookkeper to give me a statement of the moneys paid, and he gave them, and in my presence certified to it as a correct statement of the payments from the books chargeable to the several contracts.

Q. Were the books of the firm audited?—A. Yes.

Q. Were copies of the results of the audit handed to you?—A. Yes.

Q. Did those audits show that such entries had been made? –A. Yes; they showed the general amount.

Q. The total amount?—A. Yes; the total amount.

Q. Will you look at the document now shown to you and say whether this is a statement which was prepared by the book-keeper at your request and handed to you?—A. This is a statement that Martin P. Connolly gave to me and certified to.

Q. Is Martin P. Connolly the book-keeper you mention?—A. Yes.

Q. Is it in his handwriting?—A. Yes.

Q. And certified by him?—A. Yes.

Q. Is it dated?—A. Yes, it is dated April 25th, 1889.

Q. Do you find in this statement any entry in connection with a payment of $25,000?

Mr. Fitzpatrick—I think the whole of the document should be read.

WITNESS—The books were nearly two years without being audited. There was no audit in 1884, and there was nothing in 1883. We had a good deal of trouble. We had not a proper book-keeper until Mr. Martin P. Connolly came.

By Mr. Daly:

Q. Is he here in the room?—A. I do not see him. He was the book-keeper in charge of the books when I left. The first item is that of the notes for $25,000.

Q. To whom?—A. I believe Mr. McGreevy got that.

SEVERAL MEMBERS—Let the Chairman read the document.

The CHAIRMAN (reading)

(Exhibit "B 5").

"Q. H. I.

April	—, 1885	$25,000	
November,	—, 1885	500	
December	3 1885	100	Valin.
January	8, 1886	100	do
March	20, 1886	5,000	
April,	1886	500	Sharples.
May	8, 1886	50	
August	28, 1886	100	Vincellette.
September	30, ——	5,000	
October	2, 1886	150	Valin.
October	13, 1886	3,000	do
December	20, 1886	250	
February	15. 1887	200	
March	18, 1887	275	P. V.
March	26, 1887	100	Cardinal's reception.
March	28, 1887	27,000	
May	28, 1887	40	
August	3, 1887	1,000	
August	8, 1887	4,000	
September	6, 1887	100	Exhibition.
December	25, 1887	250	
January	23, 1888	150	J. E. Prince.
May	22, 1888	50	Jacques Cartier Monument.
December	21, 1888	250	per O. E. M.
December	24, 1888	250	per M. C.
December	31, 1888	3,000	per N. K. C.

Pelletier—		
Season 1887	$2,129	50
do 1888	1,515	00
Germain—		
Season 1887	395	00
do 1888	50	09
Brunelle—		
Season 1887	710	00
do 1888	950	00

"Correct copy from books, 25th April 1889.

"M. P. CONNOLLY."

THE CHAIRMAN—There is something in pencil on this document which I have not read.

By Mr. Geoffrion:

Q. I see that there is no name or mention of anything opposite the first item of April, 1885, $25,000. Are you able to state or can you give any information to the Committee as to what that item consisted of?

Mr. FITZPATRICK objected. Question allowed.

A. It was five notes of $5,000 each, paid as I originally stated for getting the contract for the cross-wall.

Q. Will you examine this document and say whether this is a trial balance sheet certified to by the auditors who audited the books at the date mentioned at the foot of the document?—A. Yes.

Q. Give the date of the audit and the names of the auditors.

(Exhibit "C 5.")

"We have examined and audited the receipts and disbursements in the books of the firm of Larkin, Connolly & Co., from March 1st, 1883, to May 1st, 1885, and find the above trial balance of cash to be correct.

"RICHARD KIMMITT,
"P. HUME. } *Auditors.*

"QUEBEC, 2nd June, 1885."

Q. Read what there is in the margin?—A. "Quebec, 2nd June, 1885. Quebec. We approve of the audit of our books, accounts and vouchers as made by Messrs. Kimmitt and Hume as shown by this trial balance.

"P. LARKIN,
"N. CONNOLLY,
"O. E. MURPHY."

"Witness:
"RICHARD KIMMITT,
"P. HUME.

Q. Does this audit refer to the cross-wall or to the Lévis graving dock?—A. The graving dock.

Q. That is another contract?—A. Yes; the first contract.

Q. Now look at this document and please say whether it is an audit of your books, to what contract it applies, and for what year was it?—A. It is from 1st March, 1883, to 1st May, 1885.

Q. Applying to what works?—A. "Cash trial balance, Q.H.I., from 1st March, 1883, to 1st May, 1885. Quebec, 2nd June, 1885. We have examined and audited the receipts and disbursements of the firm of Larkin, Connolly & Co., from 1st March, 1883, to 1st May, 1885, and find the above trial balance of cash to be correct.

"RICHARD KIMMITT, *Auditor.*"

"QUEBEC, 2nd June, 1885."

It is only signed by one of the auditors. The marginal note reads:—

"We approve of the audit of our books, accounts and vouchers as made by Messrs. Kimmitt and Hume as shown by this trial balance, errors and omissions excepted.

"QUEBEC, 2nd June, 1885."

"P. LARKIN,
"N. K. CONNOLLY,
"O. E. MURPHY,
"ROB. H. McGREEVY."

"Witness:
RICHARD KIMMITT
"P. HUME.

(Exhibit "D 5.")

Q. Do you find in that trial balance sheet (Exhibit "D 5") any entries referring to or including the item of $25,000, which you mention as having been paid to Mr. Thomas McGreevy?

MR. FITZPATRICK.—The witness has never stated that it was paid to Thomas McGreevy.

MR. GEOFFRION.—I will put my question in a different way, and will say: paid by way of promissory notes of $5,000 each, which you mentioned as having been paid by you in connection with the cross-wall contract?—A. It is in the item of expense $29,202.77

The Committee then adjourned.

HOUSE OF COMMONS, Friday, 19th June, 1891.

The Committee met at 10.30 a.m., Mr. Girouard in the Chair.

Investigations into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, etc., resumed.

Mr. OWEN E. MURPHY recalled, and examination continued.

By Mr. Geoffrion:

Q. At the last adjournment of the examination of witnesses, I was handing in trial balance sheets in connection with the firm of Larkin, Connolly & Co., two of them were fyled and we are now going to hand in others. Will you take a note of these three trial balances and state to the Committee what they are and to what works they apply? Give the dates, please?—A. The first one is from May 1st, 1885, to April 1st, 1886 (Exhibit "E 5"). The next is from April 1st, 1886, to April 1st, 1887, for the same works (Exhibit "F 5"). The next is from April 1st, 1887, to February, 1888, for the same works (Exhibit "G 5").

Q. By whom is Exhibit "E 5" certified?—A. By Richard Kimmitt and Peter Hume.

Q. And they both signed the certificate?—A. Yes, Sir, and it is approved by Patrick Larkin.

Q. The only signature you find of members of the firm on Exhibit "E 5?"—A. Yes.

Q. Is Exhibit "F 5" also signed by the same auditors?—A. Yes. The rest are signed by the same auditors and approved by Patrick Larkin, Nicholas K. Connolly, Owen E. Murphy and M. Connolly.

Q. And Exhibit "G 5," how is that certified?—A. By the same auditors.

Q. Will you explain the nature of the item "expense $7,393.14, in Exhibit "E 5"?—A. That is money that has been paid during that year to those donations, if you please, or subscriptions.

Q. What is the nature of the item $35,000 suspense, in Exhibit "F 5?"—A. For the same purpose, I believe, most of it. I paid most of it myself; I had the cheques there.

Q. And about $5,000 expense in "G 5"?—A. That was for the same purpose.

By the Chairman:

Q. In cheques?—A. No, cash.

Q. I thought you said cheques. Did you not say a moment ago you paid some amounts in cheques?—A. I drew cash.

Q. Look at those trial balances. This is about the Lévis dock; to what work did it apply?—A. It is a trial balance statement of the graving dock at Lévis, from April 1st, 1887, to February 1st, 1888, signed by Richard Kimmitt and Peter Hume, and approved by P. Larkin, Nicholas K. Connolly, myself and M. Connolly. (Exhibit "H 5.")

Q. Will you explain the nature of the item $10,243.04 expense, in that statement?—A. This $10,243.04 has been given, I suppose, for the same purpose.

Q. But you are aware of $10,000?—A. Yes.

Q. Will you identify this trial balance statement and state it to the Committee (Exhibit "I 5")?—A. It is trial balance statement of the Esquimalt Dock contract, from the commencement up to March 1st, 1888, signed by Patrick Larkin, N. K. Connolly, myself and Robert McGreevy.

Q. What is the nature of the item $41,750.48 expense, in that trial balance?—A. It is money that has been paid out for the same purpose as the other one.

Q. Will you explain the nature of the five amounts of $48,195.81 written at the foot of this document, beside the name of the five partners?—A. That was the profits of the work which each member of the firm received.

Q. After having paid that expense of $41,000?—A. Yes.

Q. Each of the five partners received the amount of $18,195?—A. Yes.

Q. Profits?—A. Yes, Sir.

Q. Would any of the items just mentioned by you as being suspense or expense be included in the statement fyled by you the other day as Exhibit "B 5" and printed on page 109 of the evidence?—A. I don't know what statement has been fyled. No, there is none. That has reference to the Quebec Harbour improvements.

Q. Then you do not understand my question. Your answer applies only to Esquimalt?—A. Now.

Q. I have just examined you and made you fyle five statements, some applying to the Quebec Harbour improvements. That is why I ask you whether some of these statements would be included in Exhibit "B 5"?—A. All this is in the statement of the Quebec Harbour Improvement works fyled.

Q. So the items included in the exhibits applying to the Quebec Harbour improvements would be included in this statement, Exhibit "B 5"?—A. Yes.

Q. Is the Lévis Graving Dock in that statement?—A. No.

Q. Nor the Esquimalt?—A. No.

Q. Which of the items in Exhibit "B," page 109, are mentioned in those trial balance sheets?—A. Each order would be entered up of itself according as the books were audited, and as this amount was paid it would be in the next audit.

Q. Do you find any of the amounts mentioned in the trial balance sheet for Quebec Harbour Improvements mentioned in the statement fyled?—A. The first item, April 1885, $25,000, $500, $100, would be in the first, when the books were audited up from April, 1883 to 1885, and so on it goes according as the books were audited.

Q. Will you refer to the item of $27,000 of 1887, and say if it would be included in the audit of Quebec Harbour Improvements?—A. Yes.

Q. To what work would this $27,000 apply?—A. To the dredging.

Q. Now you said that these items were composed almost in the whole of donations. Will you explain to the Committee what you mean by donations, and to whom were the donations made?—A. The small amounts we gave as donations to the parties named. Mr. McGreevy would come and ask for a certain amount for a certain purpose, say $5,000, and so on. I would pay it after consultation with one of my other partners.

Q. What McGreevy was that?—A. Mr. Thomas McGreevy. Some of them were bargains made and moneys asked for.

Q. In the statement, Exhibit "B 5," which was handed to you, as you stated by the book-keeper, there is an item dated 13th October, 1886, of $3,000, with a word "ditto" written opposite under the word "Valin"—was this amount of $3,000 paid to Valin?—A. It went to Thomas McGreevy.

Q. It is an error in the statement?—A. It is an error. Mr. Valin never asked for it and never got it.

Q. He never asked for it?—A. No. Thomas McGreevy would ask for the money and Robert would come and get it.

Q. And you say Valin never asked for it and never got it?—A. Yes.

Q. It was asked for by Thomas McGreevy and got by Robert McGreevy?—A. I believe I handed it to Robert McGreevy.

Q. You have already spoken of $25,000 paid at the request of Thomas McGreevy to Robert McGreevy. This applied to the cross-wall contract?—A. Yes.

Q. You stated that that amount was paid by notes?—A. Yes.

Q. Do you remember when those notes were made?—A. They were given in June, 1883, and I ante-dated them so that they could not be traced. I think they were all dated 1st of May, 1883, so that the notes could not be traced and it become known that they were for that work.

Q. The day when they were made and signed was in June?—A. Some time in June.

Q. In June, 1883?—A. Yes.

Q. At that date had Larkin, Connolly & Company an office in Quebec?—A. No.

Q. Where was it?—A. At St. Joseph, where the graving dock was.

Q. That is Lévis?—A. Yes.

Q. Were the notes prepared and signed at Quebec?—A. Yes, at Quebec.

Q. Where?—A. In the office under Mr. McGreevy's. It was in the same building, but on the ground floor; a building in which he occupied an office upstairs.

Q. Which Mr. McGreevy do you mean?—A. Thomas McGreevy.

Q. How could you get into the ground floor office? Were there two exits?—A. The way I went in, and most of the members, was through Mr. McGreevy's office on the second floor, through a trap door and down a stair, leading down stairs. There was a counter, pen and ink, paper from Mr. McGreevy's office upstairs brought down. I made the notes down stairs - I filled them in.

Q. You provided the notes?—A. Yes, Sir.

Q. You signed them for the firm?—A. I filled them in and signed Larkin, Connolly & Company.

Q. How many were there?—A. Five.

Q. To the order of whom?—A. The different members of the firm—Nicholas Connolly, Michael Connolly, Patrick Larkin, and myself.

Q. That is only four of you?—A. Yes, but one of us signed twice.

Q. Were the notes then and there endorsed?—A. Yes.

Q. By the different partners?—A. Yes. They were made for different dates. I recollect making my own note for 12 months, but it was afterwards changed for a shorter time, as Mr. McGreevy's brother came to me and said Thomas wanted it for a shorter period, as it would be more convenient, and I did so.

Q. You say it was made for 12 months?—A. Yes.

Q. And subsequently, for the convenience of Thomas McGreevy, the duration of the note was altered?—A. Yes.

Q. Where were the cross-wall tenders prepared?—A. They were prepared in the same office, to the best of my knowledge and belief.

Q. But they were not prepared at your office in Lévis?—A. Oh, no. We may have done some figuring there, but they were afterwards prepared in the same office, as far as I can recollect.

Q. If not in the same apartment, in the same building?—A. Yes, in the same building.

By Mr. Henry:

Q. On the same floor?—A. I do not know whether it was on the same floor, but it was in the same building.

By Mr. Geoffrion:

Q. Will you take cognizance of Exhibit "V 3," and say in whose handwriting this letter is?—A. I believe it is in Michael Connolly's.

Q. Have you any doubt that it is not his handwriting?—A. To the best of my knowledge and belief, it is his handwriting.

Q. You do not recognize the handwriting as that of Gallagher?—A. Oh no, it is not Gallagher's.

Q. You are sure it is not Gallagher's?—A. I am positive.

Q. I believe you were not the original contractor for the Lévis Graving Dock works?—A. No.

Q. Did you join the firm during the execution of the first contract?—A. Mr. Connolly bought out Mr. Nihan, one of the firm, for $33,500 and sold out to me for $4,000 and I got a third interest in that way.

Q. When did you become interested in these works?—A. In 1880.

Q. Were the works completed in 1884?—A. No.

Q. You were aware that a supplementary contract was signed in 1884?—A. Yes.

Q. Who were the parties interested in that?—A. Patrick Larkin, Nicholas Connolly, myself and Michael Connolly.

Q. Robert McGreevy had no interest in the Lévis works?—A. No.

Q. That supplementary contract or agreement was to build the works for a lump sum?—A. Yes. I may explain that that lump sum did not interfere with our schedule of rates for the former contract, anyway. It was an addition.

Q. So much to complete the works?—A. Yes.

Q. Had you been doing by the day's work any part of these supplementary works until it became obvious that you were to finish it for a lump sum?—A. We were doing it by the day's work and charging the Government for material in the same way, such as cement and labour and all kinds of timber, horses and nails.

Q. There was not much profit in such gradual work?—A. We had some profit.

Q. Who proposed it first to have a contract for finishing the work for a lump sum?—A. I believe it was Mr. Thomas McGreevy.

Q. You are not positive?—A. No.

Q. Had Mr. Thomas McGreevy anything to do in the negotiations to come to these supplementary contracts?—A. Yes.

Q. Had you anything to do with that contract?—A. I had.

Q. Personally?—A. Yes.

Q. Please explain to the Committee how you came to tender and under what circumstances?—A. We had a great deal of trouble with the engineers and Harbour Commissioners generally, and under a lump sum contract we could make donations to parties, if you please, and for other purposes.

Q. Was there any talk of it before the tender was made, about future donations?—A. Yes; Mr. McGreevy made this statement: That Sir Hector's paper was not paying.

Q. Which Mr. McGreevy?—A. Thomas. He said if some lump sum could be made so as some of his friends could be pleased, they could make something out of it. After several conversations, carried on chiefly by myself and Thomas McGreevy, they figured up to us what it would come to, and I finally came to the agreement with Mr. McGreevy that all over $50,000 himself and his friends could take, and we submitted a plan or estimate in pencil, made by our engineer, that amounted to some $43,000; and on the shortening up of the dock—it was to be shortened a certain number of feet—the increase would show $64,000; and then there was to be $10,000 allowed for building the caisson, which made it $74,000; and after we agreed on that and got the contract there was some misunderstanding between Mr. McGreevy and myself about $2,000. It was a trifling data, and that is how the notes for $22,000 came to be given instead of $24,000.

Q. You said that your engineer, Mr. Hume, figured up in the neighbourhood of $43,000 or $44,000?—A. Yes.

Q. What was the *bonâ fide* or actual tender which you made for that supplementary work in a lump sum on the basis of these figures?—A. $64,000.

Q. Though you were willing to accept $43,000?—A. We were to accept about $40,000 or even less.

Q. What did you ask?—A. We asked $50,000. All above $50,000 our friends could take.

Q. The tender was put in $64,000?—A. Yes.

Q. Making a total of $74,000 to complete the work?—A. Yes.

Q. Which was the tender to the Government as agreed on?—A. Yes.

Q. Out of that how much was the firm to get?—A. $50,000.

Q. All above that was to go to whom?—A. Thomas McGreevy.

Q. Will you look at this slip of paper and say whether it is the pencil figuring you have referred to as having been prepared by your clerk or engineer?—A. These figures made out in pencil mark are by our engineer, Mr. Hume. This is the statement of what it would cost, in pencil made out by our engineer, as a guide, and which I showed Mr. McGreevy at the time.

Q. This is in Hume's handwriting? (Exhibit "J 5.")—A. In Hume's handwriting.

Q. And the total is $43,980?—A. Yes.

Q. After having shown that to Mr. Thomas McGreevy you were authorized by your firm to accept $50,000 for the work?—A. Yes.

Q. Besides these calculations prepared by your engineer, had you received any information from the Public Works Department here, or purporting to come from that Department, as to the nature of the work required?—A. I believe there was, but we had so much conversation about the matter at the time that it is almost impossible for me to recollect it.

Q. Do you have no positive recollection of what information you may have received from Ottawa?—A. No.

Q. Do you remember receiving any letters from Ottawa?—A. I believe there came letters asking for a bulk sum. The firm must have them.

Q. Do you remember where, and in the presence of whom the tender for that supplementary work for Lévis Dock was prepared?—A. I got a letter from Mr. Thomas McGreevy's house. It was handed to myself. Both of them were there instructing me—(Counsel objected.)

Q. Were you called to some place?—A. I was invited to Thomas McGreevy's house at Quebec and there got a letter of instructions how to write our letter in answer to the one from the Public Works.

Q. Did you go to Thomas McGreevy's?—A. Yes.

Q. And whom did you meet there beside Thomas McGreevy?—A. His brother Robert.

Q. Nobody else?—A. No, unless myself.

Q. Was the draft of the tender then and there prepared?—A. I was handed it there; I don't know whether they prepared it.

Q. But you were handed there at Thomas McGreevy's house a draft of a letter a copy of which was to be sent to the Department of Public Works?—A. Yes.

Q. Will you look at this and see if it is the draft sent by you—(Counsel objected.)

Q. Would you look at these papers and see whether you will find there the draft of the tender or letter which you had sent in the name of the firm. (Exhibit "K 5.")—A. This letter is dated 19th May, 1884. It is in the handwriting of Robert McGreevy, I believe, I received it from Thomas McGreevy, and Thomas made some erasures and gave me instructions that our firm should send in as soon as we could a copy of this to the Department of Public Works. The other writings are in the handwriting of the same. I took the letter to my partners, and the other is in the handwriting of Mr. Peter Hume, our engineer.

Q. But the two other documents are in the handwriting of Mr. Hume?—A. Yes.

Q. But this document? (Exhibit "K 5.")—A. I received it in Mr. Thomas McGreevy's house.

Q. From Thomas?—A. Yes.

Q. And it was the one in which Mr. Thomas McGreevy himself had made the erasures and alterations?—A. Yes.

By Mr. Kirkpatrick:

Q. What is the date of that letter?—A. Quebec, May 19th, 1884. This is the draft.

Q. The draft of the letter stating that they would take the sheet piling?—A. No; not the sheet piling, but the supplementary work.

By the Chairman:

Q. Mr. Murphy, can you point out the erasure made by Mr. Thomas McGreevy in that first letter?—A. I believe, to the best of my knowledge and belief, it was this.

Q. The two alterations on the first page?—A. Yes.

Q. And the other erasures, what were they?—A. Some of these were not made in my presence, but this was made when I was sitting at the table with him.

Q. Are you positive as to that ?—I am quite positive he made the erasures.
Q. These two erasures?—A. Yes, to the best of my opinion.

By Mr. Geoffrion :

Q. You mentioned donations, and that there was some difficulty about $2,000. What was the amount of the donations you finally had to make ?—A. Instead of $24,000 we made it $22,000; they were made in notes also.

Q. How many notes, do you remember ?—A. There was one of $2,000 made to the order of Michael Connolly for two months. There was one of $5,000 made to my own order for three months. There was one made to Nicholas Connolly of $5,000 for four months. There was one made to Michael Connolly of $4,000 for five months. There was one made to Patrick Larkin for $6,000 for six months. The $6,000 note Mr. Robert McGreevy afterwards gave to me and told me his brother wanted smaller notes. I paid him $2,000 in cash and gave him two notes to the order of Michael Connolly for $2,000 each.

Q. Subsequently ?—A. Yes.

Q. You have described that the notes were payable to the different parties. Were those notes endorsed by the parties to whose order they were made ?—A. Yes. The notes were dated, I believe, June 2nd, 1884.

Q. To whom did you hand the notes when they were signed and completed ?—A. To Robert McGreevy.

Q. At whose request had you prepared those notes ?—A. I made a bargain with Thomas McGreevy, and Robert McGreevy came to me and told me that his brother wanted the notes.

Q. This is prior to when you received any money on your contract ?—A. Yes.

Q. You made a bargain with Thomas McGreevy ?—A. Yes.

Q. And you agreed on the amount ?—A. Yes.

Q. Originally it was for $24,000, but you finally settled for $22,000 ?—A. Yes, for $22,000.

Q. Will you look at this statement and say in whose handwriting it is ?—Martin P. Connolly's.

Q. It is signed by him ?—A. Yes.

Q. Martin P. Connolly was then your book-keeper ?—A. Not then, but afterwards.

Q. He was not your book-keeper at the time the contract was signed, but at the time he handed you the document he was your book-keeper ?—A. Yes.

Q. This document is as follows :—

(Exhibit "L 5.")

"GRAVING DOCK.

"Notes.—April, 1885.....	$22,000.00	
November, 1887.....	10,000.00	
February 29, '88..... ..	1,588.93	Forsyth's notes.

"Correct copy from books
"April 25th, '89,
"M. P. CONNOLLY."

Q. Will you explain what this document was meant for ?—A. This document of Forsyth's note was a personal matter. When I was going to build the Cap Rouge railway, there came a good deal of trouble between Mr. McGreevy, Colonel Forsyth and Sir Adolphe Caron about the construction. I had an interview with James Ross in the presence of Forsyth. He gave letter as a guarantee if I would go on with the construction. It was previous to the elections of 1887. I did not like the way it was put, but I furnished some to Colonel Forsyth and some to his foreman, John Murphy. They went on to grade, cutting the wood and so on, and when the time came I refused to go on and I asked them to pay me for the amount I had advanced. Finally, I took his note, as I could not get paid, and I renewed it. I was

about suing him for the amount of money when he met Mr. Larkin and complained to him in some way. Larkin wanted to know the trouble between Forsyth and myself and I explained the situation. Larkin says: The company will pay it. Of course I accepted it, and I was paid the amount and it was charged to the graving dock at Lévis.

Q. What is the explanation of the $22,000 in April, 1885 ?—A. Those are the notes.

Q. The notes just mentioned ?—A. Yes.

Q. What is meant by the $10,000 in November, 1887 ?—A. That was also money paid out by me.

Q. When they endorsed the notes you have described amounting to $22,000, were your partners aware of the use that was to be made of those notes ?—A. Certainly, I was acting for them.

Q. You reported to them ?—A. Certainly.

Q. And they were fully aware of the nature of those notes ?—A. Yes.

Q. Larkin, Connolly & Co. had been carrying on a contract of some years standing, dredging in the Quebec Harbour, have they not ?—A. Yes.

Q. Since when ?—A. I believe it was 1882, they got the contract.

Q. Were you still carrying on that dredging on the old price in 1886 ?—A. Yes.

Q. Was there any change in the price about that time, and if so, state under what circumstances that change happened to be made ?—A. During the first contract ?

Q. No, the change from the first contract to the new contract—how did that happen to be made ?—A. It was about the time Mr. McGreevy wanted to raise funds for the elections in 1887—(Counsel objected.)

Q. How do you know he wanted ?—A. Mr. Robert McGreevy came to me and told me his brother wanted to see me—(Counsel objected.)

By the Chairman :

Q. Who was talking to you ? Was it Thomas or Robert McGreevy ?—A. If I may be permitted to explain, a messenger came after me, and he told me—(Counsel objected.)

THE CHAIRMAN.—Go on.

WITNESS—Mr. Robert McGreevy came to me and said his brother wanted to see me about the dredging matter. I went to his house in Quebec and we talked over the matter and he told me that he wanted to raise $25,000 for the elections.

THE CHAIRMAN.—I do not know what Mr. Robert McGreevy said or what Thomas said. Go on, please.

WITNESS.—I went to Mr. Thomas McGreevy's house—

By Mr. Davies :

Q. It was Mr. Thomas McGreevy who made this statement to you ?—A. Yes. He then stated there was eight hundred thousand yards of dredging to be done in the inner basin and he wanted to make a new contract, and if the Company would allow three cents per yard to go to a fund, to make $24,000,—that is, eight hundred thousand yards at three cents would make $24,000. After considerable conversation with him in his house—we had prices of twenty-seven cents, twenty-nine cents and thirty-three cents—they mentioned thirty-five cents, and I wanted to take the contract at one of our prices. He said it was just as easy to give thirty-five as thirty-three. After settling it at thirty-five cents, we were to pay—that is, Larkin, Connelly & Co.—to him or whom he would designate, the $24,000 ; we partly agreed on the basis for that. I told him we would make it an even $25,000. I added $1,000. Thomas McGreevy asked me if my partners would concur or were satisfied. I said, yes. He said, "You had better see." I went and saw my partners and consulted with them and they agreed to it.

Q. You reported to your partners ?—A. Yes; the two Connollys. Mr. Larkin was absent.

Q. You had a schedule of prices for this dredging at the time, and I understand the witness to say a new contract was entered into for larger prices?—A. Yes.

Q. Who made the statement about it being just as easy to get thirty-five cents?—A. Mr. Thomas McGreevy.

By Mr. Mulock:

Q. Did you get thirty-five cents?—A. We did.

By Mr. Geoffrion:

Q. After this interview with Thomas McGreevy you went and consulted with all your partners who were then in Quebec?—A. Yes.

Q. Did you explain to them the nature of the proposition?—A. I did.

Q. Did they agree?—A. They did.

Q. To pay the $25,000 provided they would get eight hundred thousand cubic yards of dredging at thirty-five cents?—A. They did.

Q. Did the firm sign a document showing their agreement to that?—A. They did.

Q. Was that document shown to and handed to Mr. Thomas McGreevy?—A. It was.

Q. Will you look at this paper and say in whose handwriting it is and by whom it is signed for the firm?—A. It is in the handwriting of Michael Connolly.

Q. He signed in the name of the firm and with your consent?—A. Yes.

Q. I will read it. It bears no date.

(Exhibit "M 5.")

"If contract is entered into with Harbour Commissioners, and approved of by the Minister of Public Works, for eight hundred thousand yards of dredging at thirty-five cents, to be dumped in river, or if in more difficult place, to be paid extra, we give 25,000. All over 200,000 at Lévis dock. Extras B.C. about 73,000 of which we give 23,000.

"LARKIN, CONNOLLY & CO."

Q. Where was this document written and prepared?—A. In the Company's office on the Louise Embankment.

Q. You had then an office on the Quebec side?—A. It is what they call the Louise Embankment. We had an office there and also an office on the Quebec side.

Q. As the document bears no date, are you able to inform the Committee about what date it was drafted and signed?—A. I think it was early in January, 1887. The original negotiations were in the latter end of December, 1886.

Q. You referred to elections. I think you referred to provincial elections?—A. No; general elections.

Q. Do you know who was present when the document was prepared and signed by Michael Connolly?—A. Robert McGreevy and Nicholas Connolly and myself, and I think Martin P. Connolly was in the room. I do not think he saw the document, but he was in the office.

Q. After it was completed, to whom was it handed by Michael Connolly?—A. I am not aware whether he handed it to Robert McGreevy or myself, but we both read it. It was to one of the two. We brought it up to Thomas McGreevy's house and handed it to him.

Q. Did you both go to Thomas McGreevy's house?—A. Yes.

Q. And what did you do with the document?—A. It was handed to Mr. Thomas McGreevy, and he said that was satisfactory.

Q. Did he keep the document?—A. One of them kept it.

Q. It was not handed back to you?—A. No.

Q. You left the document there?—A. Yes.

Q. Were you informed or instructed by anybody how to tender for that alteration or was there any correspondence in connection with that alteration in the price?—A. There was some correspondence but I have not got it with the Depart-

ment of Public Works and the contractors, or between the Engineer of the Department and the contractors.

Q. Did you send a tender or a letter of any kind offering to do the work for 35 cents or did you receive the contract without tendering?—A. Whether we did as we were contracting?

Q. Whether you wrote a letter?—A. I believe the chief engineer wrote a letter to the contractors asking for prices instead of having the different prices all made into one price.

Q. Were you shown a letter which is now fyled as Exhibit "E 2," on page 22 which reads as follows:

"HOUSE OF COMMONS,
16th April.

"MY DEAR ROBERT,—I have just seen Perley about dredging. I have arranged to meet him on Monday to discuss this dredging report before he sends it to Harbour Commissioners, also other matters about Graving Dock &c.

"I have arranged with Fuller to have office in Quebec opened as Public Works office and put Lepine in charge and let Perley be architect. I want you to get O'Donnell to write a letter to Fuller as enclosed, so as they may get another month's pay until the money is voted. As Curran's motion is coming up on Monday, I thought better to remain here, also, to see Perley and arrange matters with him. When I am wanted below you will let me know.

"Yours,
"THOMAS."

Q. Were you shown that letter by Robert?—A. I was.

Q. Were you shown another letter by Robert, dated 26th April, marked "Exhibit F 2" on the same page 22, reading:

"HOUSE OF COMMONS, 26th April.

"MY DEAR ROBERT,—I have just seen Perley on dredging. I think he will report on 35 cents, and put in some conditions which will amount to nothing. He will report when I will be there.

"I have had a conversation with Shakespeare on the lengthening of the British Columbia dock. I told him to unite with the others and push it. He is prepared to do so. I told him to write and get the length of steamers chartered by the Canadian Pacific Railway Company from the Cunard Company. He has promised to do so. Connolly had better wait until next week to come up. When I come down we will talk the matter over. I intend leaving here on Thursday evening, if you do not telegraph not to come. Vote will be taken on Home Rule to night.

"Yours,
"THOMAS McGREEVY."

A. I was.

Q. On the following day did you receive a letter, which is printed on page 19 of the Blue Book, in connection with these Quebec Harbour Works?

"OTTAWA, 27th April, 1887.

"GENTLEMEN,—There remains a very large quantity of materials in the Wet Basin, Quebec Harbour Works, a portion of which it is desirable should be removed during the ensuing summer, and the propriety of proceeding therewith I desire to bring to the notice of the Commissioners. Before I can do this I wish to obtain the price per cubic yard, measured in the same manner as was the dredging previously done by you, at which you will do what is required.

"I want only one price, which must cover the dredging to any depths required, which may not exceed fifteen feet below low-water spring tides, and the conueyance

to a place of deposit, whether on the embankment or in the river. An early answer will oblige.

"Yours obediently,
"HENRY F. PERLEY,
"*Chief Engineer.*"

Q. Did the firm receive such a letter ?—A. It did.

Q. When you received that letter from Mr. Perley asking you for a price, had you received the letter dated the previous dav from Mr. Thomas McGreevey, stating he had seen Perley, and he would report for 35 cents ?—A. These letters Mr. Thos. McGreevey sent his brother were all shewn to me. Of course I would have to see the letters now to identify them again.

By Mr. Tarte ;

Q. Let us have the letters then ?

By Mr. Geoffrion :

Q. You have already stated the letters from Thomas McGreevy were shown you The point I wish to make is this: Whether when you received from Mr. Perley you had then seen a letter from Mr, Thomas McGreey informing you that 35 cents was the price fixed by Perley ?—A. Yes.

Q. Now we find in the public documents a letter signed Larkin, Connolly & Co., Quebec, 28th April, 1887. It is on page 19, and reads:

"SIR,—Your favour of the 27th inst. is at hand. In reply we would beg to say that we are prepared to do what dredging is required, as mentioned in your letter, for the average price of our previous dredging, viz.: thirty-five (35) cents, although the difficulties are greater than we have had to contend with during the progress of our previous dredging, inasmuch as the passage is narrow, the currents stronger, and the distance to the place of deposit further.

By Mr. Geoffrion:

Q. Under whose instructions did you write the letter dated 28th April, 1887, just read to you in answer to Mr. Perley's asking you for a tender ?—A. I would have to see the letter before I could answer that question.

Q. Were you satisfied an answer was given to Mr. Perley ?—A. Yes.

Q. By whose instructions did you give the answer to Mr. Perley's request for a tendér ?—A. The balance of the firm. If they were absent I acted myself for the firm.

Q. Did you consult with any members of the firm before writing that letter ?—A. Yes.

Q. Was any suggestion made to you, either by your engineer or otherwise, as to the difficulties suggested at the end of your letter, "inasmuch as the passage is narrow, the current stronger, and the distance to the place of deposit further." Were any suggestions made to you as to these difficulties ?—A. These things were put into the letter to show that the work would be more difficult and so on.

Q. Was there any suggestion made to you that it would be better to point out difficulties like that ?—A. I think it was Michael Connolly's suggestion to the best of my recollection. I understand you are asking me if any members of the firm knew about these things.

Q. You have answered that. I am now going further, and I want to know if the difficulties mentioned in the letter were suggested to you either by your engineer or anyone else ?—A. As far as I can recollect the answer and the way the letter should be prepared was prepared by Robert McGreevy by instruction of Thomas McGreevy, I believe.

Q. Were you present when Mr. Thomas McGreevy instructed, as you believe, his brother Robert ?—A. I was present in Mr. McGreevy's house so much that it is

almost impossible to recollect all the conversations in reference to this dredging matter.

Q. As a matter of fact, were there any of the difficulties pointed out in this letter, or were they imaginary?—A. They were all imaginary; they were considered imaginary.

Q. For instance, what about the narrow passage? Explain that?—A. I would have to get a map of the basin in order to explain it properly to the Committee. I was in charge of the dredging for two years, and under the supplementary contract we dumped it nearly all in the river. It was less expense and trouble to dump it in the river than on the bank..

By Mr. Tarte:

Q. Why?—A. Because any man who knows anything about dredging knows that it is much easier and cheaper to dump it into the river. There is less handling to be done, if you please.

Q. How is that?—A. It is less expense; it is cheaper. In the previous contract we had to throw all the dredging material over the wall of the Louse Embankment and lift it up with tugs, and it cost two or three handlings and in that way was so much more expensive. The supplementary contract for dredging was nearly all dumped into the river. It was simply taken up by the dredge, dumped into dump scows and then dumped into the river. There was a little more towing, but it did not amount to much.

Q. As a matter of fact under your previous contract was there a difference of price made in your settlement for the material dumped in the river and the material dumped on the embankment?—A. When Mr. Boyd was in charge of the works, for the material which was dumped into the river, he deducted 5 cents per yard.

By Mr. Tarte.

Q. Out of the 27 cents?—A. Out of the 27 or 29 cents, whatever we were being paid. We had various prices. I had considerable trouble with Mr. Boyd to try and induce him not to deduct the 5 cents, if you please, and finally he said we might get it allowed afterwards. We did get it allowed by the Commissioners at the close of the season, but at the time the engineer deducted 5 cents.

Q. He was of opinion that the work was worth less?— A. Yes.

Q. When you wrote that letter of the 28th April, 1887, were you aware that there was very little dumping required on the embankment?—A. There was little required.

Q. It was well known the bank was full?—A. Yes.

Q. I see that in the request for a tender contained in the letter which was sent to you by Mr. Perley on April 27th, 1887, and which appears at page 13 of the Blue Book, it is stated, "I want only one price, which must cover the dredging to any depth required, which may not exceed 15 feet below water, spring tides." In your contract printed at page 14 of the book, I see you have agreed to do the work "to any depth which shall not exceed 15 feet below low water spring tides." Can you explain the difference between the price asked for and the agreement of the contract? Was there any agreement or discussion about that change in the request? —A. Discussion with whom?

Q. Between either Mr. Perley or the authorities at Ottawa or the Commissioners?—A. I do not think there was any discussion as far as I can recollect. I made this with Thomas McGreevy verbally as to how it was to be done. They carried out their part and we carried out ours. There were a few details which I cannot remember.

Q. Anyhow, you binding yourselves to dredge to a depth not to exceed fifteen feet was less onerous than to any depth whatever?—A. The depth increased the expense. I may say here that with the class of dredges we have there the depth was very little more expense for five or ten feet. We had dredges that would dredge in very deep water. There is a classes of dredges that cannot dredge in shallow

water. For instance the two dredges we had could not dredge in any less than 15 feet of water.

Q. In your schedule of prices under the former contract you had made, was not the depth an item of increase? Was it not a fact that the scale of prices was based upon the depth ?—A. We were called upon to tender for a certain depth of dredging. For instance, 15, 18 and 36 feet, and we tendered according to depth.

Q. At page 2 of the blue book I read that your schedule of prices was as follows: "To 15 feet at low water, 27c.; from 15 to 20 feet at low water, 29c.," and so on. Does that not bear me out in saying that under your former contract the depth was taken into consideration in your prices?—A. Certainly.

Q. According to your former contract the same work, not exceeding 15 feet, ought to have been done for 27c. ?—A. Yes.

Q. And were you bound also by that contract to throw the stuff into the embankment ?—A. Over the wall.

Q. So by your contract of 1887 you took no more onerous contract than the contract of 1882 ?—A. Not as much.

Q. On account of the dumping having to be done in the river in larger quantities ?—A. Yes.

Q. Were you losing money on your contract of 1882 ?—A. No.

Q. Were you making money ?—A. The Company thought so.

Q. You were quite prepared and willing to go on at the same prices ?—A. Yes.

Q. Did you ask for an increase ?—A. No.

Q. Not until it was suggested at the end of 1886 ?—A. No.

Q. Your contract says that your work was to close in 1884?—A. The contract was to be ended.

Q. What I want to know is whether your first contract was not at an end and whether you did not continue to voluntarily work under it?—A. We continued as long as we could get paid for it.

Q. You had no objection to taking higher prices ?—A. Certainly not.

Q. You stated a minute ago that they fulfilled their part and you fulfilled yours. First of all you had to execute the work?—A. First of all we had to pay the money.

Q. Even before you had begun the work? A. Yes.

Q. How much money had you to pay before beginning work?—A. $27,000.

Q. How much did you pay first? What was the first payment of that amount ? —A. The first payment was $10,000.

Q. When?—A. I would have to get the cheque here. I signed the cheque myself. I have not the date of it.

Q. Was it early in the winter of 1887 ?—A. It was previous to the elections. Mr. Thomas McGreevy told me he wanted to put $10,000 into the general fund.

Q. You paid $10,000 to Mr. Thomas McGreevy you say ?—A. I will explain to you how it was paid if you will allow me. Mr. Thomas McGreevy came to me and told me they wanted to pay in $10,000 to the general fund and that his brother would come for it. I gave that first $10,000 to Robert McGreevy by order of Thomas. The next $10,000 Robert came to me and told me his brother wanted. I signed the cheque myself to the order of Nicholas Connolly, drew the money, and brought it myself and gave it to Thomas McGreevy personally in his own house. The other $5,000 Thomas told me to keep it for the elections. I kept it and spent it for his election, and found it necessary to use mine, about $2,000, so that $27,000 was charged instead of $25,000.

Q. So he left in your hand $5,000 which ought to have been money coming to him by agreement ?—A. Yes.

Q. Instructing you to use it for the election ?—A. Yes, for the election.

Q. And finding the $5.000 not too much you went $2,000 better ?—A. To be accurate about it I spent $1,500 for Mr. Thomas McGreevy's election and gave it to the parties I was ordered to. $250 went to Montmorency election for Mr. Valin and $250 to the Levis election. That is how the other $500 was spent, so it was $26,000.

Q. But this cash $5,000 which was spent willingly by you explains the entry in your books $25,000?—A. Yes.

Q. Though the amount agreed was $25.000?—A. Yes.

Q. Is this amount of $27,000 the one referred to in Exhibit "B 5" dated March 28th 1887 at page 109?—A. Yes, but the money was paid previous to this.

Q. And it was entered in the books afterwards?—A. Yes.

Q. Have you any remembrance of the amount?—A. I remember the amount; there was some difficulty about this $2,000. I spent the $2,000 on my own account, and I had some difficulty with my partners about it. Mr. Larkin, if you please, and Nicholas Connolly found some fault, but after a consultation they agreed to let it go that way, and it was entered in the books.

Q. In that statement?—A. Yes.

Q. I come back to Exhibit "M 5," being this pencilled paper signed by Larkin, Connolly & Co., and written by M. Connolly. Will you explain what is meant by the figures "25,000" in that document?—A. I have explained that.

Q. I don't think you have explained it?—A. That is for dredging.

Q. But what is it—francs, coppers or cents?—A. Dollars.

Q. Now, can you explain to the Committee the meaning of the words "all over to $100,000 on Levis dock."—A. I cannot recollect; it was a verbal phrase used by Mr. McGreevy and myself, but I cannot go into details.

By Mr; Tarte:

Q. State what it means?—A. It means we would give so much money—all over that—to Mr. McGreevy or his friends.

By Mr. Geoffrion:

Q. It means all amounts got from the Government over $200,000 on the Lévis works would go in donations?—A. Yes.

Q. What is the class of donations that you mention—the same class?—A. Yes.

Q. Now, what is the meaning of the word "Extras B.C. about $73,000, of which we gave $28,000"?—A. That was the claim the Company had at the British Columbia works. They had a dispute sent in for $73,000, and I proposed myself that we would give all over $50,000.

Q. That is the meaning of it?—A. Yes.

Q. This was also hinted in this obscure way?—A. Agreed.

By Mr. Mulock:

Q. You meant you would give all over $50,000 you recovered from that claim?—A. Yes.

Q. To whom?—A. Mr. Thomas McGreevy.

By Mr. Geoffrion:

Q. B.C. means British Columbia, does it not?—A. Yes; British Columbia.

Q. How much did you get from the Government?—A. I really do not know. I believe we got the most of it.

By Mr. Ouimet:

Q. Who wrote these words which appear to be written in ink at the bottom of the writing: "In my presence"?—A. I think it was myself, Sir.

Q. You think. Cannot you recognize your writing and swear to it?—A. It was myself.

Q. It was yourself?—A. Yes.

By Mr. Fitzpatrick:

Q. Who rubbed it out?—A. Myself.

By the Chairman:

Q. At the time?—A. Yes.

Q. I now come back again to Exhibit "B. 5," and would ask you to explain to the Committee the meaning of the six last items, reading as follows:

Pelletier—		
Season,	1887	$2,129 50
do	1888	1,515 00
Germain—		
Season,	1887	395 00
do	1888	50 09
Brunelle—		
Season,	1887	710 00
do	1888	950 00

—A. These items I know nothing about more than I paid my share; they were charged to me, I suppose, in the books and Mr. N. Connolly admitted paying them. I cannot explain any more than they were charged to me and I had to pay my share of them. I had not charge of the dredging in 1887 or 1888.

By Mr. Ouimet:

Q. These were not paid by you?—A. No.

By Mr. Geoffrion:

Q. When your partner wanted to make or made that charge did he explain why he paid those amounts?

Counsel objected.

Q. Did he tell you why it was to be charged?—A. The notes were made and the payments without my knowledge. If the Committee would allow me, I would state what occurred at the time? I did not know these charges were made; I knew nothing about them.

Q. When you discovered the entries in the books did you ask for explanations? —A. I did.

Q. From whom did you receive explanations?—A. From Nicholas K. Connolly.

By Mr. Ouimet:

Q. Do you know whom those gentlemen, Pelletier, Germain and Brunel were? —A. They were inspectors on the works.

Q. Officers of the Department of Public Works?—A. They were hired by the Harbour Commissioners, I believe.

By Mr. Tarte:

Q. Was any one of them in your employ?—A. I would rather that Mr. Connolly answered that question.

Q. Were they in your employ or not?—A. They were in the employ of the Harbour Commissioners.

The further examination of this witness was postponed.

HOUSE OF COMMONS, TUESDAY, 23rd June, 1891.

The Committee met at 10.30 a.m.; Mr. Girouard in the chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. A. GOBEIL re-called.

By Mr. Geoffrion:

Q. Have you here all the correspondence which took place between the Department and Larkin, Connolly & Co., or any other interested parties, in connection with this supplementary contract at the Lévis Graving Dock?—A. I have produced all the correspondence in the Department, and I could find no reference to the Lévis Graving Dock. I do not know what supplementary contract means—what would be the date of that? I have produced an Order in Council of 7th June, 1884, approving of the action of the Harbour Commissioners, and an intimation to the Department that they had awarded the contract for the completion of the Graving Dock to the present contractors. The contract was entered into with the contractors by the Harbour Commissioners; therefore we have no record of it.

Q. I asked for the correspondence?—A. I have a letter of the 24th June. That is the letter in which they say they have awarded the contract to the present contractors. Then there is the Order in Council to which I referred, approving of the contract.

Q. Have you any letters from Mr. Perley?—A. There may be some letters that escaped my attention, and I will take a note of it. Yes, there was an application from the Harbour Commissioners on the 16th February, 1884, for a grant of money to complete the Graving Dock, and then the report of Mr. Perley of the 4th March, 1884. Of course, it must be observed that Mr. Perley was acting in the two capacities.

By Mr. Davies:

Q. What two capacities?—A. Chief Engineer for the Quebec Harbour Commissioners and chief engineer for the Department of Public Works. We would have correspondence as chief engineer of the Department of Public Works, but the correspondence for the Harbour Commissioners would not be in the Department at all. That is the reason I could not produce it.

By Mr. Geoffrion:

Q. Could you find the letter signed Larkin, Connolly & Co., and addresed to Mr. Perley or the Department, dated 31st March, 1885?—A. No, sir; I have no such letter.

Q. Was there such a letter?—A. If it is a correspondence with Mr. Perley as chief engineer of the Harbour Commissioners we could not have it.

Q. Can you find a letter signed by Mr. Perley to the firm of Larkin Connolly & Co., dated 7th April, 1884?—A. Is that about the Graving Dock?

Q. Yes?—A. No; we would not have it in the Department. The details of the work were not carried on in the Department. Mr. Perley would then be acting as chief engineer of the Harbour works.

Q. Did you make a search for a letter from Mr. Thomas McGreevy to Mr. Perley, dated 9th September, 1884?—A. No; it cannot be found.

Q. Do you find traces of an answer to such a letter, dated the 11th of the same month?—A. No, sir.

Q. My question was, whether you had made a search for them?—A. I asked my clerk to make a search for them, and he told me that he could not find them. I

have a paper here which I was asked to produce on the 2nd day of my examination. I got a copy from the Clerk of the Privy Council. It is the letter of the Admiralty, as follows:

"Exhibit "O 5.")
"Copy—Canada.
No. 61.

"*Lord Knutsford to Lord Stanley of Preston.*

"DOWNING STREET, 16th April, 1890.

"MY LORD,—I have the honour to acquaint you, for the information of your Government, that I caused your dispatch, No. 246 of the 25th of November, and its enclosures, to be duly laid before the Lords Commissioners of the Admiralty, and that their Lordships have informed me, in reply, that after full consideration they regret that they are unable to incur any expenditure from naval funds for the purpose of extending the Graving Dock at Esquimalt, as the present dock is considered to be large enough for all naval requirements.

"I have, &c.,
(Signed) "KNUTSFORD."

Q. Did you find any instructions that were sent to the engineers on the works at Esquimalt—Mr. Trutch and Mr. Bennett—about the deduction to be made from the $50,000 that were charged to the contractors on the plant?—A. Yes.

Q. Will you read it?—A. It is a telegram of the 2nd May, 1885.

Q. I do not mean that. It is some time in 1886?—A. This has reference to how much was to be paid back by the contractors on their estimates. That is not what you want?

Q. No; what I want to know is, how it happened that from $50,000 it was reduced to about $30,000, and what were those instructions?—A. I could not find any correspondence about that.

Q. Will you look again, because there was some correspondence. There were instructions sent out there, and you will find them?—A. I have here all correspondence between Mr. Perley and Mr. Trutch, from December, 1885, to December, 1886, and it is not there. It is not in these papers which I have filed; but I will make further search.

Q. I am about sure it is there. Will you file a telegram, dated 16th April, 1885, sent by Mr. Perley to Mr. Trutch?—A. I have it.

Q. Will you read it?—It reads as follows:

(Exhibit "P 5.") "16th April, 1885.
No. 13,415.
Esquimalt Graving Dock.
"Hon. J. W. TRUTCH,
Victoria, British Columbia.

"Contractors' engineer has submitted his design for re-coursing Graving Dock, and also for alteration in the course for inclination or drip in bottom, and informs me that he furnished Bennett with copies of changes proposed. You are authorized to permit contractors to make these changes; plan circular head will be forwarded.

"HENRY F. PERLEY,
"*Chief Engineer.*

"Chg. P. W. D."

Q. Have you a letter of the same date addressed by Mr. Perley to Mr. Trutch?—A. Yes.

(Exhibit "Q 5.")
No. 13416—Esquimalt Graving Dock. "16th April, 1885.

"SIR,—I write in confirmation of the following telegram sent you this day.—

"Contractors' engineer has submitted his design for re-coursing Graving Dock, and also for an alteration in the course for inclination or drip in bottom, and informs

me that he furnished Bennett with copies of changes proposed. You are authorized to permit contractors to make these changes. Plan circular head will be forwarded.'

"The contractors have called my attention to the fact that no provision is made in the plans for thoroughly draining the caisson chamber, supposing it to be necessary to place stoplogs and pump the chamber out for repairs to the caisson or otherwise.

"Please instruct Mr. Bennett to see that provision be made for this. It is made in the Quebec Dock, and is necessary.

"There would appear to be an intention on the part of Mr. Bennett to adhere literally to the plans for this dock, even where it has been shown to him that a change is necessary for the benefit of the dock.

"This ought not to be so, for there is no doubt that before the dock is finished many occasions will arise when departures must be made from the plans, and Mr. Bennett should exercise his judgment in such cases.

"The plans furnished to the contractors are those received from yourself, and no changes or alterations were made in them in my office up to the present date.

"I have obtained from Mr. Hume the information necessary to enable me to prepare a plan of the alteration at the head of the dock, a copy of which will be sent you in a day or two.

"Yours obediently,

(Signed) "HENRY F. PERLEY,

"*Chief Engineer.*

"Hon. J. W. TRUTCH, C.M.G.,

"Victoria, B.C."

Q. Do you know who is the Mr. Hume referred to there?—A. By common report, I hear he was the engineer of the contractors.

Q. He was not in the employ of the Government?—A. No; not that I know of.

Q. Do you find now a telegram from Mr. Trutch to Mr. Perley, dated 18th April, 1885?—A. Yes:

(Exhibit "R 5.")

"VICTORIA, B.C., *viâ* SUMAS, 18th April, 1885.

"To HENRY F. PERLEY.

"Design furnished Bennett by contractors for re-coursing will be carried out as authorized by your telegram sixteenth inst.; alterations appear unobjectionable, but their adoption will increase cost of work by additional price of dressed stone resulting from necessarily increased width of bed proportionate to increased depth of courses.

"JOS. W. TRUTCH."

Q. Will you file another, dated 28th April, 1885, from Mr. Perley to Mr. Trutch?—A. Yes.

Q. Read it?

(Exhibit "S 5.")

"No. 13425.

"Esq. Grav. Dock. "20th April, 1885.

"Hon. J. W. TRUTCH, Victoria, B.C.

"As the alteration in depth of courses was requested by the contractors for their own convenience, and not ordered by the Department, there will not be any extra amount of dressed stone allowed beyond the schedule quantities, which will be adhered to in making estimates.

"Chg. D.P.W.

"HENRY F. PERLEY.

Q. Was there any letter of the same date from Mr. Perley ?—A. Yes.

(Exhibit " T 5".)

" Copy—No. 13428. Esquimalt Graving Dock. " 20th April, 1885.

" Sir,—I write in confirmation of the following telegram sent you to-day :—

" As the alteration in depth of courses was requested by the contractors for their own convenience, and not ordered by the Department, there will not be any extra amount of dressed stone allowed beyond the schedule quantities, which will be adhered to in making estimates.

" What I wish to convey in the above is that as the contractors suggested the change in the dimensions of the stone, and were not ordered by the Department to make the change, they (the contractors) have no right to be paid for any extra stone supplied.

" If they are permitted to place two courses of stone instead of three, it follows that they save the dressing of two beds, the setting of one course and the saving the cement, besides a saving in handling a fewer number of stones.

" Again—the use of the thicker stones does not increase the thinkness of the wall, therefore there must be a saving in backing, and if an allowance for a greater quantity of face stone were made a reduction in the quantity of backing would follow.

" Yours obediently,

(Signed.) " HENRY F. PERLEY,

" *Chief Engineer.*

" Hon. J. W. Trutch, C.M.G.,

" Dominion Agent, Victoria, B.C."

Q. Now look for a telegram of the 29th April from Mr. Perley to Mr. Trutch ? —A. Yes.

(Exhibit " U 5.")

" No. 13496.

" Esquimalt Graving Dock.

" Hon. J. W. Trutch,

" Victoria, B.C. " 29th April, 1885,

" Have you received my telegram and letter of seventeenth, in which allowance to contractors is referred to. They complain that resident engineer has only allowed them fifty per cent. on materials delivered, and have applied for increased advances, which I think can properly be made.

" HENRY F. PERLEY,

" Chg. D.P.W." " *Chief Engineer.*"

Q. Please find 1st May, telegram from Mr. Perley to Mr. Trutch and read it ?—A. It reads as follows :

(Exhibit " V 5.")

" No. 13511—Esq. Dock.

" Hon. J. W. Trutch,

" Victoria, B.C. " 1st May, 1885.

" Contractors Graving Dock pressing for money ; can you telegraph amount which can be paid—Reply.

" HENRY F. PERLEY,

" *Chief Engineer.*

" Chg. D.P.W."

Q. Read another one of the same date ?—A. It reads as follows :

(Exhibit " W 5.")

" No. 13582—Graving Dock, B.C.

" Hon. J. W. Trutch, Victoria, B.C. " 1st May, 1885.

" Contractors have stated that up to nineteenth their representative had not been advised that larger courses could be used. I wired you sixteenth to authorize this

being done, as Bennett had been supplied with the necessary information. Has permission been given ?—Reply.

" HENRY F. PERLEY,
" *Chief Engineer.*

"Chg. D.P.W."

Q. Can you find a letter or telegram from Mr. Trutch to Mr. Perley on the 2nd May ?—A. Yes.

(Exhibit "X 5.")

" Esq. Graving Dock. " VICTORIA, *via* SUMAS, B.C., 2nd May, 1885.

" H. F. PERLEY.

" A month ago I appraised Mr.Connolly that substitution of larger courses would not be objected to, and that on his written application to be allowed to substitute any larger courses without increased cost of work to Government I would return him written sanction. No such written application has, however, been received, and consequently no written sanction has been given by me. Contractors submitted to Bennett, twentieth March, plans of proposed changes in mode of construction which he referred to me on my return ; these charges appeared both to Bennett and myself unobjectionable, except as regards question of cost as I wired you eighteenth ult., and I understand work is proceeding in accordance therewith, but without letter from contractors to above effect. I hesitate to give written sanction or to formally approve plans as specifications request least complication as to cost should result. Of course, however, I will do so if Minister so directs. Please answer.

" JOSEPH W. TRUTCH."

Q. Do you find a letter dated 4th May, 1885 ?—A. There is both a letter and a telegram.

Q. Read the telegram first ?—A. It reads :

(Exhibit " Y 5.")

" No. 13533—Esq. Grav. Dock.

" 4th May, 1885.

" Hon. J. W. TRUTCH,
" Victoria, B. C.

" Telegram received. Minister authorises you to permit contractors to build work with stone of increased sizes, as proposed by themselves ; they to be made aware that this permission is merely acceding to their request and not ordering them to make the change.

" HENRY F. PERLEY,
" Chg. D. P. W." " *Chief Engineer.*

Q. Will you read the letter confirming this telegram of the same date ?—A. It reads as follows :

(Exhibit " Z 5 ")

" No. 13537—Esq. Grav. Dock.

" (*Copy.*) " 4th May, 1885.

" SIR,—I write in confirmation of the following message sent to you to-day. :—

" Telegram received. Minister authorizes you to permit contractors to build work with stone of increased sizes as proposed by themselves, they to be made aware that this permission is merely acceding to their request, and not ordering them to make the change.

" Your long message of the 2nd I laid before Sir Hector together with my telegrams of the 16th and 20th April, and letters in confirmation of same, and the above telegram was sent to you at his request.

" I am of the opinion that the contractors should have preferred their request in writing before being permitted to change the courses, but as they have not done so, but have informally applied here for permission to do so it has been granted to

them, and I will inform them here of this decision of the Minister and that no extra payment will be made to them on account of this change.

"I am, Sir,

"Your obedient servant,

(Signed) "HENRY F. PERLEY,

"*Chief Engineer.*

"Hon. J. W. TRUTCH, C.M.G.,

"Dominion Agent, Victoria, B.C."

Q. Will you now look to the 11th May, 1885, and see whether you find a letter from Mr. Trutch to Mr. Perley?—A. Yes.

Q. Will you read it please?—A. Yes.

(Exhibit "A 6.")

"VICTORIA, B.C., 11th May, 1885.

"SIR,—With reference to your letters of the 16th and 20th ult., and 4th instant, respectively, relative to the alterations of details in the construction of the Esquimalt Graving Dock (particularly as regards the recoursing of the ashlar and paving) which were proposed by the contractors, and which, as you inform me, the Minister has approved and directed to be consented to on the conditions stated in your said letters, I have the honour to state that, pursuant to the requirements of the conditions of sections 181 and 206 of the specifications for this work I have signed the plans, which were submitted to the resident engineer last month, showing these proposed alterations; and have addressed a letter to the contractors, conveying consent to the work being carried out in accordance therewith, a copy of which letter is enclosed herewith.

"I have called Mr. Bennett's attention to the paragraph in your letter of the 16th ult. relative to the necessity of making provision for the thorough drainage of the caisson chamber when necessary—and do not think there will be any practical difficulty in duly carrying your suggestion into effect.

"I beg to add, with respect to the allusion you make to Mr. Bennett's apparent intention to adhere literally to the plans for the Dock, even when it has been shown to him that a change is necessary for the benefit of the Dock, that I have certainly not observed any indication of such a spirit on his part, nor do I think that any such feeling exists. I do not understand from your letter what particular action of Mr. Bennett's your allusion has reference to, but think it probable you may have formed your judgment of his intentions on misinformation; and I may point out that under the terms of the contract and specification no discretion appears to be given to the resident engineer as to alterations of plan of construction, this responsibility being attached to the Dominion Government Agent; and that, therefore, it is not competent for Mr. Bennett to approve of plans for any such alterations, and would consequently hardly be proper for him to express any opinion respecting them before they were submitted to the Dominion Government Agent, by whom they are prescribed by in the specification to be signed upon their being approved.

"I have the honour to be, Sir,

"Your obedient servant,

"JOSEPH W. TRUTCH,

"*Dominion Government Agent.*

"H. F. PERLEY, Esq.,

"Chief Engineer, Department of Public Works,

"Ottawa."

Q. Will you see whether you have a letter dated 18th May, 1885, signed by Mr. Trutch and addressed to Larkin, Connolly & Co., being the enclosure referred to in the above mentioned letter?—A. Yes.

(Exhibit "B 6.")

"VICTORIA, B.C., 18th May, 1885.

"SIRS,—Mr. Bennett, the resident engineer of the Esquimalt Graving Dock, has placed before me certain tracings of plans showing some alterations of detail in the

mode of construction of the Dock, and particularly for the recoursing of the ashlar in the side walls and of the paving of the floor; which plans were submitted by you for approval by letter of 20th March, addressed to the resident engineer.

"I have also apprised Mr. Perley, Chief Engineer of the Public Works Department, that you have applied to the Minister and to him for permission to be allowed to carry out the works in accordance with these plans; and that the Minister had decided that such permission should be given on the distinct condition that no extra payment will be made to you on account of the changes to be effected by the adoption of these plans, and especially that no extra payment shall be made to you on account of the increased sizes of stone proposed by you to be used in the work, as this is to be done at your own request and for your own proper advantage, as you think, and not by order of the Department, and I am authorized and requested to convey to you such permission.

"I have, accordingly, pursuant to the requirements of the conditions of the specifications on which your contract is based, signed the plans under reference, and hereby convey to you my consent to the work being carried out in conformity therewith on the conditions above stated as prescribed by the same.

"I have the honour to be, Sirs,
"Your obedient servant,

"JOSEPH W. TRUTCH,
"*Dominion Government Agent.*

"Messrs. LARKIN, CONNOLLY & Co."

Q. Will you be kind enough to ascertain whether you have in the Department these plans so prepared by Mr. Hume, and the correspondence in connection with said plans?—A. I will.

Q. Will you ascertain also whether there is any correspondence containing complaints against Bennett, and asking for his removal—Mr. Bennett being the resident engineer mentioned in the letters you have just read? It would be in April or May, 1885?—A. I will search again.

Q. Can you say from May, 1885, to the completion of the works at Esquimalt, there was any Order in Council passed authorizing the alterations in the bed of stone and the re-coursing?—A. No.

Q. You do not find any?—A. No.

Q. I suppose the same answer would also apply as to any alterations in the mode of measurement? You do not find any Order in Council relating to that?—A. I have not seen any relating to that.

Q. Will you see whether you have a telegram from Mr. Perley to Mr. Trutch, dated the 25th January, 1886?—A. Yes.

Q. Will you read it?—A. Yes; it is dated 25th January, 1886, and reads as follows:—

(Exhibit "C 6.")
"No. 19710—"Esqm. Dock.
'Hon. J. W. TRUTCH,
"Victoria, B.C.

"25th January, 1886.

"Minister directs contractors shall be paid for full quantity of stone in dock and caisson recess, and full measurement on all stones. Letter by mail.

"HENRY F. PERLEY,
"Chg. D. P. W. "*Chief Engineer.*

Q. Will you now read the letter of the same date referring to this telegram?—Q. That is 28th January, 1886, and is as follows:

(Exhibit "D 6.")

"Copy—No. 15712.

"Esquimalt Dock.

"28th January, 1886.

"SIR,—I write in confirmation of the following telegram sent you to-day:—

"'Minister directs contractors shall be paid for full quantity of stone in dock and caisson recess and full measurement on all stones. Letter by mail.'

"I have to inform you that the Minister has directed that the contractors, Messrs. Larkin, Connolly & Co., shall be paid full measurement for all stone they have placed in the Dock at Esquimalt, these directions specially applying to the increase in the sizes of the stones needed by the contractors and rendered necessary by the change made in re-coursing the work, and they will also apply to the full size of altar coping as it exists in the work. All special stones are to be measured fairly and liberally, and their sizes are not to be affected by an arris, a nosing, a check or groove, &c.

"I have also to inform you that the substitution of stone in lieu of brick in the caisson recess has been approved, and the contractors are to be paid their masonry prices therefor. This will also apply to the masonry about the pump wells.

"Of course, this increase in the measurement of the stone will decrease the quantity of concrete.

"Yours obediently,

"(Signed.) HENRY F. PERLEY,

"*Chief Engineer.*

"Hon. J. W. TRUTCH, C.M.G.,

"Dominion Government Agent,

"Victoria, B.C."

Q. Do you find any letters or telegrams from Mr. Trutch or Mr. Bennett recommending these changes in the measurement and other modes of settlement with the contractors?—A. No.

Q. Will you produce a telegram dated 15th February, 1886, from Mr. Perley to Mr. Trutch, and read it?

(Exhibit "D 6½.")

15831—Graving Dock, B. C. "15th February, 1886.

"Hon. J. W. TRUTCH,

"Victoria, B. C.

"Minister wishes to know if you have included in January estimate Graving Dock payment for increased sizes of stone, as ordered by telegram of 28th ultimo. Answer prompt.

"HENRY F. PERLEY,

"*Chief Engineer.*

Q. Do you find a message from Mr. Trutch of the same date in reference to this matter?—A. There is a letter.

Q. Read it?

(Exhibit "E 6.")

"DOMINION GOVERNMENT AGENT'S OFFICE,

"VICTORIA, BRITISH COLUMBIA, 15th Feby., 1886.

"DEAR SIR,—Your letter of 28th ultimo, regarding the measurement of the masonry in the Esquimalt Dock, was received on the 5th instant, and the Honourable Minister's directions thereby conveyed to me were at once communicated to Mr. Bennett, the resident engineer of the works.

"To-day I have received from Mr. Bennett the progress estimate to the end of January under Messrs. Larkin, Connolly and Co.'s contract for the completion of the Dock, with a covering letter from Mr. Bennett, in which he states that the measurements for this estimate have been made by him in accordance with the Minister's said

directions, and that the sum of $23,844.13 has consequently been added to this Estimate.

"I have to-day as usual telegraphed the amount of this estimate to the Minister, and have transmitted to him the details thereof by mail.

"Yours faithfully,

"JOSEPH W. TRUTCH.

"H. F. PERLEY, Esq.,
"Chief Engineer, Public Works Department,
"Ottawa, Canada."

Q. Do you find Mr. Bennett's letter referred to in the letter just read?—A. No; it is not attached to that paper.

Q. Would it be filed here?—A. I think not. He does not say he includes it. Probably he would have kept it.

Q. Mr. Trutch has not sent all his papers here. When he ceased to act for Government he should have sent them all in?—A. Well, he was Dominion Government Agent. I do not know whether he has sent papers or not.

Q. They are not in your Department?—A. Not as far as I know.

Q. Will you look for a letter of 2nd May, 1885, No. 13524, from Mr. Perley to Mr. Trutch, and read it?

(Exhibit "F 6.")

"Copy—No. 13,524. "2nd May, 1885.

"Esquimalt Graving Dock.

"SIR,—I write in confirmation of the following telegram sent you this morning:

"'Minister directs that no deduction for plant be made from first progress estimate, but shall begin with second and so continue monthly. You can allow ninety per cent. on materials delivered subject to the deduction of ten per cent. Wire on Monday morning amount which can be paid to contractors, as they are pressing for payment.'

"The Minister being made aware that the contractors, since they signed their contract in November last, have had a large outlay in starting the work on the Graving Dock, has waived the stipulation in the contract providing for the payment of the first instalment on the plant with the first estimate given, and directed that the first instalment should be made a deduction from the second estimate, and so on.

"As an allowance of 50 per cent. on materials delivered would only partially recoup the contractors, you have been requested to make advances of 90 per cent. gross. This, with the 10 per cent. drawback, will leave 81 per cent. payable to the contractors, which will about cover their outlay.

"I have the honour to be, Sir,
"Your obedient servant,
"(Signed.) HENRY F. PERLEY,
"*Chief Engineer.*

"Hon. J. W. TRUTCH, C.M.G.,
"Dominion Agent, Victoria, B.C."

Q. It is stated in this that the Minister "being made aware that contractors &c.;" are you able to say how he was made aware?—A. No.

Q. There is no correspondence to show that?—A. No; none that I can remember now.

Q. Well, you can look for a letter of the 4th May, 1885, from Mr. Perley to Mr. Trutch, and read it?—A. Yes. This is it.

(Exhibit "G 6.")

"Copy.

"4th May, 1885.

"No. 13536—Esq. G. Dock.

"SIR,—I have re-read my letter to you of the 2nd, relative to advances on materials delivered, etc., by the contractors for the Graving Dock, and find that I did not convey to you exactly what I wanted to convey.

"What the contractors wish is, that they shall be paid the schedule prices for materials delivered—less a certain sum for placing or building them into the work—what I wished to convey to you was, that the advances to be made should be 90 per cent. of the schedule prices—and this percentage being subject to a further deduction of 10 per cent. would make the advances on materials equal to 81 per cent., thus:—

"A cubic foot of cut stone is priced at $1 delivered on the work—the contractors should receive 90 cents, less 10 per cent., equal to 81 cents per cubic foot.

"I am, Sir,

"Your obedient servant,

(Signed) "HENRY F. PERLEY,

"*Chief Engineer.*

"Hon. J. W. TRUTCH, C.M.G.,
"Victoria, B.C."

Q. Now, on the 19th May, 1885, you will find another letter from Mr. Trutch to Mr. Perley.
(Exhibit "H 6.")

"VICTORIA, B.C., 19th May, 1885.

"SIR,—With reference to your letters of 2nd and 4th instant, relative to (1) the deductions to be made from progress estimates of Esquimalt Dock works on account of plant handed over to the contractor, and (2) the rate of allowance to be returned in the estimates on account of material delivered on the works but not placed—I have the honour to state that the Honourable Minister's directions conveyed in your said letter will be duly carried out, to the effect that the first instalment of one-twelfth of schedule price of the gross amount of plant handed over to the contractor will be deducted from the next progress estimate to be given at the end of the current month, and further instalments of like amount from each monthly progress estimate, until the whole amount of the schedule price of this material has been so deducted; and that the stone and other material delivered on the works, but not set in place, will be allowed for in the progress estimates at the rate of 90 per. cent. of the schedule price of such materials placed in the work respectively subject to the deduction of 10 per. cent. applicable to the gross amount of such estimate generally.

"I understand that these directions as to an allowance of 90 per. cent. on materials are to apply only to stone cut and dressed and to such other materials ready to be placed in position and not to rough materials.

"I have the honour to be, Sir,

"Your obedient servant,

"JOSEPH W. TRUTCH,

"*Dom. Govt. Agent in B. C.*

"H. F. PERLEY, Esq., Chief Engineer,
"Dept. of Public Works, Ottawa."

Q. Have you a letter from Mr. Fletcher addressed to yourself, and dated 22nd May, 1885? I think he was Mr. Trutch's secretary?—A. I believe it is here, but I cannot find it. I will look for it.

Q. I will therefore suspend my question and now ask you for two telegrams of 1st and 4th May from Mr. Trutch to Mr. Perley?
(Exhibit "I 6.")

"VICTORIA, 1st May, 1885.

"To H. F. PERLEY,
Chief Engineer, Ottawa.

"Bennett measuring to-day for estimates. Will wire result soon as completed.

"JOSEPH. W. TRUTCH."

The other is as follows:
(Exhibit "J 6.")

"VICTORIA, B.C., 4th May, 1885.

"To H. F. PERLEY,
"Chief Engineer, Ottawa.

"Bennett has not completed estimate, net amount will be telegraphed to-morrow respecting material. We propose allowing full value which we estimate for stone at seventy per cent. of schedule prices of stone placed in wall and for iron bollards at ninety per cent. of schedule price of bollard in place. I understand that of course no allowence can be made on material taken over by contracts from Government and not yet paid for until placed in work, when it will be returned at schedule rates.

"JOS. W. TRUTCH."

Q. Could you prepare for us a statement of the different amounts which were kept back monthly to cover the amount of $50,000 to be paid by the contractors for the plant and material on the works at Esquimalt?—A. The secretary of the Committee would have to return all the estimates that I have sent here, because figures would have to be taken out from those estimates. I sent all Larkin, Connolly & Co.'s estimates here.

Q. Will you look for a telegram dated 16th April, 1885, from Mr. Trutch to Mr. Perley, and read it?—

(Exhibit "K 6.")

"VICTORIA, B.C., 16th April.

"H. F. PERLEY.

"Propose giving progress estimate Esquimalt Dock on 1st prox. Contractor asks advances be included in estimate on stone and brick delivered at works, but not placed in the work. I consider half schedule price of material may safely be allowed. Is this approved?

"JOS. W. TRUTCH."

Q. The telegram is filed as having been received in 1885, but is undated. Are you satisfied that it was in 1885?—A. Yes.

Q. Will you also find another, dated 15th April, 1885, and read it, please?

(Exhibit "L 6.")

"VICTORIA, B.C., 15th April, 1885.

"To H. F. PERLEY.

"When shall I receive plan of circular head for dock excavation for extension commenced?

"JOS. W. TRUTCH."

Q. Now file a letter dated 14th May, 1885, from Mr. Trutch to Mr. Perley. Read it, please?

(Exhibit "M 6.")

"DOMINION GOVERNMENT AGENT'S OFFICE,
"VICTORIA, B.C., 14th May, 1885.

"SIR,—I have the honour to acknowledge the receipt of your letter, No. 13538, of the 4th instant, enclosing plans showing the alterations to be made at the head of the Esquimalt Graving Dock, to obtain a total length of 430 feet.

"I have the honour to be, Sir,
"Your obedient servant,

"JOSEPH W. TRUTCH,
"*Dominion Government Agent.*

"HENRY F. PERLEY, Esq.,
"Chief Engineer, Ottawa."

Q. Will you be kind enough to find the plans referred to in the letter just read, and send them to the clerk ?—A. Yes.

Q. Now, there is another letter from Mr. Trutch to Mr. Perley, dated 22nd May, 1885 ?—A. Yes.

(Exhibit "N 6.")

"VICTORIA, B.C., 22nd May, 1885.

"SIR,—I beg to state that I have, in fulfilment of the provisions of section 182 of the specifications—Esquimalt Dock contract—signed the drawings sent to me with your letter No. 13538 of 4th instant, showing alterations to be made at the head of the dock to obtain a further length of 50 feet, and that I have forwarded a copy thereof to the contractors, with directions to them by letter of this day's date that the work is to be carried out in accordance with these plans.

"I have also handed to the resident engineer a copy of my letter to the contractors and copy of the plan therein referred to.

"I have the honour to be, Sir,

"Your obedient servant,

"JOSEPH W. TRUTCH,

"*Dom. Govt. Agent in British Columbia.*

'H. F. PERLEY, Esq.,

"Chief Engineer, Public Works Department, Ottawa."

Q. Do you believe you could find out and tell us where Mr. Trutch's papers, if they were returned here, can be found ?—A. I have taken a note of that.

Q. Will you file the final estimate in connection with this work at Esquimault? —A. I will have to look it up.

Mr. HENRY F. PERLEY, Chief Engineer of Public Works Department, sworn:

By Mr. Geoffrion:

Q. Have you here in Ottawa all or any of the correspondence which took place whilst you were acting as Chief Engineer of the Harbour Commissioners at Quebec and also during the works at Esquimalt?—A. As regards the works in Quebec I have nothing.

Q. Your letters would not be here?—A. I left everything behind me in the Engineer's office.

Q. In the possession of your successor?—A. I do not know who my successor is. I left them in the hands of Mr. Boswell, the resident engineer.

Q. Even the letters that were addressed to you at Ottawa were left there?—A. I left everything there. Nothing was kept in the Public Works Department as it had nothing to do with the Harbour Works. Therefore, I left everything there.

Q. Have you here any letters—private letters or even public letters—that were addressed to you by Mr. Thomas McGreevy in connection with these works?—A. I have not. I do not remember but one letter from Mr. McGreevy.

Q. And you have not that?—A. No; it was a private letter and I have not got it.

Q. Would the letter you remember be dated 19th September, 1884?—A. I cannot remember.

Q. Have you kept a letter book in which you copied official letters that you wrote in connection with these works?—A. In what capacity? Perhaps it is just as well to explain that I held two positions, one as Chief Engineer of the Public Works Department and one as Chief Engineer of the Harbour Commissioners of Quebec. You must ask me in which of these capacities.

Q. I am examining you as Chief Engineer for the Harbour Commissioners. Did you keep copies of your letters?—A. Yes.

Q. Were they kept in a book?—A. The impressed copies were in a book.

Q. Would they be in Quebec with other documents you left there?—A. They were kept in two books. One book I have myself and the other book is in Quebec.

Q. Will you be able to bring before the Committee the book which you have referred to and which you have now in your possession?—A. Yes.

Q. You have not that book with you now?—A. No.

Q. Would this book which you have yourself be a duplicate of the other book?—A. The letters I wrote in Ottawa were kept in it. The letters I wrote in Quebec were never kept in it.

Q. The only letters which will be found here were those dated or written in Ottawa?—A. Yes. There may be some which were written from Quebec, but generally not.

Q. These two books were kept for that purpose. When you were writing from here officially you copied your letters in this book, and when writing from Quebec you kept them in the Quebec book?—A. Yes; but I often took the book from here down with me.

Q. You say that your other employment was as Chief Engineer of the Department of Public Works?—A. Yes.

Q. In that capacity did you also keep a copy-book of your letters written in your official capacity?—A. Yes.

Q. Is it now in your Department?—A. They are there.

Q. Would you keep here also in full all the letters that you received in said capacity?—A. They are there.

Q. Are they under your control, or did you pass them under the control of any other officer?—A. They are under my control, except those letters that I transferred to the Department.

Mr. GEOFFRION.—I will ask for an order to the witness to be called again and place before the Committee any letters or copies of letters which he may have in his possession here in the Department.

WITNESS.—With whom and for what?

Q. I have asked you if you have certain letters here in your capacity as Chief Engineer of the Department of Public Works?—A. You asked me first if it was at Quebec.

Q. The order is too broad. I will name the works: letters that would have any bearing on the Quebec Harbour Improvements, Lévis Graving Dock works and Esquimalt Graving Dock?—A. I may say letters relating to the Lévis Graving Dock, with the exception of two books, or the harbour works in Quebec generally, are in Quebec. They would have to be produced by Mr. Boswell.

Q. It seems to me the Department had occasionally some correspondence with the Commissioners in connection with those works?—A. Yes; but I had nothing to do with that.

Q. If you have any letters you will bring them?—A. I will bring you all I have in connection with the Quebec Harbour Works.

Q. I mean also your letter books.—A. I will fetch the letter book. I understand.

Q. Whilst you are also making a search for papers will you be kind enough to ascertain whether you can find in your papers here a copy of instructions which were sent by you to Mr. Trutch, or the engineer at Esquimalt, as to the mode you intended to settle with the contractors in connection with the plant there—the result of which was a deduction of some $19,000 off $50,000 stipulated in the contract?—A. I think you have copies of all correspondence which I have given to the Deputy Minister between Mr. Trutch and myself.

Q. We have just questioned Mr. Gobeil and he cannot find it. As it is possible that these instructious may not have been a letter but an enclosure, I would like you to ascertain whether those instructions are included in what might be called correspondence?—A. If there is such a thing you shall have it.

Q. Will you take notice of a letter now exhibited to you and say whether it was written and signed by you?—A. I wrote that letter.

Q. Will you read it to the Committee?—A. It reads:

(Exhibit "O 6".) "CHIEF ENGINEER'S OFFICE,
"OTTAWA, 29th Dec., 1886.

No. 18707. Subj. Graving Dock Esq.

"GENTLEMEN,—I have to ask that you will be kind enough to let me have a copy of the explanations, your Mr. Michael Connolly had here yesterday, relative to the items in dispute, a difference in the final measurement.

"Yours obediently,
"HENRY F. PERLEY,
"*Chief Engineer.*

"Messrs. LARKIN, CONNOLLY & Co.,
"Contractors, Quebec."

Q. Do you remember what was the nature of these explanations ?—A. I do not remember.

Q. Was this letter also written by you ?—A. Yes, this was a letter written by me on behalf of the Harbour Commissioners of Quebec on the 7th April, 1886.

Q. Read it, please ?—A. It is as follows :

(Exhibit "P6.") "OTTAWA, 7th April, 1886.

"GENTLEMEN,—I have to acknowledge the receipt of your offer, dated 31st March ult., of the sum in addition to your contract price, &c., for which you will complete the works of the Graving Dock at Lévis, and in reply have to inform you that I am not prepared to present it to the Commissioners.

"I hope to visit Quebec soon, perhaps next week, when I will consider this offer with you respecting its being re-cast, but in the meantime I have to state that it is not my intention to change the character of this work as specified, and that the substitution of rubble for concrete backing will not hereafter be considered, as the sum you have placed therefor in your offer has effectually disposed of that question.

"I am, gentlemen,
"Your obedient servant,
"HENRY F. PERLEY,
"*Engineer in Charge.*

"Messrs. LARKIN, CONNOLLY & Co.,
"Contractors Harbour Works, Quebec."

Q. The letter to which it refers would be in Quebec, I suppose ?—A. Yes; in Quebec.

Mr. PATRICK LARKIN, recalled and further examined.

By Mr. Geoffrion :

Q. Mr. Larkin, have you in your possession any letters signed by Mr. Thomas McGreevy in connection with the works you had at Quebec and Esquimalt ?—A. I have not, Sir, and never had.

Q. Have you any signed by Mr. Perley ?—A. I never had, Sir.

Q. Have you in your possession letters addressed by you or by any of your partners in connection with this work ?—A. I have had but very few in relation to the Quebec work.

Q. Well, then, in connection with the Esquimalt work ?—A. I have had letters in connection with the Esquimalt work, but they were just private letters and contained nothing in particular.

Q. Do you know where they are ?—A. Well, I am in the habit of destroying letters at the end of the year. In the month of January I take the letters that are not of any importance—because I cannot keep them from year to year—and I destroy them. They are letters and telegrams usually.

Q. Did you make a search for any letters ?—A. I have got a few letters, yes.

Q. So there were some left ; you have received a few letters ?—A. I have received a few letters. I have not got them with me, they are down at the hotel.

Q. Did you also keep copies of letters written by you ?—A. I did not, except on two or three occasions in writing to the firm letters that I wished to put on record. I took a copy of them in the office. I have got them there. They are very few.

Q. Will you look at this letter and say whether it was written by you ?

Mr. Stuart.—As far as I can judge this is apparently a letter addressed to O. E. Murphy. I don't know by whom it is signed, but it certainly is not suggested that it is signed by any persons who are under trial here. Under the decision of the Committee on previous occasions, I think the question should not be allowed.

Objection over-ruled.

A. Yes, I wrote that lette..

Q. To whom is it addressed ?—A. It is addressed to O. E. Murphy.

Q. One of the partners of Larkin, Connolly & Co. ?—A. He was a partner of Larkin, Connolly & Co., and one of the members of the firm.

By Mr. Henry :

Q. Is that letter complete ?—A. I am just trying to read it. There is no signature, but the handwriting is mine.

By Mr. Geoffrion :

Q. Can you explain why it is not signed ? Is it not complete of itself ?—A. I should think there must have been a slip added to it, with my signature on it. It takes up four sides of a sheet. I should think there was a slip with something else added to it.

By Mr. Mulock :

Q. Is the last sentence complete ?—A. No, sir.

Mr. Hector Cameron objected to the letter being received.

By the Chairman :

Q. Is the letter complete, Mr. Larkin ?—A. It is only a portion of a letter.

Q. And it is addressed to whom ?—A. O. E. Murphy,

Q. And written by you ?—A. Yes, written by me—all that is there.

By Mr. Geoffrion :

Q. I want to call the attention of the witness to a mark in the corner. Is it in your handwriting ?—A. That is all right.

Q. What is written in the corner is not yours ?—A. Not mine, but all the rest is.

Q. I ask that the letter should be read.

Mr. Henry objected to the reading of the letter on the ground that it was not admissible as evidence.

Objection sustained.

The ruling of the Chairman being appealed from; the question was left for future decision.

The Committee then adjourned.

HOUSE OF COMMONS,
WEDNESDAY 24th June, 1891.

The Committee met at 10.30 a. m. ; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. HENRY F. PERLEY re-called, further examined.

By Mr. Geoffrion:

Q. I understand there were two sets of tenders called and put in for the Esquimalt works, were there not?—A. Tenders were asked on two separate occasions for that work.

Q. Were tenders received on each occasion?—A. On each occasion tenders were received.

Q. On the first occasion, how many tenders were put in?—A. To my recollection—two.

Q. To help your memory, will you look at page 93 of the printed proceedings of this Committee, and say whether the report printed there refers to those tenders?—A. It does.

Q. The tenderers were Baskerville & Co., and Starrs & O'Hanly?—A. Those were the names.

Q. None of those tenders were accepted or acted upon?—A. They were not.

Q. When were new tenders called?—A. They were called some time in October, 1884, or September. I see that from page 36 of the Blue Book which contains a copy of the Order in Council referring to the second set.

Q. Will you be kind enough to refer to page 96 of the report of this Committee, and see whether you cannot make sure it was at least in September?—A. I said September or October.

Q. I want to make it more precise. Is it not September?—A. I cannot speak from recollection.

Q. Read on page 96, where I think you will find that your report was dated September?—A. Yes; 29th September, 1884.

Q. By that report were not the tenders called on the 8th August, 1884?—A. That is the advertisement, dated August 1884.

Q. The advertisement meant was issued, dated August, 1884, calling for those tenders?—A. Yes.

Q. Can you ascertain when these tenders were to be put in?—A. Not unless I had a copy of the advertisements.

Q. Will you see whether you have amongst your papers a telegram from Mr. Ennis to Mr. Trutch, dated 8th August, 1884?—A. That is a departmental document with which I have nothing to do. I have no control over it, and perhaps I never saw it. Therefore, you are asking me for a paper which I have nothing to do with. If it is in the bundle here, doubtless it will be put before you, but whether it exists or not I do not know.

Q. Will you read this dispatch?

(Exhibit "Q 6.")

"Copy of letter sent, No. 27181.

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 8th August, 1884.

"*Telegram.*

"Hon. J. W. TRUTCH, Victoria, B.C.

"Please publish in same papers as previously in British Columbia same advertisement as appeared in November last inviting tenders for Graving Dock, but

changing dates as follows: Date for receiving tender here to be Saturday, twentieth (20th) September, eighty-four (84), and date for seeing plans and specification, Monday, first (1st) September, and date of advertisements to be eighth (8th) August, eighty-four (84).

"(Signed) F. H. ENNIS."

Q. Mr. Ennis was Secretary of the Department?—A. He was. Mr. Ennis, of course you are aware, is dead.

Q. Will you take cognizance of Exhibit "F 4," being the contract with Larkin, Connolly & Co. for the said Esquimalt works, and also for the tender attached thereto, and say to the Committee what is the date of the tender?—A. This tender does not appear to be dated at all.

Q. Are there any marks showing when it was received?—A. There does not appear to be any, so far as I can see. I might almost say that that is a paper I have never had in my hand before. It is only a copy of the tender, you must remember; it is not the original tender. That would have no mark on it.

Q. Have you any doubt that this tender was put in prior to or on the 20th September, 1884?—A. I would not like to say that that tender was. I would like to see the schedule of the tenders received or the tender itself.

Q. The reason I asked this question is, because the public notice said, on or prior to the 20th September?—A. Then it was received on or prior to that date.

Q. Have you made search for the letter referred to yesterday, and which we claim to have been written to you by Mr. Thomas McGreevy on the 9th September, 1884?—A. I heard of that letter some time last December, but cannot find it.

Q. Have you looked into the copy of your letters to see whether you have the answer to that letter?—A. I have no answer. So far as I understand, it was a private letter, and I kept no answer to it.

Q. Did you answer that letter?—A. I wrote Mr. McGreevy, but whether in answer to the letter referred to or not I cannot say.

Q. Can you remember the contents of the letter of the 9th September, 1884, from Mr McGreevy?—A. I do not know anything about the letter of the 9th September. I only know that Mr. Tarte in his paper published a letter purporting to be from myself to Mr. McGreevy. I presume that is the one you are referring to. Will you be kind enough to say if that is it?

Q. Yes; it was the letter of the 9th September?—A. It was because I heard of that letter that I asked you. I did not read the letter that was published, but I instituted a search to see if I wrote a letter of the 9th September, and I had it not. If it were a private letter, like all my private letters, it would be torn up.

Q. Will you take cognizance of this document, and say whether it was written by you and addressed to Mr. Thomas McGreevy?—A. This letter was written by me and addressed to Mr. Thomas McGreevy.

Q. Will you read it?—A. As it is marked "private" I will have to ask Mr. McGreevy's consent.

The CHAIRMAN.—Read it, Mr. Perley.

Q. The Chairman instructs you to read it?

(Exhibit "R 6") "CHIEF ENGINEER'S OFFICE,
"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 11th September, 1884.

"(*Private.*)

"MY DEAR MR. MCGREEVY,—Your private note of the 9th to hand, and in reply I send you herewith a copy of the specification of the Graving Dock, British Columbia, two copies of tender and sheets showing the quantities of work to be done to complete the work, these quantities having been computed by the resident engineer in British Columbia. I cannot send the rates supplied by myself, as I have never determined them. My estimate of the probable cost to finish was arrived at *en bloc*, and amounted to $390,000, or, deducting the $50,000 for plant and materials

(see specification), $340,000 net. I send a photograph of the work as it stands which may be of assistance to you, but an examination of the plans on exhibition here is desirable. I am told the best and most suitable quarry is 80 miles from Victoria, at or near Nanaimo. You will see by the list of plant, &c., that cement cost the Department $25 per ton landed, but to this must be charged the expense of unloading, cartage to works, storing, &c. I expect to be in Quebec on Monday, and could see you between 2 and 4, as I want to leave at 5 and be back here on Tuesday at mid-day.

"Yours faithfully,

"HENRY F. PERLEY.

"Hon. THOS. McGREEVY,
"Quebec."

Q. What was the amount of the tender subsequently put in by Larkin, Connolly & Co. for the same works? It will help you if you look at page 98 of the proceedings of this Committee?—A. Their tender amounted to $374,559 with concrete backing, and $403,373 with rubble backing.

Q. In your letter to Mr. McGreevy I see that you do not make a distinction between the concrete backing and the rubble backing. To which of the two kinds of works would your estimate apply in that letter?—A. That was to an indefinite use of either, as nothing was settled, and it was left in the specification, if my memory is right, that either could be used.

Q. Well, did I understand you to say it was indifferent when you made your calculation?—A. To me it was indifferent, because I considered at that time that rubble backing could be put into it cheaper or for the same price as concrete backing. You will see that in the letter of Baskerville's.

Q. Of course, this amount of $374,559.53, the tender upon which the contract was granted, includes $50,000, which was to be charged for the plant?—A. Yes; there is no deduction.

Q. You are aware that a deduction was made on this $50,000?—A. I am perfectly aware.

Q. Do you remember what was the amount deducted?—A. $19,000, if my memory serves me right.

Q. In round figures?—A. I beg your pardon; the deduction made from the contract was about $31,000, or nearly $32,000, showing a difference of $19,000 between the $50,000. That is what I mean.

Q. That is to say, the contractors, instead of being charged $50,000, were charged $31,000?—A. We will say $32,000 in round figures.

Q. Bringing down, therefore, their tender of $374,000 by $19,000 less?—A. No; by $32,000 less.

Q. I asked you yesterday whether you could find any instructions sent to Esquimalt as to the way to arrive at this reduction? Have you found them?—A. No instructions were sent.

Q. To make it clear, out of the contract price Larkin, Connolly & Co. were obliged to pay, or rather agreed to pay, $50,000 to the Government for the whole of the plant, and instead of that they had to pay in round figures $31,000?—A. Exactly.

Q. And you say there were no instructions sent?—A. There were no instructions sent.

Q. Do I understand your answer to mean you find none, or that there were none sent?—A. There were none sent, therefore I could not find them.

Q. Had you any correspondence with the resident engineers upon that reduction, and where you informed how the Department came to that conclusion?—A. You will find first a letter, I think, from Mr. Trutch to the Department, in which he speaks of a claim—that the contractors refused to take all this stuff, that it could not be delivered to them, that it was worthless, and I think there was an amount of $12,000 mentioned. I think there is such a letter. Then, again, if you look at a

letter of mine to the Department in January, 1886, you will find that I referred to this very matter—that is, the matter likely for settlement.

Q. Had you anteriority and at the origin of the contract made a report that the contract was clear on that point, and that the contractors were obliged to take the plant at $50,000?—A. Yes.

Q. Well, what I want to find out from you now is, how it is that notwithstanding the resident engineer's report, notwithstanding your report, notwithstanding the contract, that this reduction was allowed?—A. I have told you how it commenced. You will find it in the papers, and now I will tell the Committee that I am responsible for this, and I must be permitted to make an explanation. In the fall of 1885 I visited British Columbia purposely with regard to the works in that Province. Whilst at Esquimalt my attention was called to this plant specified in the list attached to the contract. My attention was called thereto by the contractors. A complaint was made that they were asked to pay for material that could not be found, for material that was absolutely worthless, for material that was of no service to them, and I spent much time in going over that material, and I have no hesitation in informing this Committee that it was as pointed out to me by the contractors; that had I known the true value of the materials and articles mentioned in that list valued at $50,000 before the tenders were asked for I would have struck the major part of them out of it, and never asked any man to pay the price set down or to take the articles enumerated therein. These articles were taken from the Government of British Columbia under the agreement of 1883 made by Sir Alexander Campbell, and formed part of the claim made by the Province of British Columbia on the Government of Canada with regard to the Esquimalt Dock, for which they received $250,000. They were charged to the Government. They had lain there for some years; they were rusty, old and worn out, and I may say the Government of Canada paid a very large bill and took a very dead horse when they paid it; and in attaching it to this contract it was merely a transfer, so far as I was able to learn, to the contractor of these articles at the price at which they had moneyed it, and transferred by the British Columbia Government to the Government of Canada. This is what I understood at the time of my visit, and I give it to you as what I was told. I examined those articles, and when I reported on the work in January, after my return from British Columbia—I think my report is dated January, 1886—I referred therein to this very matter, and stated that the claim would come up when the final estimate was made. I had obtained a statement showing the articles that were worthless, and the like of that, and I struck $19,000 off it. The contractors, had these articles been good and of value, could have taken them and used them in their work, but as they could not be furnished, as they were worthless, they had to buy other articles to take their place, and therefore I considered it was only fair and just not to call on them to pay it. That is my explanation of it. Mr. Trutch had nothing to do with it. I had all to do with it, and in my position as Chief Engineer I took that course.

Q. You say that you reported on the 18th January, 1886?—It was in January, 1886; I do not remember the exact date.

Q. I understand from you that you made a report to the department of what you have just stated to the Committee?—A. There is a report to the Department. I think if you will refer to the papers you will find what I said. I cannot remember exactly. There is a letter of January, 1886.

Q. If there is such a report I have asked for it?—A. This is the letter which I referred to.

Q. It is dated 18th January, 1886. Will you read it please?

(EXHIBIT, S "6.")

"No. 15636. "CHIEF ENGINEER'S OFFICE,

"Subject—Esquimalt Dock. "OTTAWA, 18th January, 1886.

"SIR,—According to the plans, a rather free use of brick in connection with the Esquimalt Dock was specified, and notably the caisson recess was designed to be built of that material.

" Prior to letting the work it was proposed to substitute rubble backing in the place of concrete backing, and alternative plans were prepared, and the plan of the caisson recess showed the abandonment of brick and the substitution of masonry.

" This idea of a change in the backing was not carried out, but the contractors have built the caisson recess in stone, and I must say, after a careful examination, that it is well for the work that they did so, and my only regret is that any bricks have been used in connection with this dock.

" I have to recommend that the contractors be paid for this work at their schedule price for stone, instead of brick. The difference in price will amount to about $6,000.

" Whilst at Esquimalt I made a careful examination of the plant, materials, etc., mentioned in the schedule attached to the contract to be taken over by the contractors, and with reference thereto I can only state that it is to be regretted that a very large portion of it was accepted at any price from the Provincial Government. It is old, unserviceable, of no use, and of but very little value, and in my opinion the prices which were affixed to many of the articles are very much in excess of their value; but could they have been made use of they might have proved of benefit, instead of being not of any service.

" I presume the value of these articles will become a question at a future date between the Department and the contractors.

" I have the honour to be, Sir,
" Your obedient servant,
" HENRY F. PERLY,
" *Chief Engineer.*

" A. GOBEIL, Esq.
" Secretary Public Works Department."

Q. When the contractors took possession of the works at Esquimalt did they object in any formal way?—A. I think there is a letter from Mr. Trutch to the Department in which that is mentioned.

Q. Will you look at page 102, and say whether the letter there is the one you refer to?—A. It is the one I refer to.

Q. Do you mean to say that this objection appears to have been made prior to having taken possession of the works, or after they were in possession of them?—A. This letter is subsequent to the contractors taking possession of the work.

Q. On the same day, did you not also receive a letter from Mr. Bennett, the resident engineer, respecting the same difficulty?—A. That is a letter from Mr. Bennett to Mr. Trutch, and I presume is enclosed in Mr. Trutch's letter. Mr. Trutch's letter is not to myself, but to the Hon. Minister of Public Works.

Q. According to Mr. Bennett, what was the amount of shortage?—A. $12,400.

Q. No, no?—A. I am reading from Mr. Bennett's letter.

Q. No?—A. I beg your pardon; the amount of shortage is $10.45.

Q. Mr. Trutch's letter says that the contractors claimed $12,400 for reductions?—A. Mr. Bennett says the same thing.

Q. Your answer to my previous question is, that this objection from the contractors came subsequent to the taking possession of the works?—A. Yes.

Q. So, at that time it was too late, if they had refused to accept this plant, to call in the subsequent tenderer and ask him to take the work at his tender?—A. It was too late. The contract was signed in November, 1884.

Q. Are you aware that on the 12th May, 1885, following, a letter was written by Mr. Gobeil, the Secretary, to Mr. Trutch, and if so, please read it to the Committee. It is at page 104?—A. I am only aware that such a letter was written by seeing it in print here. Otherwise, I know nothing about it.

Q. I will read it. You answer is that you have not been made aware of that letter until you have seen it here?—A. I do not remember having seen it.

Q. Were you consulted by the Minister after these letters were received by him?—A. I cannot tell. I could tell if I saw the letter. You will get a letter of mine dated 29th April, 1885.

Q. It has not been found. Will you give us your synopsis of it, until it is found?—A. I could give you a copy from my press-book.

Q. Mr. Gobeil was asked to produce before this Commtittee a letter from you, dated 29th April, 1885, and could not find it. Can you produce a copy of said letter? —A. I can. It will have to be copied out of the press-book.

Q. Is the synopsis as printed at page 103 of the proceedings correct? It is to wit:—"The Chief Engineer reports on 58807, and states that the above plant, &c., should be accepted by the contractors at prices named in the inventory attached to specifications, and also recommends that the first deduction on account of same be made from second estimate and Mr. Trutch be notified of the above at once?"—A. So far as I am aware, that would be right. I presume it was prepared from the synopsis.

Q. Do you know whether, at the date of your report of 18th January, 1886, the contractors had been paying the $4,000 monthly in deduction of this $50,000?—A. I cannot speak from recollection. I did not make up the progress estimates. They came from British Columbia, and would have come or been sent to the Department. I have no copies. I know nothing.

Q. Do you know whether, subsequent to you report, the monthly deductions of $4,000 in payment of $50,000 was continued?—A. I may now say I have here the letter you are asking for. It reads as follows:

(Exhibit "T 6.")

"No. 13495. "CHIEF ENGINEER'S OFFICE,
"Subj.—Esq. Graving Dock. "OTTAWA, 29th April, 1885.
"Ref. No. 58847.

"SIR,—With reference to the communication of the Hon. Mr. Trutch (No. 58847) relative:—

"1st. To the plant and material to be taken over by the contractors of the Graving Dock at Esquimalt, B.C., under the terms of their contract; and

"2nd. To a request of the contractors that the first deduction on account of this plant be not made until the 2nd progress estimate: I have to report as follows:—

"It is clearly stated in the specification for this work that the contractors would have to take over and pay for all the plant, etc., mentioned in an inventory attached to the specification, and at the prices named therein—subject, however, to a deduction for any articles that might not be forthcoming at the time the contractors took delivery.

"It now appears from Mr. Trutch's letter that the contractors desire to accept plant, etc., to the value of $38,000 only, and do not wish to pay for the balance, amounting to $12,400, because they say they have no use for it.

"The specification is very clear on this point, and there is no option on the part of the contractors to take what they please and to refuse what they do not want.

"As the contractors have requested that the first deduction on account of this plant, etc.—being $\frac{1}{12}$ of $50,400—be not made from the first estimate, but from the second, as their expenses have been very heavy, I have to recommend that their application be granted and that Mr. Trutch be notified at once.

"I am, Sir,
"Your obedient servant,
"HENRY F. PERLEY,
"*Chief Engineer.*

"A. GOBEIL, Esq.,
"Secretary, Public Works Department."

Q. Can you tell the Committee when, subsequent to your report of the 18th January, 1886, it was decided that a reduction of $19,000 should be made?—A. It was not decided by myself until the receipt of the final estimate.

Q. Will you file the final estimate?—A. What I have here is the amended final estimate.

Q. What is the date of it ?—A. February 21st. It is what is called an amended final estimate. The final estimate was given some time in July, and there were some minor works done after that.

Q. I think it is prior to December ?—A. It says up to the 31st December, 1887, but it was prepared later.

Q. Will you produce a letter sent to Mr. Gobeil with the amended final estimate? —A. The letter would not accompany this. It would be in the Department.

Q. Will you take cognizance of this letter now exhibited to you, and say whether it is the letter you sent with the amended final estimate ?—A. These are the two documents that went together.

Q. Read the letter ?

(Exhibit "U6.")
"No. 22482.
"Sub.—Esq. Dock.

"CHIEF ENGINEER'S OFFICE,
"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 21st February, 1888.

"SIR,—Herewith I enclose for payment an amended final estimate, amounting to $581,727.80 gross, for work done and material supplied by Messrs. Larkin, Connolly & Co. for the construction of the Graving Dock at Esquimalt, British Columbia, up to 31st December, 1887.

"I am, Sir,
"Your obedient servant,
(Signed) "HENRY F. PERLEY,
"*Chief Engineer.*

"A. GOBEIL, Esq.,
"Secretary, Public Works Department."

Q. Read the endorsation on the document—the written part.
"No. 84874.

"21st February, 1888, Public Works. Sub. No. 15, Graving Dock, Esquimalt, B.C.—Chief Engineer Public Works encloses an amended final estimate amounting to $581,727.80, for work done, &c., at Esquimalt Graving Dock.

"Mr. Perley tells me the Minister has agreed that the final estimate is to be paid without the signature of the usual——

Q. "Final receipt?"—A. F-i-a-l, I presume it is meant for "final" receipt.

Q. Will you explain to the Committee under what circumstances the Minister told you what is therein stated in the endorsation ?—A. I cannot do so, as I do not remember.

Q. Do you know the handwriting of that endorsation ?—A. I think it is the handwriting of Mr. Gobeil, the Secretary.

Q. Did you read the name "M. Dionne" in the corner ?—A. Mr. Dionne is the Accountant.

Q. The Accountant of the Public Works Department ?—A. Yes.

Q. You say that the amount was deducted only at the time of the final estimate? —A. Yes; that is the amended final estimate.

Q. Do you refer to the prior final estimate or the amended one ?—A. I want the prior final estimate; I want to refer to it. There must be an estimate behind this, dated 15th of January, 1887.

Q. The document you now hold in your hand is dated—when ?—A. 21st September, 1887.

Q. And you find no reference to that reduction of $19,000 ?—A. Not in this.

Q. Nor any reference to that reduction in the final amended estimate ?—A. No.

Q. Do you know whether it was with the sanction of the Minister that the amount to be deducted was finally arrived at?—A. I told the Committee that I took that on myself—that I was responsible for it, without any reference to the Minister ?

Q. Even to the determining of the amount ?—A. Yes.

Q. In January, 1886, you had made your report that such a reduction ought to be made?—A. Yes.

Q. Did the Minister inquire, before passing the final estimate, whether you had acted in accordance with your report of January, 1886?—A. I do not remember.

Q. Did you ever have any talk, or conversation, or discussion with him subsequent to your report of January, 1886?—A. To the best of my recollection—no.

Q. Prior to your report of January, 1886, and your trip to Esquimalt, had you any conversation with the Minister as to that reduction?—A. Not prior.

Q. At the time of your departure did you have any conversation or instructions?—A. I had no instructions or no conversation.

Q. Had you been made aware by the Minister that the contractors were pressing and asking for such a reduction, and were you instructed to take advantage of your trip to Esquimalt or make inquiries as to that reduction?—A. I have no recollection of any such conversation or instruction.

Q. Did you have any conversation of the same nature with Mr. Thomas McGreevy?—A. I did not.

Q. Neither prior nor after your report of 1886?—A. Neither prior nor after.

Q. So you kept that altogether to yourself?—A. Except the report I made in January, 1886, after my return.

Q. And nobody in the Department ever had any conversation with you in connection with that important report?—A. No.

Q. Your report of January, 1886, was made to the Minister?—A. Certainly.

Q. Do you think the Minister was made aware of the total amount of your final estimate?—A. I am not aware of that.

Q. Were there sufficient papers in the Department to enable him to learn of that final estimate if he required to know it?—A. There were.

Q. Is the Minister in the habit of reading your reports and discussing them with you?—A. Generally—yes.

Q. Are there many exceptions?—A. Very, very few.

Q. Is this not the only one?—A. Of January, 1886?

Q. Yes?—A. I do not know; I would like to see my report.

Q. I want to know if this is not the only exception to such a report of that importance that you did not discuss it with the Minister?—A. I will not say it was not discussed; I have no recollection of it.

Q. As a rule, he generally discusses them with you?—I mean, reports of all works done?—A. Will you allow me to inform you——

Q. I want all the information possible?—A. Will you allow me to inform you and the Committee that I generally have from a hundred to two hundred and fifty works under my charge every year, and it is simply impossible for me to remember every little detail that happens with regard to those works. I did not charge my memory, and no man's memory can carry the little incidentals that happen to cause you to recollect, possibly, this conversation or that conversation respecting it. I am willing to state to the Committee exactly what happened within the limits of my recollection.

Q. That is, Mr. Perley, just exactly what I thought. You have no reason to state there was an exception to the rule made in this case more than another?—A. None.

Q. Am I to understand from you that the rule is, when the report is important that it is discussed with the Minister?—A. Yes.

Q. And if you have no recollection, it is not because you are ready to swear there was no such discussion, but because of the large number of reports you have to make?—A. That is true.

Q. Seeing the prior letters written on behalf of the Minister objecting to such a deduction, is it probable that such a report was passed without being discussed?—A. To what do you refer?

Q. The report of January, 1886. Seeing that, prior, as I said, you had already reported and the Minister had instructed his Secretary to write that it should be done, &c., is it probable it might have been discussed?—A. It is not probable.

By Mr. Mulock :

Q. With the Minister ?—A. Of course—I understand.

By Mr. Geoffrion :

Q. Now, by the final estimate the total amount reported by you and paid was $581,527,80, was it not ?—A. If my memory serves me right, there was a slight clerical error in the additions or multiplications which made it somewhat different from that, in round figures.

Q. In round figures it would be $580,000 ?—A. I think a little more—$582,000.

Q. The clerical error would make it a little larger ?—A. A little larger, but not much.

Q. Referring to the Blue Book, at page 36, you will find, to help your memory —the contract price—it was $374,559.33, was it not ?—A. It was.

Q. In the same book, from page 41 to page 53, are the total extras reported by you in 1890 ? They were $23,015.73 ?—A. They were.

Q. At page 41 of the same book appear extras again, through the change from the double entrance to the circular head the sum is $35,000 ?—A. That was what it might be if carried out. It is only the estimate.

Q. It shows what you expected it to cost ?—A. That is all.

Q. Are you able to say to the Committee what it actually did cost ?—A. I am not.

Q. Have you in your Department the necessary figures to give that information ? —A. We have. I might explain that all measurements for progress estimates or for estimates were made by the resident engineer in British Columbia and forwarded to the Department. No measurements were made by any other person, and we have no detailed knowledge of any measurements made.

Q. Seeing that your estimate of that extra was put at $55,000. I find that the total costs of the work ought to have been $432,575.26. Can you explain to the Committee the difference between that amount and $581,527.80, which was the final cost ? —A. There was a letter read this morning, in which I stated that to complete the caisson chamber of stone instead of brick would entail an additional cost of $6,000. It was stated yesterday, in a letter read in my hearing by Mr. Trutch, that $23,000 would be added to a difference in measurement of stone. The final estimate also includes cost of cement shed, cottages, carpenter shop, blacksmith shop, office with vault, fixtures, centrifugal pump, powder magazine, and other items that were not given.

Q. It was in the $23,000 ?—A. Oh, no; I beg your pardon. I am reading them here. It was due to the difference between the measured quantity of work as actually built and the quantity as estimated from plans on which quantities were used in moneying out the schedule. I must state this estimate here of the schedule prices on which the amounts were arrived at, as mentioned on page 36, was made by applying the prices named in the tenders to certain amounts of the different classes of work that were to be done, these amounts being determined by calculations from the plans, but the quantities in the final estimates are those actually measured, and I might almost say, as a rule in these cases, they exceed the quantities estimated from the plans.

Q. You referred yesterday to the fact that a letter was read showing the extra cost to have resulted from a new mode of measurement. Is it not a fact that the largest part of this increase from $430,000 to $580,000 was due to that new mode of measurement ?—A. I am not prepared to say. I think not, but I am not prepared to say it was not. I think not. I might also add in here the cost of the circular head wall.

Q. I put it in ?—A. Of course, that was merely an estimate you put in.

Q. If you will look at page 50 of the Blue Book you will see a reference to pump ?—A. That was only the job of connecting the pump. This is for the building of the centrifugal pump itself. We found the tower for pumping was not sufficient,

and we had to put in this pump to clean out the dock in sufficient time. The cost of building it and the well is included as extra.

Q. As to the new mode of measurement, was it adopted by the resident engineer over there or was he instructed by you to adopt this new mode of measurement?—A. He was instructed by me. He was authorized by the Department.

Q. This order or these instructions were given by you with the sanction of the Minister?—A. They were.

Q. In a letter of yours printed at page 39 of the Blue Book you state that the contractors have informally applied here at Ottawa for permission to change the courses. Will you explain by whom such informal application was made?—A. I think that was all explained yesterday. There were letters put in which showed how this came up. Telegrams were read and papers put in showing that that application came from the contractors.

Q. Letters from Esquimalt and despatches would not, according to me, meet the words "informally applied here." Letters from Esquimalt would be formal applications from there. Now who applied here?—A. See Mr. Trutch's letter. You will find a letter from Mr. Trutch showing that they had applied to him, and had given Mr. Trutch plans or Mr. Bennett plans.

Q. That is not here?—A. There must be a letter here from them.

Q. But a letter written in Esquimalt could not be an application here?—A. I cannot give you an explanation. Your question, I take it, refers to the words "have been informally applied here." I cannot give you an answer to that.

Q. Notwithstanding the objections that were made from there, it was granted here?—A. I do not understand that.

Q. Was it not a fact that Mr. Bennett and Mr. Trutch objected to them applying for it over there, but notwithstanding their objection this letter was dated from here, telling them they had to do it?—A. That is so, according to my letter.

Q. Now, you cannot say who made this application to you?—A. It was not made to me. If it had been made to me you would have had it in writing.

Q. By whom were you informed that such an application had been made here? A. I want to see if there is any letter of mine or any letter to me. This letter reads:—"Minister authorizes you to permit contractors to build work with stone of increased sizes, as proposed by themselves, they to be made aware that this permission is merely acceding to their request, and not ordering them to make the change."

Q. Is it not a fact that it was to the Minister that this informal application was made? - A. I assume so, from the tenor of the letter.

Q. Was that letter written under instruction of the Minister?—A. This letter is only in confirmation of a telegram and I would not have used the words "Minister authorizes you."

Q. What was written beside the telegram must have been written under instruction of the Minister?—A. Yes; because it goes on to say "Your long message of the 2nd I laid before Sir Hector."

Q. Who were the parties acting for the contractors here in Ottawa generally?—A. In Ottawa?

Q. Yes.—A. Nobody that I am aware of.

Q. You never saw anybody interesting themselves for the contractors?—A. No.

Q. You only saw the contractors themselves?—A. That is all I ever had to do with the contractors themselves.

Q. Had you conversations about these works with Mr. Thomas McGreevy?—A. Not to my recollection. I am almost sure not.

Q. Had you any conversation with Mr. Thomas McGreevy with reference to the Esquimalt works?—A. Same answer.

Q. Did you communicate him the long message of 2nd May, 1885, to which you referred in your letter of the 4th May, 1885?—A. I did not.

Q. Will you look at page 24 and read the letter signed Thomas McGreevy, dated Ottawa, 1st March, 1886, and say whether the reference to you there is correct. The

part I refer to is this :—"I have had a long interview with Perley on Harbour Works and Graving Dock, B. C ?—A. I stated to the Committee, yesterday, that I held a dual position : Chief Engineer of the Harbour Works, Quebec, and Chief Engineer of the Public Works Department of Canada. With reference to this statement of Mr. McGreevy :—" I have had a long interview with Perley on Harbour Works." I have no doubt that Mr. McGreevy had. Mr. McGreevy was a Commissioner of the Harbour at Quebec, and I was his servant, and therefore, had a right to discuss with him anything connected with the Harbour Works at Quebec ; but I have no recollection, and I can therefore safely say, I had no recollection of any discussion with him about the British Columbia Graving Dock.

Q. Graving Dock, B. C., means Graving Dock, British Columbia ?—A. Yes.

Q. This would not be under your care as Chief Engineer of the Harbour Commissioners at Quebec ?—A. Not at all.

Q. Then, if such conversation took place it would be in your capacity as Chief Engineer of the Department of Public Works ?—A. Yes, if such conversation took place ; but I have no recollection of such conversation. If any conversation took place it would be a *bonâ fide* conversation which Mr. McGreevy and I had a right to discuss.

By Mr. Curran :

Q. You mean to say it would have relation to the Harbour works at Quebec ?—A. I have no recollection of a discussion either with reference to the Quebec Harbour works or the works at British Columbia. If it was with reference to the Harbour works he would have a right to discuss it with me ; but he would not have with reference to the Graving Dock at British Columbia.

By Mr. Lister :

Q. And if he says he had he was not telling the truth ?—A. I would not put it that way.

By Mr. Davies :

Q. Then you withdraw the first answer that you made, that you had no conversation with Mr. McGreevy with reference to the Esquimalt Graving Dock ?—A. I have no recollection. I modify it in that way.

By the Chairman :

Q. Will you undertake to swear that you had no such conversation ?—A. I would not swear. It would be folly for me to undertake to make such a strong answer. There is one thing I might state. This letter I am now questioned about is dated March, 1886. I was previously questioned relative to a long telegram of May, 1885, so that there is no connection between the two.

Q. Will you look at Exhibit "G 2." on page 22 of the printed evidence and read another letter signed "Thomas" and addressed to "My dear Robert," dated Ottawa, 2nd May, 1885, and which is proved to have been written by Thomas McGreevy to his brother and say whether the reference to you is correct or whether any of the information which Mr. McGreevy appears to have received from the Public Works Department was received from you ?—A. As I understand it, your questions are two. The first reference is correct—that is that "Perley has telegraphed Trutch to send amount of estimate." That was read yesterday. The telegram was put in. I would like it read. The second part of your question was "Did I convey that information to Mr. McGreevy ?" I did not.

Q. My question was rather long. You have omitted to explain to the Committee whether the reference in these words, "it is now understood that Bennett, the engineer at B. C. will not suit, so the Minister and Perley are prepared to change him ?"—A. That is a different question. I covered the first part relative to—I may say that I have little recollection of this. There was a complaint made, I think, that Bennett was hard. You will find a letter of mine to Mr. Trutch, I think it was read

yesterday, and Mr. Trutch's reply. That was the beginning and ending of the matter. There was no successor appointed. Mr. Bennett was not asked to retire or resign, he was never dismissed from the service and only left there when his work was done, and he went away.

Q. So that if there was something more decided in the Department you are not aware of it?—A. "Bennett the engineer at B. C. will not suit." I know nothing about it.

Q. Were you prepared to change him?—A. I was prepared to change him if he did not suit.

Q. Did you decide that he was to be changed? Was it ever decided that he was to be changed?—A. No.

Q. Had you any conversation with Mr. McGreevy in reference to Bennett? A. Not to my recollection.

Q. Had you any conversations or communications with any member of the firm of Larkin, Connolly & Co., the contractors, in reference to this engineer, Bennett?—A. I might have had when I was at Quebec on one of my visits. They might have spoken to me relative to Mr. Bennett being very hard on them. They might have spoken to me, and I have an idea that they did, but it was like all strangers coming together, contractors and engineers, before understanding each other, and there might be that feeling on the part of the contractors as against Mr. Bennett, because he was a totally new man with totally new ideas of work, and they did not fit in together. I had some conversation relative to that, but it seemed to me it was more a matter of friction than anything else.

Q. Please read the letter dated 4th May, which appears as Exhibit "H2," on page 23 of the printed evidence, signed "Thomas," and addressed to "Dear Robert," and say whether you communicated any of the information in connection with that long dispatch which cost $15?—A. I have said "No" to that.

Q. After seeing that letter, you do not alter your first answer?—A. No; because I gave you that answer in the letter on page 39 of the Blue Book.

Q. Is the statement contained in the letter that you went to see Page: "Perley went to see Page this morning to try and get another engineer to send out at once and dismiss Bennett. He that goes out will get his instructions before going out." Is this statement correct?—A. I have a recollection of going to Mr. Page and asking him for a man, if he had anybody he could recommend, in the event of any trouble in British Columbia with Mr. Bennett. I got no one from him; he gave me no name, and there the matter dropped.

Q. Did you do that at the request of Mr. McGreevy, or the contractors, or the Minister?—A. It would be at the request of the Minister, not of Mr. McGreevy or the contractors.

Q. Did you do it at the request of the Minister if you did it?—A. Yes.

Q. Will you file a letter signed by Mr. Trutch and addressed to somebody in the Public Works Department, dated 22nd July, 1884, in connection with the Esquimalt Graving Dock. The No. is 49901?

(Exhibit "V6.") "Victoria, B.C., 22nd July, 1884.

"Sir,—I have the honour to enclose herewith tracings (3) of plans and sections showing modifications in the construction of the Esquimalt Graving Dock, and particularly of the caisson recess, together with copy of specifications and form of tender, amended in accordance therewith, so as to provide for concrete in the bulk of the work.

"These alterations of the dock plans have been made by Mr. Bennett, resident engineer, under my directions, and are now submitted for your considerations, pursuant to your instructions to me by letters from the Chief Engineer of the 26th and 29th May last.

"A copy of a letter to me from Mr. Bennett on the subject of the alterations proposed in these plans and specifications is also enclosed herewith.

"I have the honour to be, Sir,
"Your obedient servant,

"JOSEPH W. TRUTCH.

"The Honourable
"Sir HECTOR LANGEVIN, Minister of Public Works,
"Ottawa."

Q. Please read Mr. Bennett's letter, referred to in Mr. Trutch's communication?

(Exhibit "W 6.")

"(*Copy.*)

"ENGINEER'S OFFICE,
"ESQUIMALT, 27th July, 1884.

"SIR,—Acting under your instructions, I have the honour to send you herewith three tracings showing proposed alterations in the construction of the caisson recess, and a copy of the specifications and form of tender altered so that rubble masonry be substituted generally throughout the work for concrete backing or hearting to side walls, quay walls and floor of dock.

"I would respectfully suggest the desirability of completing the partially constructed brick work in outer and inner inverts in the entrance works up to the level of bed of springer stones of side walls, as originally intended, as well as all brick work in connection with pump walls, culvert and engine-house foundations, and further, that the brick invert under caisson berth, which is already constructed as far as 14 feet, to the west of the centre line of the dock, be extended as far as the stop groove at entrance to caisson recess.

"Should it be deemed desirable, the brick work hearting of circular pier heads, which are faced with ashlar, and hearting to side walls of entrance, can be changed to rubble masonry hearting. The change will not, however, ensure a better or more water-tight job, nor will the proposed alterations of materials to be used in construction in any way, in my opinion, tend to decrease the ultimate cost of the dock.

"I have, &c.,

"(Signed) W. BENNETT,
Resident Engineer.

"Hon. J. W. TRUTCH, C.M.G.,
"Dominion Government Agent, Victoria, B.C."

Q. Have you got copies of the two letters mentioned in this letter, as sent by you, dated the 26th and 29th of May, 1884?—A. I have not the copies here.

Q. But you can give them to us?—A. Oh, yes.

Q. Will you now file a telegram, dated the 4th July, 1884, from Trutch to you?—A. Yes; it reads:

(Exhibit "X 6.")

"VICTORIA, B.C., 4th July, 1884.

"To H. F. PERLEY.

What about caisson? Chamber wall recesses do not think they can be dispensed with. See letter 14th ult. Can only suggest build arched recess on rubble masonry with straight back. Will no other alteration of plans appears advisable only change need be to substitute in specification rubble masonry for concrete and brick work in dock floor and hearting of wall.

"JOSEPH W. TRUTCH."

Q. Will you now read this letter, and say whether it is a copy of a letter sent by you to Mr. Trutch? I suppose you have not the original of these letters. Is your letter-book here?—A. Here is my copy:

(Exhibit "Y 6.")
"No. 11394.

"25th August, 1884.

"Esquimalt Graving Dock.

"SIR,—I transmit to you herewith ten (10) copies of the specification and form of tender (each) for the completion of the Graving Dock at Esquimalt for exhibition to intending contractors.

"You have in your possession copies of the plans which you can place on exhibition, in accordance with the terms of the advertisement.

"Concrete backing has been placed in the specification as well as rubbled backing, with a clause to the effect that either can be used at the option of the resident engineer.

"Yours obediently,
"(Signed) HENRY F. PERLEY,
"*Chief Engineer, C.L.*

"Hon. J. W. TRUTCH,
"Dominion Agent, Victoria, B.C."

Q. Will you file the report from Mr. Bennett to you, dated the 28th August, 1885?—A. To me?

Q. No—to the Department?—A. Oh, they are what I call red-backs. I have nothing to do with them; I may tell you I never had but one letter of Mr. Bennett's in all my life.

Q. Here is the report. To whom is it made?—A. It is dated the 28th July. There are two dates here. The first one is the date of a letter of the 28th which was received in the Department on the 7th August.

Q. Will you have a search made of a protest by the Government of British Columbia and dispatches from Sir Hector Langevin, some time in 1884?—A. That would not be in my Department.

By Mr. Tarte:

Q. I believe you made the report?—A. If you find the papers, my report will follow. The papers I know nothing about.

Q. Will you read part of this report from Mr. Bennett of the 28th July, 1885, as indicated by the pencil marks?—A. "By permission of the Minister of Public Works and at the request of the contractors, the ashlar of the side walls and paving of floor of dock are being recoursed. Pursuant to the hon. the Minister's directions steps are being taken to dispense with the entrance at the head of the dock, the space proposed to have been occupied by which will be thrown into the body of the dock, which will be finished off with a circular head." The report and letter accompany it read as follows:—

(Exhibit "Z 6.") "VICTORIA, B.C., 28th July, 1885.

"SIR,—I have the honour to send you, enclosed herewith, copy of progress report of work done on the Esquimalt Graving Dock up to 30th June last, addressed to me, by Mr. Bennett, resident engineer in charge of this work, which report is referred to in my annual report to you of this day's date.

"I have the honour to be, Sir,
"Your obedient servant,

"JOSEPH W. TRUTCH,
"*Dominion Government Agent.*

(Exhibit "Z 6.")
"The Honourable
Sir HECTOR L. LANGEVIN, K. C. M. G., C. B.,
"Minister of Public Works, Ottawa."

"(*Copy.*) "ENGINEER'S OFFICE, ESQUIMALT, B.C., 28th July, 1885.

"SIR,—I have the honour to submit the following progress report of the work on the Esquimalt Graving Dock to 30th June last:—

"Under terms of the Settlement Bill the incompleted work, materials, plant, &c., were, on the 24th August, 1883, formally transferred hy the Hon. Wm. Smith, Chief Commissioner of Lands and Works for the Province of British Columbia, to and taken possession of by you, as Agent of the Dominion of Canada, and under your instructions I continued in possession and took general charge of the works and properties temporarily, and until the directions of the Minister of Public Works had been received by you, and at your request I supplied you with an inventory of all properties on the works or belonging thereto, with an estimate of their value and a plan of the dock lands, showing the position of the several works and buildings thereon.

"On the 7th of December, 1883, you informed me by letter of that date that under the provisions of an Order of His Excellency the Governor General in Council the works of the Esquimalt Graving Dock were placed under your general supervision, and that you were empowered to appoint me resident engineer on behalf of the Department of Public Works. My acceptance of this appointment was conveyed to you by letter of 8th December. 1883.

"The few hands engaged driving sheeting piles around the culvert to the pump wells, and otherwise, at the time when the dock was transferred, were kept on till the 10th September, 1883, when they were discharged, and no one was employed but a night watchman and the engineer in charge of the pumping machinery which keeps the dock site free of water.

"On the 28th September, 1883, the Barque 'Jane Sprott' arrived from England, with 293 tons of Portland cement, which had been ordered and paid for by the Government of British Columbia. This cement was stored in the warehouse on the works built for this purpose.

"During the year 1884 the works remained in *statu quo*, the pump being worked as often as was necessary to keep the floor of the dock dry.

"Tenders for the completion of the work were called for on the 12th November, 1883, returnable on 8th February, 1884, but the contract was not then awarded. On the 8th August, 1884, tenders were again advertised for, returnable on 20th September, and the contract was upon these bids awarded to Messrs. Larkin, Connolly & Co., and was signed on 8th November last. Mr. N. K. Connolly of said firm arrived here on 4th December, 1884, and the order to commence work was given to contractors by letter from you to them on 5th January, 1885.

"On 23rd June, 1884, Mr. J. S. Wilson, inspector of masonry, on behalf of the Government, reported himself to me, and has since been carrying out the duties of that office much to my satisfaction.

"The contractors, soon after their arrival, commenced making and erecting plant. Six steam and one horse-power derricks are now at work on the dock, and the steam and four horse-power derricks at the quarry.

"With Mr. N. K. Connolly I left on 11th January, 1885, on a prospecting tour in search of stone, returning to Victoria on the 15th. The weather, I may state, was, for this Province, exceptionally cold at this time, but through the courtesy and attention of the officers of the Marine and Fisheries Departement we were enabled to explore the various islands and inlets we visited in the Government steamer 'Sir James Douglas,' with comparative ease and comfort.

"Excellent granite we found in Jarvis Inlet, distant about 100 miles from Esquimalt, and first-class sandstone at Salt Spring or Admiralty Island, 40 miles from Esquimalt.

"It is at this latter spot the stone for the dock is now being obtained, and the class of stone, both for quality and quantity, has more than realized our expectations. At present nearly 200 men are employed at this quarry.

"The contractors imported both plant and men from Quebec, so that it was not till the 21st of February that brick work was commenced on the outer invert and the work generally started, though the stone-cutters had been at work since their arrival on the 10th of January.

"The first ship load of stone from the quarry arrived on the 7th March and the

sixth load on the 15th June. As the quarry develops the rapidity in delivering the dressed stone has and will continue to increase. At the commencement of work, owing to the contour of the ground at the quarry, there was scarcely room to plant even one derrick at the water's edge, so steep was the cliff. I noticed great improvement on my last visit of inspection, in the way of facilitating the loading of the stone barge, which was due to the increased room for yarding purposes.

"By permission of the Minister of Public Works and at the request of the contractors the ashlar of side walls and paving to floor of dock are being recoursed.

"Pursuant to the Honourable the Minister's directions, steps are being taken to dispense with the second entrance at the head of the dock, the space proposed to have been occupied by which will be thrown into the body of the dock, which will be finished off with a circular head. The length on floor of dock from inside face of inner invert will thus be 430 feet, instead of 380 feet, as originally intended.

"The work on which the contractors have been engaged has been as follows: Excavations in clay at south end of dock; excavations in rock in caisson recess; completion of outer invert; levelling up concrete floor of dock to receive paving which is now 213 feet south of inner invert; facing side walls of dock with altars and ashlar; setting stop quoins and mouths of culvert in caisson recess.

"The quoins for the inner and outer face of inner invert are on the ground and ready for setting, as also are culvert stones leading to pump wells, and a large quantity of ashlar, altars and copings.

"The amount paid to contractors under estimate Nos. 1, 2, and 3 is as follows:—

On contract work	$42,791 63
Advance on materials	18,379 03
	$61,170 66
Less 10 per cent.	6,117 06
	$55,053 60
For extra work	3,544 60
	$58,598 20
Less $\frac{2}{12}$ value of plant, &c.	8,409 70
	$50,188 50

"With reference to the last item, $8,409.70, I may explain that amount represents two-twelfths of $50,458.24, the value of the plant and material on the works when the contract was let, as per schedule attached to the specification, and which amount of $50,458.24 has, under terms of the contract, to be repaid to the Government by the contractors in twelve monthly instalments.

"The want of dressed stone and of an adequate supply of bricks have somewhat delayed the progress of the work. These difficulties are being overcome; the plant erected is suitable and sufficient for much more rapid construction, and enough white labour is now obtainable, without having to employ Chinamen, a few of whom were tried both as excavators and stonecutters, but they proved to be more plague than profit, and none of them are now engaged on the works.

"I see no reason, therefore, why the dock should not be well advanced before the wet season commences. It will be quite possible to continue building all through the winter, with perhaps the exception of a few very wet or cold days, but of course the work cannot be carried on at such an advantage then as now.

"The cofferdam continues to be as efficient as it ever has been, and I do not expect the contractors will be put to much, if any, expense on its maintenance.

"It is very desirable that the caisson should be completed and ready to be placed in position at the earliest possible date for the protection of the work, in case of any accident to the cofferdam. Tenders for this caisson were called for, returnable on

1st June last, but up to the present date I believe no official notification has been received here that the contract for this work has been awarded.

"I have the honour to be, Sir,
"Your obedient servant,

"(Signed) W. BENNETT, M. Inst. C.E.
"*Resident Engineer.*

"The Honourable
"J. W. TRUTCH, C. M. G.,
"Agent of the Dominion Government,
"Victoria, B. C."

By the Chairman:

Q. About this informatiom contained in these two letters of Mr. Thomas McGreevy, pages 22 and 23 of the proceedings, you say you never gave that information to Mr. McGreevy. Could it have been furnished by any parties in your department, or the Department of Public Works?—A. That is a very broad question, and I am not prepared to answer.

Q. Was that information accessible to many parties in the Department—clerks, secretaries and other employés?—A. Yes; all papers are open to a certain number of employés.

Q. A large number or a small number?—A. I cannot tell you. There are the clerks that have the recording of documents that come in.

Q. Are there many of them?—A. I cannot tell you the number. It is in the Secretary's branch, and I know no more about it than if it was another department.

By Mr. Mills:

Q. What source of information is stated in the letter itself?—A. Myself. That is all my reply was to—myself.

The Committee then adjourned.

HOUSE OF COMMONS, THURSDAY, 25th June, 1891.

The Committee met at 10.30 a.m. ; Mr. Girouard in the chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

MR. HENRY F. PERLEY re-called.

WITNESS—I was asked yesterday to furnish copies of letters of the 26th and 29th May, 1884. These are the copies :

THE CHAIRMAN—The clerk will read them.

(Exhibit "A 7.")
" No. 10475.
" Esquimalt Graving Dock.

" 26th May, 1884.

" SIR,—I have to inform you that tenders—two in number—which were received for the completion of the Graving Dock at Esquimalt, were not entertained by the Minister and nothing therefore has been done towards recommencing work.

" With respect to these tenders, I may inform you that one was considerably below the value of the work to be done as per your estimate, and the other largely in excess.

" With the view of the completion of the dock within the amount estimated by you it has been decided to change the character of the work to be done in the wing walls caisson chamber and body of the dock by dispensing with the concrete backing and brickwork in connection therewith, and substituting rubble masonry therefor, and I am directed by the Hon. the Minister to request you to have the plans of the dock modified to suit this alteration, and that the specification be re-written to meet the changes which are to be made.

" You will note that the caisson chamber walls are recessed—the recesses having curved backs and circular heads.

" There does not appear to be any necessity for other than a plain straight wall—the more so as the Graving Dock at Quebec, which was designed by Messrs. Kinniple & Morris, has walls of such character—and I must say that the plans of the Graving Dock at Quebec show a much simpler mode of construction than those of the dock at Esquimalt.

" It is the wish of the Minister that these plans should be so simplified that whilst the work to be built should possess the maximum of strength such as can be obtained by the use of the rubble masonry backing, the ultimate cost of completion can be reduced to the amount named by yourself.

" Our Canadian contractors have had many years' experience in the construction on the canal system of Canada of heavier works than are to be executed at Esquimalt, and the experience gained in the use of concrete backing as specified by Kinniple & Morris for the harbour works at Quebec has proved that it would be cheaper and more satisfactory to use rubble backing.

" The Minister desires therefore that you will place Mr. Bennett at work as soon as possible on the alterations to be made to the plans, specification, form of tender, &c., and send them here for his approval.

" Yours obediently,
(Signed,) " HENRY F. PERLEY.
" *Chief Engineer.*

" HON. J. W. TRUTCH,
" Dominion Agent.
" Victoria, B.C."

(Exhibit " B 7.")

" Copy.

" No. 10,525.

" Graving Dock, B.C. " QUEBEC 29th May, 1884.

" SIR,—I have been requested by the hon. the Minister of Public Works to say to you that after the revision of the plans, specifications and form of tender for the Graving Dock at Esquimalt have been made, in accordance with the directions contained in my letter of the 26th, you will have copies of the same made and forwarded to him, to permit the issue of advertisements, &c., and that you are to keep the originals for exhibition at your office.

" I am, Sir,

" Your obedient servant,

(Signed) " HENRY F. PERLEY.

" *Chief Engineer.*

" Hon. J. W. TRUTCH, C. M. G.,

" Dominion Agent, Victoria, B. C."

Q. Mr. Perley, I understood you to state yesterday that you could not remember in particular any conversations or communications that you had with the contractors, Larkin, Connolly & Co., or any of them about the Esquimalt Graving Dock. Within a week prior to the 19th February, 1886, can you remember whether you had an interview with Mr. Patrick Larkin, one of the said contractors and had with him a long conversation in connection with the works at Esquimalt ?—A. No, I cannot remember.

Q. If Mr. Larkin has made such a statement in a letter bearing date 19th February, 1886, would you doubt that such an interview took place ?—A. I would not doubt it in the slightest.

Q. If he so stated ?—A. If Mr. Larkin stated it I would not doubt it.

Q. If Mr. Larkin, also stated that you then assured him that the dock would not be lengthened before its completion as Sir Hector was bound to have it completed by the time specified in the contract, even if it had to be lengthened immediately afterwards, would you believe that statement to be correct ?—A. I would believe it to be correct.

Q. If he also stated that you read him a telegram which you had sent to Mr. Trutch, and a letter confirming the same in which he instructed the said Trutch to allow them, the contractors, full measurement on the masonry all over, and for masonry in the caisson chamber where they had put it, and for which Mr. Trutch had only allowed a price for a 17-inch back wall, would you believe that statement to be true ?—A. I would believe it to be true. Do you not think it would be fair to myself to have this letter read to me ? So far as it concerns myself, you are not reading a letter, you are merely dotting here and there and asking me questions. I would ask Mr. Osler's opinion.

Mr. OSLER.—There is no doubt the way the questions are being asking, is irregular. We are not objecting to the method, but technically speaking I think it is wrong.

Mr. GEOFFRION.—I am quite willing to have the letter put in the hands of the witness, so that he may verify whether my questions are correct or not ?

WITNESS.—I might state that in speaking to Mr. Larkin about measurements and of anything of that kind, that I was within the limit of my duty. I had a right as engineer to talk to a contractor about his work and tell him what was going on. It would be for that reason that I think I would remember,—not remember, but still as Mr. Larkin might say the conversation took place it is from that standpoint I answer.

Mr. GEOFFRION. I am trying to find somebody else in fault, not you, Mr. Perley. I do not blame you.

WITNESS.—I am not afraid of being blamed; I only want to let it be known that what I have done has been from my own standpoint, regular. That is all I want.

Q. Now can you remember the facts referred to by Mr. Larkin?—A. I cannot remember.

Q. You cannot remember?—A. I cannot, that is an impossibility.

Q. If Mr. Larkin also states in that letter on that date that he spoke to you about the $18,500 security and that you advised him not to ask for it now, that Sir Hector did not like to return a security until the work was completed, as it would be establishing a precedent, which he did not want to do would that be correct?—A. I do not remember having had that conversation, but as Mr. Larkin has stated that it did take place, I have not slightest doubt but what it passed bet ween us, because it is a rule of the Department and always has been, it is always adhered to, never to return a security until the completion of the work.

Q. So when you say you do not remember to have had any conversation with the contractors, it is purely because you have so many of these conversations that you cannot remember? But you do not swear that you had none with Mr. Larkin?—A. Oh, no, I dare say Mr. Larkin was in talking about British Columbia, and the next man who would be in, a few minutes later talking about Cape Breton.

Q. Your answers about these statements contained in a letter of that time, would apply to any other letters of these gentlemen, where they would refer to an interview with you?—A. Yes. I will make the same reply to any question of that kind.

Q. In connection with the Esquimalt works we have filed here a number of letters, reports and telegrams, can you state to the Committee whether these reports, telegrams or letters were submitted to the Minister before being sent? Would you like to see them before answering?—A. I would like to see them, because I think on the face they state how they have been disposed of.

Q. When you use the words "I have been directed" to do such and such a thing, whose direction would it refer to?—A. Now you are coming to another matter altogether. You are now coming to the words "I have been directed" which admit of two meanings. "I have been directed" might be taken from a grammatical standpoint or from a purely official standpoint. Grammatically it would mean I had been directed by some one else to do a certain thing; from an official standpoint it is a term that we use as "I am your obediently," or "My dear Sir."

Q. It is an official style?—A. It is an official style. It would admit of these two meanings, but there is not the slightest doubt that where it has been used, that there has been not the direction given, but the conclusion arrived at that such a letter should be written without the very words, "I direct you to do it" being used.

By the Chairman:

Q. Mr. Perley, when you say "I am directed by the Minister," could it mean by the deputy Minister?—A. Oh, no.

Q. When you say "I am directed by the Minister," does it mean by the Minister personally, or through an official?—A Yes, it may be that I have received a letter ordering me to do certain things. That would be true and official—through the Secretary of the Department.

Q. But when you say in one of your papers "I am instructed by the Minister," does it mean by the Minister acting through an official?—A. The Minister acting through an official.

Q. It may mean that as well as the Minister personally?—A. Yes.

Q. When you say "I am directed by the Minister," does it mean the Minister personally or through an official?—A. At times it does; at other times it does not.

By Mr. Amyot:

Q. But would it come from the Minister through somebody?—A. At times it comes from the Minister through the Secretary of the Department.

By Mr. Mills (Bothwell):

Q. You are chief engineer of the Department?—A. I am.

Q. There is no other officer of the Department intervening between you and the Minister as an intermediary other than the Minister's secretary?—A. Not the Minister's secretary, the secretary of the Department.

By Mr. Langelier:

Q. Could the secretary of the Department give you orders other than from the Minister?—A. You must ask him.

By Mr. Geoffrion:

Q. But he must transmit an order?—A. Oh, certainly; he is the medium of communication, and when I write a letter in which I state "I am directed," I am merely a medium of communication. I do not give the order.

Q. When you say "I am instructed by the Minister," are you satisfied that you have directions from the Minister?—A. Yes, either personally or through the medium of a letter from the Secretary.

Q. You are satisfied as to the genuineness of your instructions?—A. I am.

Q. When you say you are directed by the Minister?—A. That would lead to the supposition that I have been in the habit of writing letters without instructions. I have told you that I have either been instructed by the Minister personally or by letter through the medium of the Secretary of the Department; not of my own free will.

Q. At all events you are satisfied that your instructions were from the Minister?—A. I am perfectly satisfied.

Q. I will refer you to page 43 of the proceedings, where a letter dated the 17th May, 1883, is printed? Will you state in reference to this particular case, by whom and how you were directed to call attention to the errors mentioned in that letter?—A. May I ask, do you wish me to give an explanation, because it will need an explanation.

Q. I would like to have an answer, and then give the explanation?—A. This is a matter that does not refer to the Esquimalt Graving Dock. It is a matter that refers to the tenders for the cross wall of the harbour works at Quebec. It will need an explanation on my part, an explanation which I deem due to myself on this matter. Under the Act of Parliament, 1882, the Harbour Commissioners were entitled to obtain from the Government of Canada a further amount towards the construction of the works which they had undertaken at Quebec. In that Act it was stipulated that the plans for the cross wall, so called, should be prepared by the Chief Engineer of the Department of Public Works. As the Chief Engineer of that Department it became my duty to prepare those plans, and I did so—I prepared the plans and specifications and the data connected with it. They were submitted to the Privy Council and received approval. They were then sent to the Harbour Commissioners of Quebec, who advertised for and received certain tenders for the construction of that wall. Those thenders were opened in Quebec, as appeared by the evidence already given before this Committee. The tenders were forwarded to the Department of Public Works at Ottawa, and received there. Why these tenders were placed in my hands, as they were schedules of prices and tenders to which quantities had to be applied, whether they were placed in my hands for that purpose or not I do not remember. The plans were prepared by the late Mr. Boyd, an assistant of the Department, who took out all the quantities required for the preparation of the schedule. I am aware that those tenders were placed in his hands, that he prepared the schedule, and he discovered the errors in three of the tenders, marking those errors on the margin of the schedule sheet. I believe it is in evidence; he called my attention thereto and as it was my duty to do so, I laid that schedule sheet before the Minister of Public Works and discussed with him the errors that had been detected and that unless those errors were cleared up in some way it was impossible to make a comparison between the three tenders which were incomplete and the two tenders that were complete.

At that disucssion I have no doubt no direction was required, but as it is the course I have always pursued in cases of tenders, and as I have done in many instances since,—I won't say by direction of the Minister, but with the knowledge of the Minister—I wrote the three letters to the parties, that is Larkin, Connolly & Co., George Beaucage, and John Gallagher. Two of the letters were exactly alike. One, I think, that of Beaucage, had an extra paragraph, because there were errors in his that did not appear in both. I received the letters in reply. I then wrote a letter to the Department submitting the schedule with the corrections made. I might say that after my letter had been despatched to Gallagher and almost before he could have received it, there had been received in the Department, a letter from Gallagher asking to withdraw his tender for the reason stated in that letter. Therefore no change was made and he adhered to his prices, I think. That narrowed us down to the four put in. Messrs. Larkin, Connolly & Co. stated they adhered to the prices they put in.

Mr. Geoffrion :

Q. All this is not evidence, Mr. Perley.—A. I know that, but I am speaking a little in justification of myself, because I have been attacked in this matter pretty plainly. These letters, with my copies, went into the Minister, and I altered in red, on the schedule sheet, the Beaucage tender. All the columns were added up, because the addition is in my handwriting, but the body of the schedule is in the handwriting of Mr. Boyd. It was then sent forward to the Minister. That is my connection with these schedules.

Q. As a rule when a tenderer asks to be allowed to withdraw a tender, you do not act on your own authority, do you ?—A. Oh, no.

Q. You have authority of the Minister ?—A. I must state I have nothing to do with the acceptance or rejecting of a tender.

By Mr. Curran:

Q. Are you perfectly certain of your calculations in making those additions and necessary figuring in order to reach your calculations before moneying them out ?—A. The moneying out is done and checked before it is brought to me. I do not check it personally.

Q. You made calculations then to arrive at what the tenders would amount to ? —A. I merely added up the amounts to arrive at the bulk sum ; Boyd moneyed them out.

Q. As far as your figuring was concerned it was done in a straightforward manner ? It was not to use the expression of one of the witnesses " figured up " instead of being figured down ?—A. No, Sir ; not by me.

By the Chairman :

Q. You say it was not done by you—was it done by anybody else ?—A. You are asking me a question, Sir, that I cannot answer.

Q. You do not know ?—A. I do not.

Q. You are not aware it has been done ?—A. No, Sir, I am not aware.

By Mr. Kirkpatrick :

Q. Do you believe it was done ?

Mr. GEOFFRION.—He says it was not done to his knowledge.

Q. Will you examine exhibit B and look at item 56 and see whether in this document which is the tender of Charles McCarron and John D. Cameron in connection with the Harbour Improvements at Quebec, there is not also an evident clerical error ?—A. I never saw this paper before. I never saw it in the Department of Public Works. It is a harbour works matter and has nothing to do with the Department any more than a plain sheet of paper. I should have to examine and get something else to make a comparison with to find a clerical error.

Q. Were you not in November, 1886, chief engineer of the Quebec Harbour Works ?—A. I was.

Q. Whilst you were in such a capacity were not tenders called by the Commissioners referred to you ?—A. They were not. I never saw them. I had nothing to do with the tenders received for that work.

Q. You had the quantities to make ? If I remember right they were opened by the Commissioners, and referred to you to money them out ?—A. Yes. I will withdraw all I said except that it has nothing to do with the Department of Public Works. Now I remember. The story is here in my book and I can read you the whole of it.

Q. How many tenders were there ?—A. Five or seven. I remember now there was one tender where the tender was put in at $1,500 for something and when I moneyed it out I found it would have made $3,125,000 for that item.

Q. That is what I want.—A. There is a clerical item here which I will read: "Item 56—Repairing and making good streets as per clause 84 of the specification, including materials, tools and labour, measured in place, per sup. yard, $1,500."

By Mr. Kirkpatrick:

Q. Whose tender is that?

MR. GEOFFRION—It is McCarron & Cameron's tender for the south wall.

MR. TARTE—There is a clear charge.

By Mr. Geoffrion:

Q. Will you look at Exhibit "F" of the same item and see what is the charge made in the same tender?—A. At item 56 I read: "Repairing and making good streets as per clause 84 of the specification, including materials, tools and labour, measured in place, per sup. yard, $1.15."

Q. And the other one, signed by Michael Connolly?—A. It is: "Item 56—Repairing and making good streets as per clause 84 of the specification, including materials, tools and labour, measured in place, per sup. yard, $1.15."

Q. And when you moneyed out those tenders McCarron & Cameron's came to over $3,000,000?—A. I called the attention of the Commissioners to that.

Q. And was any letter written to McCarron & Cameron to correct that clerical error?—A. Not to my knowledge.

MR. GEOFFRION—If the Committee will allow me, I do not wish to examine Mr. Perley any further about the Esquimalt works. He makes a distinction between the Department here and the Harbour Commission at Quebec, and as we have not all the papers as far as Quebec is concerned, and as I have examined him only in one capacity, I will ask that the examination close to-day until further papers in regard to the Quebec works are produced.

Cross-examined by Mr. Osler:

Q. The Esquimalt dock, as I understand it, had been in the hands of a contractor for the Provincial Government of British Columbia first?—A. It was in the hands of F. B. McNamee & Co.

Q. And they ceased for some reason to continue the work?—A. They did.

Q. And after McNamee & Co. ceased, in whose hands, or how was the work carried on?—A. I believe by the Provincial Government, by day's labour.

Q. Who had prepared plans and specifications for the Provincial contractor originally?—A. Messrs. Kinnipple & Morris.

Q. Had these plans and specifications been at all in your hands prior to the commencement of the work.—A. No; I never saw them.

Q. Then who was Mr. Bennett?—A. Mr. Bennett was the resident engineer.

Q. And who had appointed him?—A. So far as I learn he came out as the engineer to Kinnipple & Morris.

Q. He was Kinnipple & Morris' resident engineer?—A. Yes.

Q. And the resident engineer in charge ?—A. Yes.

Q. And he continued as you learn through the McNamee period and remained in British Columbia during the period while the works were suspended ?—A. Yes, that is what I learned.

Q. Then the work that the Departement had to take up was not the completion of the work as originally designed by Kinnipple & Morris ?—A. It was.

Q. And the tenders called for would not be for the carrying out of Knnipple & Morris' plans, but carrying out the work remaining to be done ?—A. Yes. To complete the work mentioned on Knnipple & Morris' plan with such modifications as Mr. Trutch was directed to have made as appears in evidence.

Q. There had been modifications considered by the Department, Mr. Trutch had been instructed and the work was to be tendered for as you have indicated ? Is this a photograph from the Department showing or purporting to show the condition of the work ?—A. This photograph is one of a number sent to me by Mr. Trutch prior to the commencement of the work by the Department. (Exhibit "C 7.")

Q. Then what was the interregnum between this working period and when Larkin, Connolly & Co. commenced work on their contract ?—A. I might say about two years.

Q. The work had been idle for about that time and the $50,000 that is spoken of was in use first by McNamee and then the Provincial Government in that work ?—A. I assume that it was. I have no personal knowledge.

Q. Then the progress estimates and final estimates, on whose measurements were they founded ?—A. Mr. Bennett.

Q. Mr. Bennett, originally employed by Kinipple & Morris was continued as resident engineer throughout ?—A. He was.

Q. And the final estimates which are produced here, are they the product of his measurements ? A. His and his only.

Q. Then the engineer whom one of these letters suggested should be removed, instead of being removed was continued and on his measurements the payments have been made, both progress and final ?—A. Yes ; except the final estimates where I deducted $19,000.

Q. That has been spoken of specifically. And the whole extras on that work were, as stated by you yesterday, some $23,000.—A. They were.

Q. Then can you tell me, M. Perley, how it came about that the work apparently has cost some $159,000 more than the original estimate, if we add to that estimate the extras and the $35,000 ? Can you give some general causes ?—A. Did I not state that yesterday ?

Q. I will not say general causes, if you know there were any particular causes ? —A. I think I stated a number of causes.

Q. Kindly state them in this connection ?—A. I stated to Mr. Geoffrion that $35,000 had to be added for the circular head.

Q. I am adding the items you spoke of yesterday, but there still remains a considerable difference still to be accounted for ?—A. I said yesterday that a great part of it was due to the difference between the quantity estimated on the plan and the actual quantity built into the wall.

Q. Were there any specific causes of increase.—A. There was one specific cause of increase. What it was I won't say ; but it was getting out concrete that had been put in prior to the letting of our contract. It is shown on this photograph.

Q. Had there been errors in the execution of the work ?—A. When I asked why it was done I was told that the centre line had got a little twisted and that when the work was set out the walls would not come parallel. What it amounted to I cannot say. I have never yet known work—if you will allow me to interject the statement —where quantities were taken off a plan that they ever agreed with the measured quantity. And I may say that I am very particular in stating quantities to make it clear that they are quarantees.

Q. Apart from that I would like any specific items that come to your knowledge that would go to make up this increase ?—A. I cannot state them.

Q. Do you know anything of the foundation for the smokestack for instance?—A. know that was a large item. That I saw myself in the fall of 1885. They were then putting the foundation in. According to the plan it was to be partly founded on clay and partly on rock, which is always a very uncertain foundation owing to unequal settlement and the cracks that may ensue. We took the whole of it down through solid rock which entailed extra excavation and extra masonry.

Q. Then another item would be the alteration of the altars, that had been put in in the former work?—A. That is only backing as it were. They went in and put in concrete backing that afterwards had to be faced with stone.

Q. Then you say you never found plan measurement and actual measurement to correspond in a work. Does that remark apply with greater or less force where the work has been partially executed and where a contractor has to continue an abandoned work?—A. Yes.

Q. With more or less force?—A. It should apply with less force, because there is less work to do.

Q. How did you find it in this instance?—A. I am not prepared to state, because I made no measurement of the work. I did not take any particular interest in the progress of the work. I never saw the work in progress but once. The second time I saw it it was finished. Nothing was reported to me.

Q. What measurement had you as to the condition of the work when you were calling for tenders?—A. We had nothing more than the statement prepared and sent us by Mr. Trutch, that there were so many feet of this and so many yards of that.

Q. There had been no accurate survey; nothing beyond the survey of Mr. Trutch?—A. How he arrived at it I do not know.

Q. That is a matter of Mr. Trutch's responsibility. Then how did you find the increase? Was the increase of cost all to be found in the final estimate or was it progressive as the work went on? Did the progress estimates show it was a gradual increase?—A. As far as my recollection goes the progress estimates showed a gradual increase.

Q. The increase of cost was not a matter appearing substantially for the first time in the final estimate?—A. No.

Q. Then had the Department here made any survey or valuation of the plant taken over from the British Columbia Government?—A. No; none.

Q. Was the value of $50,000 the sum fixed between the Provincial Government and the Dominion Government in taking over the work?—A. That I cannot say. I only know that was the sum that was sent to us.

Q. You do not know of any detailed valuation being made by the Department; but you tell us that you examined the plant and came to the conclusion that a fair sum was $19,000 less?—A. I have told you that.

Q. Was that after a casual or particular examination?—A. A particular examination; not casual.

Q. Where is Mr. Bennett now? Is he a procurable witness?—A. I do not know. He left us in December, 1887, or January, 1888. He passed through here on his way to England. He was paid up to the 31st, but I think he was in Ottawa in January.

Q. He ceased then to have any connection with the Department?—A. It ceased on the 31st December.

Q. His only work you know of in Canada was his work in connection with this graving dock?—A. That is all.

Q. He was sent out by Kinipple & Morris and when that work was finished he left the country and you do not know where he is?—A. I do not know where he is.

Q. You gave an answer this morning with reference to the method by which tenders were accepted by the Department. Do you make any recommendation with regard to tenders? Is that any part of your duty? Is there any recommendation by the chief engineer before they go to the Minister with reference to the acceptance or rejection of any particular tender?—A. As a rule I make no reports

on tenders. Perhaps I might describe the process of opening tenders. Tenders are received by the Secretary and they are handed after the day for their reception to the Deputy Minister, who calls on the officer of the branch for which these tenders were received—we will say the Engineer's branch—to assist in opening these tenders. The Deputy, as a rule, does the mechanical part of opening the tenders; that is the opening of the envelope—with myself or other officers, I taking a printed schedule. The Deputy takes the tender, he pins thereto the envelope and cheque it contains, and he will take his first one and label everything with the letter " A "—the tender, envelope and cheque. He pins them together and would hand them to me. I then write my schedule " A," from John Smith, post office address and amount. I then examine the cheque to see if it is in accordance with the specification or the advertisement, that it is a cheque made payable to the order of the Minister, not limited as to time of payment and has been accepted by the bank. I note it in a column. So all tenders are opened in that way and scheduled. Then, when tender " A " has been opened—I am speaking now of a bulk sum—it is folded and on the back is put the letter " A " and I write as well on the back of it, " opened by Deputy Minister and H. F. Perley " and date it. After the schedule has been prepared the Deputy takes the schedule and I take the tender and read them, and check the schedule to see if any errors have been made. The deputy then puts his name across the back of the tender and they are taken then by the Deputy to the Minister.

Q. Ordinarily without any recommendation ?—A. Without. Then they are discussed with the Minister and if I have anything to say about a tender—for I have often pleaded not to give the work to a man because I knew he could not do it for the money. But as a rule tenders are awarded to the lowest tenderer in spite of my advice. That is the course we pursue and that is as far as my recommendation goes. With these tenders for the cross-wall there was a letter of mine in which I merely recommended—I won't say recommended—I reported for the consideration of the Minister on the tender of Larkin, Connolly & Co. Because no recommendation from me after the acceptance of a tender would have the slightest weight with the Minister.

Q. We have a letter from you to Mr. Thomas McGreevy of the 11th September, put in yesterday. Can you recollect how often you heard from Mr. Thomas McGreevy during the course of the years you were connected with the Quebec Harbour Improvements ?—A. Within my recollection once.

Q. You can only recall receiving one letter from him ?—A. I stated that yesterday.

Q. Can you recollect anything connected with the letter received from him which was peculiar ? Was your attention drawn to anything ?—A. I recollect receiving a letter signed by Thomas McGreevy. In whose handwriting it was signed, I may state that I do not know. It struck me at the time that the body of the letter was written by Mr. Charles McGreevy, who was one of the assistants in the Engineer's office at Quebec and that the letter was signed Thomas McGreevy ; and it struck me as being strange at the time that Mr. McGreevy should have got his nephew to act as his amanuensis.

Q. His nephew is the son of whom ?—A. A son of Mr. Robert McGreevy.

Q. And he was an assistant in the employment of the Quebec Harbour Commissioners ?—A. Yes.

Q. You recollect noticing that as peculiar in the one letter you received ?—A. Yes.

Q. Now, the information you gave in the letter of the 11th of September, how does that information compare with the information you would give to anybody enquiring at your office with relation to public works ?—A. It is my habit to give to any man who comes in and asks about work such information as I possess relative to them. I have always done so, and will continue to do so.

Q. Is there anything in that letter you would not give to nobody ?—A. From reading that letter, it would seem as if they were replies to a set of queries—as if they were dotted down, and I merely made replies to them.

Q. What became of that letter of the 11th?—A. It was a private letter. I keep private letters only a year, and then go through them and put them in the fire. And, if I had thought it was official, it would have been on fyle. My letter to Mr McGreevy begins:—"In reply to your private note."

By Sir John Thompson:

Q. I understand from what you say, that you knew Charles McGreevy's handwriting, but did not know Thomas McGreevy's handwriting?—A. Yes; because he was a clerk in our office. I did not know Thomas'

By Mr. Stuart:

Q. I understood you to say in answer to a cross question of Mr. Osler, that you made it a rule not to recommend work to persons where the tender was below what you believed the contract could be carried out for?—A. I did not say I made it a rule on every occasion.

Q. But you preferred it?—A. Yes; in any case.

Q. I believe in common with most engineers you like to give the work to such contractors as you know to be capable of successfully carrying the work to completion?—A. Certainly. Where we know good men who do good work we like to give it to them.

Q. Will you state whether from previous experience with Larkin, Connolly & Co. you were satisfied with them as contractors. Satisfied with the character of their work?—A. I can only say with regard to Larkin, Connolly & Co. as contractors that their equal is not to be be found in Canada. They have done the best work that I ever saw and it compares favourably with any work I ever saw on the other side of the Atlantic and I have seen much. And one has only to look at the Harbour works at Quebec and see what is the quality of the work that these gentlemen do—work done perfectly without the slightest desire, wish or intention of skimping, using poor materials or doing poor work; using the best material, the best plant, and best workmanship; sparing no pains or labour, and I am very glad you have given me an opportunity of speaking thus for Larkin, Connolly & Co.—not picking out any individual member of the firm, but speaking of them as a whole.

Q. When you were out in British Columbia did you have occasion to see the character of the plant that they were using on the work, and did you estimate roughly what the probable cost of that plant was to the contractors?—A. I saw the plant they had in use, but as for its value I cannot speak.

Q. Was it a plant of an expensive character—a plant that must necessarily have cost a considerable sum?—A. It was a plant of expensive, character, because they had to handle a very heavy class of stone. They were obliged to procure it on this side of the water long before the days of the Canadian Pacific Railway and it would be an expensive plant. I was told that the plant they had put on the work had cost them $22,000 up to the time I was there.

By Mr. Amyot:

Q. I want to know if that letter written in the handwriting of Charles McGreevy was signed in his handwriting or that of another?—A. It was signed "Thomas McGrevy" in the handwriting of another.

By Mr. Tarte:

Q. Will you refer to blue book page 39 and say if you have not written a letter of the 4th of May 1885, that I beg you to read again?—A. Did I not read that yesterday?

Q. In this letter did you not say this "I write in confirmation of the following message send to-day to you: 'Telegram received; Minister authorizes you to permit contractors to build work with stone of increased size as proposed by themselves"?—A. Yes.

Q. The words continue: "They to be made aware that this permission is merely acceding to their request and not ordering them to make the change?"—A. Yes.

Q. You say in the same letter: "Your long message of the second I laid before Sir Hector, together with my telegram of the 16th and 20th April, and letters in confirmation of the same, and the above telegram was sent to you at his request." Was not this letter and this telegram, referred to in this letter, sent in answer to this telegram of the 2nd May, 1885, from Mr. Trutch to you?—A. This is the letter of the 4th of May. There was also a telegram of the 4th May.

Q. I just read it.—A. This letter of the 4th May was written in confirmation of the telegram I was in the habit of writing in confirmation of my telegrams. This letter was written in confirmation of my telegram of the same date.

Q. What I mean to ask you is, is it not a fact that this letter of the 4th of May, confirming a telegram of the same date sent in answer to the telegram of the 2nd of May, 1885, reading as follows:—

"VICTORIA, *via* SUMAS, B. C., 2nd May, 1885.

"H. F. PERLEY.

"A month ago I apprised Mr. Connolly that substitution of larger courses would not be objected to, and that on his written application to be allowed to substitute any larger courses without increased cost of work to Government, I would return him written sanction. No such written application has, however, been received, and, consequently, no written sanction has been given by me. Contractors submitted to Bennett, 20th March, plans of proposed changes in mode of construction which he referred to me on my return; these changes appeared both to Bennett and myself unobjectionable, except as regards question of cost, as I wired you eighteenth ult. and I understand work is proceeding in accordance therewith, but without letter from contractors to above effect. I hesitate to give written sanction or to formally approve plans as specifications request lest complication as to cost should result. Of course, however, I will do so if Minister so directs. Pease answer.

"JOSEPH W. TRUTCH.

My question is, is your telegram of the 4th May, 1885, not in answer to that telegram?—A. Yes.

Q. Were you not warned by this telegram that recoursing would increase the cost of the work if the contractors did not pledge themselves not to ask an increase about it?—A. Certainly.

Q. Did the contractors ever pledge themselves not to ask any more for that recoursing?—A. Not that I am aware of.

Q. This order that was given by you as you say, at the request of the Minister, was given in 1885?—A. That is the date.

Q. Is it a fact or not that, in the course of the year 1886, you gave orders to Mr. Trutch and to Mr. Bennett to measure the stone all over the masonry?—A. I stated that either yesterday or the day before.

Q. Then you admit that you have given that order?—A. Yes.

Q. At the request of the Minister?—A. It is so stated in the order.

Q. Would you state that such an order for increased measurement for all the masonry all over did not increase the amounts paid to the contractors?—A. No; I did not say that. I could not have stated that, because I would have stated an untruth.

Q. I am very glad that I understand you fully. Is it not a fact that these orders to increase the measurement all over the masonry have increased largely the cost of the work?—A. Certainly. Mr. Trutch stated it added $23,000 to one month's estimates.

Q. Then if, I understand rightly the position, it is this: The contractors took their contract with a certain course of stone, let us say a foot square. Is it so or not?—A. Yes; for the sake of argument say a foot.

Q. And the backing was going to be concrete ?—A. Either concrete or rubble, at the option of the engineer.

Q. The resident engineer ?—A. The resident engineer.

Q. Is it not a fact that the resident engineer there and Mr. Trutch ordered the work with concrete backing until you gave this order of the 4th of May?—A. I cannot tell.

Q. What would have been the use of this order of the 4th of May if it was not so ? On the 4th of May you gave permission to Larkin, Connolly & Co. to increase the size of the stone—to change the courses of the stone ?—A. Yes.

Q. Until then it is perfectly clear that there was a concrete backing ?—A. I do not know that any backing had been built up to that time.

Q. Then let us explain. Until that time the size of the stone was at one foot square ?—A. One foot deep.

Q. And had been changed to larger courses ?—A. The only effect that would have would be to reduce the quantity of backing, but whether that backing was put in concrete backing or rubble, I do not know to this day.

Q. What I want to elicit from you is this: Had concrete backing been used and is it not a fact that the price of the work would have been greatly cheaper ?—A. I cannot tell you that, because I do not know what backing was used. These are details of the work I do not know anything about.

Q. It is perfectly clear that when you have ordered larger courses of stone, when you have three feet square instead of one, it is clear there was a stone backing ?—A. That did not follow. The backing might have been concrete rubble just as well as the ordinary rubble backing in mortar.

By Mr. Mills (Bothwell):

Q. The quantity of backing would be diminished ?—A. Yes. If the wall is four feet thick and two feet and two feet is taken up by the stone, you have two feet backing. If three feet of stone you have only one foot of backing.

Q. At any rate the order given in 1886 as you have stated, to measure the masonry all over, has largely increased the cost of the work ?—A. Certainly, because there were two different prices.

Q. And you state you have read yourself that in one single estimate the cost of the work was increased by $23,000 ?—A. That was after the order was given in 1886, but that represented the measurement or work done up to 1886 that had only been measured according to the thin courses. When the order came for thick courses, a remeasurement was made and it naturally followed there would be an increase.

By Mr. Mills (Bothwell):

Q. Is your measurement of stone superficial or solid ?—A. It was solid. They were paid by the cubic foot.

By Mr. Tarte:

Q. Would you be in a position to tell us what has been the increase resulting from that order to measure all over the masonry ?—A. I never knew it, and I am not in a pesition to state it. I have no measurement.

Q. Is it not a fact that every estimate is sent to you ?—A. Every estimate is sent to me, but no measurements are sent.

Q. Is there anyone in the office who can give the information ?—A. There is no one in Canada who can give the information.

Q. Could Mr. Bennett give the information ?—A. Mr. Bennett is the only man.

Q. Who could do so ?—A. He is the only man.

Q. You have no doubt whatever it has largely increased the cost of the work ?—A. There is no doubt of it.

Q. Do you think it may have increased the cost of the work by $100,000 ?—A. No.

Q. But you say that in one single estimate it has increased the cost of the work by $23,000?—A. Yes; but that represents work that has been done from May, 1885, up to the date of the measurement.

Q. I do not think you are right?—A. The way you put it, Mr. Tarte, is that $23,000 was added to that estimate. I look at this $23,000 as the difference between the old way of measurement and the new way of measurement.

By Mr. Curran:

Q. Up to that date?—A. Up to that date.

By Mr. Tarte:

Q. You believe it is so?—A. I believe it is so.

Q. Are you sure it is so?—A. I would not be sure, but still a firm has knowledge of the work that it has done. The contractors can tell that.

Q. Have you any knowledge of any correspondence that has passed between Mr. Trutch and the contractors or the Department about that new mode of measurement?—A. No.

Q. Have you got any knowledge that the Hon. Thomas McGreevy ever interfered with the Department to obtain an order for that new mode of measurement?—A. I have no knowledge.

Q. If I am not mistaken you made a trip to British Columbia?—A. I made two.

Q. When was the first one?—A. The first one was in October, 1885, the last one in September, 1887, that the work was completed.

Q. Were there any complaints about Mr. Bennett from Mr. Trutch himself?—A. Never.

By Mr. Geoffrion:

Q. On that line of questions, I see in your letter of the 4th May, 1885, that you state at the end of the letter referring to the request of the contractors to change the courses, "it has been granted to them, and I will inform them here of this decision of the Minister, and that no extra payment will be made to them on account of this change." Did you give that information to the contractors anywhere, that no extra payment would be given to them on account of these changes?—A. If I informed them it would not be in writing, because I do not find anything on record. It would be verbally, I presume on one of my trips to Quebec.

Q. So, notwithstanding the suggestion of Mr. Trutch that a written declaration from them should be taken, you have not taken such a declaration, and the Department to your knowledge has not informed them in writing that no extra payment would be allowed?—A. No.

Q. Are you aware that the alteration by which it was decided that a circular head should be substituted was made at the suggestion and request of the contractors?—A. No. It was made at my own suggestion.

Witness cross-examined:

By Mr Osler:

Q. You state all the measurements were made by Mr. Bennett?—A. Yes.

Q. You found no fault with those measurements?—A. No.

Q. Those measurements were made according to the orders received from the Department of Public Works?—A. Through Mr. Trutch. Mr. Bennett was never known in our Department.

Q. Anyhow instructions were sent to Mr. Trutch from the Department of Public Works as to the mode of measurement?—A. Only in one instance, and that was 1886 when full measurement was allowed.

Q. That is to say up to that date, Mr. Bennett was making his measurement according to the specifications?—A. He was.

Q. And when Mr. Trutch received those instructions from Ottawa, the new mode of measurement was then followed by Mr. Bennett?—A. It was.

Q. This charge of $50,000 which is made in the contract with Larkin, Connolly & Co. for the plant, was to be made to any other tenderer who might have obtained the contract?—A. Yes.

Q. It was so mentioned in the notice calling for tenders?—A. It was, and in the specifications, &c.

Q. And this plant for which notice was given that $50,000 would be charged could be seen at Esquimalt and there checked and verified?—A. Certainly.

Q. And when the tenderers put in their tenders, each of them had had the opportunity of seeing that plant?—A. They had the opportunity of seeing it, if they chose to take advantage of it.

By Mr. Mills (Bothwell):

Q. If they came to the conclusion that the plant, apparatus, &c., was not worth $50,000, what effect would that have on the tenders put in? Suppose, for instance, the Government had asked $200,000 for it and it was not worth that amount—what effect would that have on the tenders put in?—A. I do not think I can give an answer to that question. It is a suppositious one; it would only make me give a suppositious answer.

Q. Do you think they would tender for a smaller sum?—A. If they thought they were going to get a reduction made?

Q. No, if the Government asked a certain sum for the plant which was to be taken by the contractors. If they discovered from experience that it was not worth what they would be obliged to pay for it, what effect would that have on the amount of their tender?—A. That is speaking for another man.

By Mr. Langelier:

Q. Supposing the Government asked $50,000, for material worth only $50 would the contractor increase his tender by $49,950?—A. I suppose he would.

By Mr. Mills (Bothwell):

Q. Then all these things would be taken into consideration at the time of tender?—A. They would be, provided the man had seen this plant, but if he did not see it it would be like taking a pig in a poke.

Q. Would he be likely to tender without seeing it?—A. It is very often done.

By Mr. Curran:

Q. Are not your references in regard to the value of anything to be used for public works based upon pretty accurate estimates as a rule?—A. They are.

Q. Such as to lead the contractors to believe that they are getting the value you represent is there?—A. Yes.

By Mr. Langelier:

Q. What was the change in the mode of measurement?—A. According to the contract there were two or three different prices where the work was in different parts work which was done by the cubic foot.

Q. But you spoke of the change that took place in the mode of measurement—what was the new mode of measurement?—A. It was in regard to the size of the stone that was put in according to the plan.

By the Chairman:

Q. Small size?—A. Yes; at so much a foot, that was paid at one price, the backing was to be paid for at another, but they put in stone of a larger size which was paid for per foot. The difference in measurement was only a difference in quantity, not in the mode of measurement.

Q. I suppose the backing was cheaper than the stone face?—A. Yes.

By Mr. Tarte:

Q. In the private letter that you wrote to Mr. McGreevy dated November, 1884, which was just the time that tenders were asked for, you said that your own calculations would come to, *en bloc*, $390,000?—A. Yes.

Q. The tenders of Larkin, Connolly & Co. for concrete backing were $374,000 in round figures?—A. Yes.

Q. Taking off, from your own estimate the $50,000 of the plant, your figures remain at $340,000?—A. Yes.

Q. Larkin, Connolly & Co. have paid in all only $30,000—I speak always in round figures—making $370,000. Their tender, as I said, was $374,000, does it follow—sir, that they have taken the prices and figures that you sent Mr. McGreevy as the base of their calculations?

Counsel objected.

By Mr. Tarte:

Q. Now, Mr. Perley, is it not a fact that when all the tenders were in the Public Works Department that a memo. on behalf of Larkin, Connolly & Co. was put into the hands of the officials about that $50,000 worth of plant?—A. I cannot answer that question. I never saw or heard of such a memo.

By Mr. Kirkpatrick:

Q. Your memo. was put in the hands of the Public Works Department?

Mr. TARTE.—My own information is this—That a memo. in *re* B.C. was placed in the hands of the Minister and that a pledge was then given to Larkin, Connolly & Co. about the $20,000 that were to come back to them?

WITNESS.—I never heard anything of the kind.

By Mr. Osler:

Q. Is there a difference, Mr. Perley, ordinarily speaking, in contract work for stone, where you are calling for large and for small courses—is there a difference per foot?—A. Well that depends in a great measure upon the quarry—the distance of the quarry and the cost of cutting the stone.

Q. I am speaking ordinarily?—A. There should be but very little, there would be a difference in the cost per cubic foot between the thin courses and the large courses because there are heaver weights to handle.

Q. Which is the better for this work—large or small?—A. The large courses.

Q. Much better?—A. So much was I struck with the work that was done with the large courses in Quebec that I was very glad to give a recommendation increasing the size of the courses in Esquimalt, and when it fell to me as Chief Engineer of Public Works to design the graving dock at Kingston, I did not put any courses in it less than 2 feet 8 inches, except one. I used the big heavy courses purposely because I was struck with them. You get stronger work, better work, and lasting work by using the heavier stone.

Q. Then the larger stone was paid for at the tender proposed per cubic foot for the smaller stone?—A. That is it.

Q. And the larger stone involved necessarily the reduction in the backing?—A. It did.

Q. Was that advantageous to the work?—A. Certainly, because the work was not all backing, with a veneering of thin stone, but you had this great dock with a heavy bulk of stone in front, because the pressure in a graving dock is outward against the walls because when a vessel is in dock it is supported by shores from these altars or steps, and they have got to take all the wear and tear of docking vessels.

Q. Then this $23,000 increase would be the increase up to the time that the stone furnished was measured as stone and not as backing?—A. That is my reading of the statement made by Mr. Tarte.

Q. Then the public have not paid for any more stone than they got, and paid for it at the prices contracted?—A. Whatever stone was in the work was paid for at the prices contracted for. That is a general term. I mean as agreed upon.

By Mr. Curran:

Q. The job was improved. The public has a better job than was contracted for?—A. In my opinion, yes.

By Mr. Tarte:

Q. Was Mr. Trutch indicated in the specification as the authorized man to order changes?—A. Yes.

Q. Was Mr. Trutch a man in whom your department had confidence?—A. Yes.

Q. Did he himself order these changes?—A. As regards measurement?

Q. All the changes?—A. No; he ordered them by orders from the department.

Q. Have you not received a report from Mr. Bennett, who was the resident engineer there, in which he says the changes of the courses of the stone would increase the cost of the work and will not increase the quality of the work?—A. I stated that the department never received any report from Mr. Bennett.

Q. You know what I mean. A report transmitted through Mr. Trutch?—A. I would like to see it before I say what Mr. Bennett has said.

Q. If Mr. Bennett, who is there as the resident engineer under Mr. Trutch's direction, believed that the work that was going on with the concrete backing was good work, would it have been true or not?—A. It would have been so.

Q. Was it a fact or not?—A. I do not know whether it was a fact or not. It would be so. In the telegram that has been read Mr. Trutch says: "Mr. Bennett and I say it would be unobjectionable."

Q. As far as the quality would be concerned; but it does not follow it is an improvement on the work?—A. That is a question for an expert to answer.

Q. How is the graving dock at Lévis backed?—A. Concrete rubble.

Q. In nearly all the canals of Canada is it not concrete backing?—A. No; it is mortar backing.

Q. It is not rubble backing?—A. It is rubble backing laid in mortar. It is stone backing laid in mortar. Rubble in mortar and rubble in concrete are two different things. They are both stone, only one is made in a bed of mortar, while rubble in concrete is where large stones are laid in concrete, which is a mixture differing from mortar. But stone has got to be supplied in either case. The only difference is the combination used to cause the stone to adhere or form a solid mass.

By Mr. Stuart:

Q. On a previous occasion you spoke of there having been some slight friction between the contractors and Mr. Bennett, the engineer. Can you state now whether you recollect if at the time you referred to in the letters taken up yesterday this friction ceased?—A. I never heard anything more about it, and not hearing I presumed everything had gone on successfully.

Q. I understand that you heard no further complaint against Mr. Bennett or that there was no further question of removing him after this first little friction, which arose from their being strangers, had passed away?—A. I never heard anything more.

Q. I understand you also to say that you never heard there was anything serious, or to your knowledge any serious cause of complaint?—A. Nothing more, only as stated yesterday that friction which arises between new men being brought into contact with each other and not knowing each other.

Q. When they got to know each other this friction ceased?—I never heard any complaint or question afterward.

This closed the evidence of Mr. Perley in relation to the Esquimalt contract.

Mr. OWEN E. MURPHY recalled.

WITNESS—There is a question here I would like to have corrected. It is on page 43 of the printed evidence, and is as follows:

"By Mr. Mulock:

"Q. You promised $25,000 to Mr. Thomas McGreevy?—A. Yes.
"Q. Did you give it to him?—A. Yes."
What I stated in reply to the question "Did you give it to him?" was: "I gave those notes to his brother Robert." That is what I answered at that time.

By the Chairman:

Q. And how do you wish to have it stated?—A. "I gave those notes to Robert McGreevy. I paid the notes when they became due."

By Mr. Geoffrion:

Q. Were you interested in the contract for the south wall at Quebec?—A. I was.
Q. Do you remember how many tenders were put in?—A. Three, I believe.
Q. Can you name the parties who tendered?—A. There were four tenderers, I remember. Mr. Gallagher, Mr. Michael Connolly, McCarron and myself.
Q. So for the south wall contract, Larkin, Connolly & Co. as a firm, did not tender?—A. No.
Q. Where were the tenders opened?—A. At Quebec, I believe.
Q. Did you see the tenders on the day they were to be opened?—A. I saw them that evening.
Q. Where did you see them?—A. In Thomas McGreevy's house.
Q. Who were there with you?—A. Robert McGreevy, Thomas McGreevy and myself. Afterwards Charles McGreevy came in.
Q. Charles McGreevy is a son of Mr. Robert McGreevy?—A. Yes.
Q. Did you then see and take cognizance of all the four tenders put in?—A. I did.
Q. By whom were they handed to you?—A. By Mr. Thomas McGreevy.
Q. When you arrived there, you found the tenders in the possession of Mr. Thomas McGreevy?—A. I did.
Q. Did Mr. Robert McGreevy also have cognizance of the tenders?—A. He handed them in my presence. We all read them over.
Q. How long did you have access to the tenders that evening.—A. Oh, I could not say, probably an hour and a half or more.
Q. Do you know what became of them after you had finished examining them and taken cognizance of them?—A. Mr. Thomas McGreevy handed them to Charles McGreevy and asked him to take them round to Mr. Perley at the St. Louis hotel.
Q. Did you see Mr. Thomas McGreevy hand them to Charles McGreevy?—A. I did.
Q. Who obtained the contract for the work?—A. Gallagher and myself.
Q. You say Gallagher and yourself?—A. Yes.
Q. What was Gallagher's interest in it?—A. He really had nothing. I bought Gallagher's interest out afterwards for $100, although, actually, I gave him nothing, the consideration was $100.
Q. The consideration was $100, but he got nothing?—A. Yes.
Q. Was he acting for somebody; did he represent some other interest?—A. He represented the interest of the Connollys and myself.
Q. Was it a nominal price agreed upon—$100?—A. Yes.
Q. The same as a person might pay $1?—A. Yes.
Q. You were left apparently alone in that business?—A. I was.
Q. Was there anybody interested in the south wall contract but you?—A. When I got the contract, it was verbally agreed for some time that Robert McGreevy

should have 25 per cent., Michael Connolly 25 per cent., and Nicholas Connolly 25 per cent. We four divided it up into equal parts.

Q. Was this proportion kept all the time or was it alterted later?—A. It was kept all the time.

Q. So Mr. Larkin had no interest in that contract?—A. No.

Q. What security had you to give to the Government with your contract?—A. I put up the security required at the time of the tender.

Q. Do you remember how much?—A. I think it was $7,500.

Q. At the time of the filing of the tender?—A. Yes.

Q. But how much at the time of the signing of the contract?—A. I think it was $25,000.

Q. How did you put in the security?—A. It was left there for a time.

Q. You made a deposit of some kind, was it money?—A. It was a certificate of deposit on the bank, and then afterwards when the contract was signed and everything satisfactory, they took my private cheque without being certified. My private cheque was drawn to the order of Nicholas Connolly and he endorsed it. It remains there yet, I believe.

Q. This cheque to the order of Nicholas Connolly which was uncertified replaced the certificate of deposit and which was put in by you at the time of the signing of the contract?—A. Yes.

Q. From whom did you obtain the return of that certificate of deposit?—A. From Mr. Verret.

Q. Who is Mr. Verret?—A. He was the Secretary of the Harbour Commissioners.

Q. At that time?—A. Yes.

Q. Did he hand you back this certificate of deposit of his own accord at your first request?—A. No.

Q. Did you go to him at once, or had you consulted some of the members of the firm before going to Mr. Verret about it?—A. Mr. Thomas McGreevy spoke to me, and told me I might save interest, and I went to see M. Verret, and asked him if he would take my cheque endorsed on Nicholas Connolly, and he said he could not do it himself, but if he had an order from Thomas McGreevy, who was Chairman of the Finance Committee, he would have no objection; but he could not do it on his own accord. I then reported to Mr. Thomas McGreevy, and I got a letter. I never read the letter. I handed it to Mr. Verret, and he said it was satisfactory, and he returned to me my cheque.

Q. So you reported to Mr. Thomas McGreevy that Mr. Verret would not part with the deposit receipt unless he had a written order from Mr. McGreevy?—A. Yes.

Q. Did he tell you he was giving you the order he wanted?—A. Yes.

Q. Did he tell you he would not give an order?—A. Who?

Q. Thomas McGreevy?—A. No; he gave me an order. The letter was not sealed, it was an open letter, but I never read it, I brought it to Mr. Verret, he read it and said it was satisfactory and gave me my certificate of deposit.

Q. Mr. McGreevy when he gave you that letter did not state he had any objection to Mr. Verret's giving you that receipt?

Counsel objected.

Q. I want to know if Mr. McGreevy when he gave you that letter said he had any objection—did he state to you whether he had any objection to this being done?—A. That question I cannot answer as Mr. McGeevy passed the order. I went to Mr. Verret, I never read the letter and I do not know what is in the letter.

Q. Who had the first idea of making that substition of your cheque instead of the certificate of deposit?—A. Mr. Thomas McGreevy.

Q. Were you also interested in the Esquimalt works? Did you say your firm, Larkin, Connolly & Co., tendered when the first set of tenders were called?—A. No.

Q. Will you explain how you came to file a tender for those works?—A. After the first time the graving dock at British Columbia was advertised—that is after the

contractor failed to complete the contract—there was a good deal of talk about it. I do not know where I heard it, but I called to see Sir Hector Langevin at Quebec, and I had a talk with him about the work; that I heard there was a very high tender and a very low tender in, and I thought probably it was possible to get the contract in between the two tenders. I had a talk with Sir Hector and I made a proposition to him, but he did not see how he could do it.

Q. Well, what was the proposition you made to Sir Hector?—A. I proposed that we would give 25 per cent. interest, or a certain amount of money to get it lower than the highest tender, and after a general talk Sir Hector stated he could not see how he could do it. We talked over the matter and he thought it was better he should readvertise, so I was directed then to call on Mr. Thomas McGreevy, and I did so.

Q. You say you were directed to call upon Mr. McGreevy—by whom?—A. By Sir Hector.

Q. When you proposed to Sir Hector to give a quarter interest in the contract, or a certain amount of money, was there any person named to whom this interest was to be given?—A. No.

Q. When you were referred to Mr. Thomas McGreevy by Sir Hector, was it at this first interview or subsequently?—A. At the first interview.

Q. I understood you to say he suggested that the only way to do it would be by calling for new tenders?—A. Yes.

Q. And for anything further about this matter he referred you to Thomas McGreevy?—A. Yes.

Q. As a contractor did you see Mr. Thomas McGreevy?—A. I did not talk with Mr. McGreevy further until the work was advertised and then I had a talk with him and the blanks and bills of quantities and previous contract prices were sent to me, and from them I filled out a tender and sent it to the Department of Public Works in the usual way and we received the contract.

Q. Now you say blanks were sent to you. By whom?—A. I think Mr. Thomas McGreevy brought some; but I sent letters to the Department of Public Works asking for some and they came in both ways. Some came direct to myself, as I was acting for Larkin, Connolly & Co., and others were brought to me by Thomas McGreevy.

Q. You filled in the tender yourself?—A. I made all the prices.

Q. You made them?—A. Yes.

Q. When you prepared these prices was Mr. Thomas McGreevy present?—A. No.

Q. Was Robert McGreevy present?—A. After. I will explain how it was done, and then the Committee can see. I think it was Friday or Saturday and it so happened that it came to be Sunday work with me, which was rather disgraceful, but we worked at the tenders from half past one until dark. Then Michael Connolly came in from working on the dredge and we went to the Blanchard House and after we had the contract prices all made out we multiplied the quantity to see what the amount would be. It was by candle light we were working, as we had no gas. The next day I went to the Union Bank and got a certified cheque and signed the name of Larkin, Connolly & Co. to the tender, and another I signed in blank and gave to Robert McGreevy, in case anything happened at Ottawa and Robert McGreevy came here. I believe the blank was filled out and a few little changes made.

Q. However, you signed one Larkin, Connolly & Co.—A. I signed two, one made out in Quebec and one I left blank.

Q. Will you state whether you had received any information from Thomas McGreevy as to prices?—A. I got that letter from Mr. Perley and all the prices and bills of quantities.

Q. Will you look at Exhibit "R 6" and say whether it is the letter you refer to?—A. Yes, I had that letter in my possession several days.

Q. Whilst you were working at your prices?—A. Yes.

Q. Who handed you that letter?—A. I think it was Robert McGreevy who brought that letter to me.

Q. You say you did not go to Ottawa, but finally, after having so signed the tender, you got the contract?—A. Yes.

Q. Will you explain why this tender that is signed by the firm name only is not signed as the other tenders ought to be signed and as requested by the Department? —A. Both Mr. Larkin and Mr. Nicholas Connolly were absent and I made the tender out myself and signed the firm's name and sent it to Ottawa.

Q. You know that as a rule when a firm is tendering, the name of each partner is to be signed?—A. I believe so.

Q. You had done so previously?—A. Yes.

Q. No objection was made to your signing the firm's name only. It passed?—A. Yes.

Q. Had you any time to consult your absent partners between the day that you saw Mr. McGreevy and the day required to file the tender?—A. I think not.

Q. Where were they?—A. St. Catharines, Ontario, Mr. Larkin was there; but I do not know where Mr. Nicholas Connolly was.

Q. Was there any more talk about that question of giving a quarter interest in that contract after Larkin, Connolly & Co. obtained it?—A. Not until after we had obtained the contract.

Q. With whom did you have further talk about it?—A. With Thomas McGreevy and Robert McGreevy.

Q. Did you come to any understanding about that? How did you arrange it?—A. Robert was to have 25 per cent. and no money paid, and I was very anxious to give Michael Connolly a fifth. I talked the matter over with both Mr. Thomas McGreevy and Robert, and showed what an interest I had taken in Mr. Michael Connolly. I told him that if he would take one-fifth instead of a quarter I would make it up in money in some other way, and they both agreed to it being done in some other way. That is how Robert came to have one-fifth instead of twenty-five per cent.

Q. They both agreed to that?—A. Yes.

Q. Had you occasion to make it up later?—A. Yes.

At this stage, the following letter which had been asked for, was filed:

(Exhibit "D. 7") "GOVERNMENT HOUSE,
"VICTORIA, 23rd June, 1884.

"SIR,—I have the honour to forward a copy of a Minute of my Executive Council approved by me on the 20th June on the subject of the completion of the Graving Dock at Esquimalt.

"I have the honor to be, Sir,
"Your obedient servant,
(Signed), "CLEMENT F. CORNWALL.
"*Lieutenant Governor.*

"The Honorable
"The Secretary of State, Ottawa."

(Exhibit "D 7," *Continued.*)

"COPY *of a Report of a Committee of the Honourable the Executive Council, approved by His Honour the Lieutenant Governor, on the 20th day of June*, 1889.

"On a Memorandum from the Honourable Chief Commissioner of Lands and Works reporting, that under the settlement arrangement between the Dominion Government and the Province the Dominion Government undertook to complete the Graving Dock at Esquimalt with all convenient speed.

"That on the 1st September, 1883, the Dock was formally taken possession of by the Public Works Department of Canada in pursuance of the agreement.

"That ten months have elapsed since that time and no work has been done with a view of carrying out the agreement.

"That telegrams from the Minister of Public Works to the representatives of the city of Victoria in the House of Commons, published in to-day's newspapers, show that it is not only intended to continue the delay for so long a period that the working season of the present year will be entirely wasted, but that it is also intended to modify the plans and specifications of the Dock with the object of cheapening the work, and, as would naturally follow, degrading its character.

"That the graving dock at Esquimalt was originally undertaken on a scale large enough, and of a character sufficient, for the requirements of Her Majesty's largest iron clad war vessels.

"That the plans and specifications were submitted to the Lords Commissioners of the Admiralty and approved of, and upon that approval was based the agreement of the Imperial Government to contribute towards the work the sum of 50,000 pounds sterling.

"That the Provincial Government under the settlement transferred to the Dominion Government the right to receive upon the completion of the Dock the 50,000 pounds of Imperial subsidy, but it was distinctly understood at the time, and must continue so to be, that the Dock was to be completed in strict accordance with the plans and specifications approved of by the Admiralty.

"That any modification in the direction of cheapening and lowering the character of the Dock would relieve the Imperial Government from any obligation to pay the otherwise promised subsidy, and will be regarded by the Province as a deliberate breach of contract and violation of the settlement arrangement on the part of the Dominion Government.

"That the people of British Columbia have ever regarded it as of the utmost importance that Esquimalt should be maintained as an Imperial Naval Station; so much so that section 9 of the Terms of Union provides specially that 'the influence of the Dominion Government will be used to secure the continued maintenance of the Naval Station at Esquimalt.' The construction of a Dock there into which any of Her Majesty's vessels which might be in these waters could be taken for repairs in case of need, would undoubtedly increase the probability of the continued maintenance of the Navy Station, and should any alteration of plans and specifications go so far as to render the Dock when completed incapable of meeting the requirements of the Imperial Navy, the section of the Terms of Union above quoted would be violated, faith would be broken with the Province under the Settlement Act, and a most serious injury to the commercial interests of the country would be inflicted.

"The Minister recommends that a strong protest against any modification of the plans and specifications of the Dock, and against any further delay in recommencement of work, be presented to the Federal Government; and that they be requested to carry out the terms of settlement promptly, honourably and equitably.

"The Committee advise the approval of the recommendation and that, if approved, a copy be forwarded to the Honourable the Secretary of State for the Dominion of Canada.

"Certified.

(Signed) "JOHN ROBSON,

"*Clerk, Executive Council.*"

(Exhibit "D 7," *Continued.*)

"No. 1407—on 4628.

"DEPARTMENT OF THE SECRETARY OF STATE, CANADA,

"OTTAWA, 3rd July, 1884.

"SIR,—I have the honour to acknowledge the receipt of your despatch of the 23rd ult., transmitting an approved Minute of the Executive Council of British Columbia, dated the 20th ult., on the subject of the completion of the Esquimalt Graving Dock, and to state that the matter will receive due consideration.

"I have the honour to be, Sir,

"Your most obedient servant,

(Signed), "G. POWELL,

"*Under Secretary of State.*

"To His Honour the Lieut.-Governor of British Columbia, Victoria, B.C."

(Exhibit "D 7," *Continued.*)

"ENDORSATION.

"4th, No. 49235.

"16th July, 1884.

"PUBLIC WORKS.

"Subject No. 15.

"Harbours, B.C., Esquimalt.

"President Privy Council transfers copy of a despatch from Lt.-Governor of British Columbia and of a Minute of the Executive Council of that Province, protesting against any change in the plans and specifications of the Graving Dock at Esquimalt, and also against any further delay in recommencement of work.

"Lay this before me on my return to Ottawa—H. L. L.

"Rimouski, 13, 7, 84.

"Deputy, 17, 7, 84. "Referred to Mr. Perly,

"8, 8, 84. "H. L. L.

"Having carefully read the enclosed minute of Council, I have to state that the changes proposed in mode of constructing the Graving Dock at Esquimalt will not in any way lower the character of the works to be built or completed, but will be to the advantage of that work. Having personal knowledge of graving docks as built elsewhere than in Canada, and also of the works on canals which are analogous in character, I have no hesitation in stating that the substitution of rubble masonry for concrete backing will be a benefit to the work, and in this I am borne out by Mr. Bennett, the residing engineer, who is of opinion that rubble backing will cost more than concrete. Personally I would not permit such an indiscriminate use of concrete as specified for the Graving Dock, B.C.

"19, 8, 84. (Signed.) H. F. PERLEY."

Q. Will you look at this document, which appears to be certified, and state by whom it was given to you?—A. It was given by the book-keeper, Martin P. Connolly.

Q. Was this document handed to you?—A. I have asked Mr. Connolly for a statement of all the moneys paid to both the McGreevys, and friends, and he gave me this amongst others.

Q. Will you read it?—A. Reads as follows:

(Exhibit "E 7.") "ESQUIMALT DOCK.

August, 1885		4,000
February, 1886		3,000
April, 1886		1,000
June, 1886		3,000
March, 1887		17,000
do	Three Rivers.	5,000
March, 1888		2,000
		$35,000

26th April, 1889. "Certified correct,

"M. P. CONNOLLY,
"*Clerk.*"

The Committee then adjourned.

HOUSE OF COMMONS, FRIDAY, 26th June, 1891.

The Committee met at 10.30 a.m., Mr. Girouard in the chair.

Investigation into certain circumstances and statements, made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c, resumed.

Mr. O. E. MURPHY recalled and further examined.

By Mr. Geoffrion:

Q. After the contract for the Esquimalt works was signed, did you go on the works or did any member of the firm?—A. I have never been to British Columbia on any contracts.

Q. You remained at Quebec?—A. Yes; at Quebec.

Q. Who were on the works?—A. Both the Messrs. Connolly and Mr. Larkin, and Mr. Hume, the engineer.

Q. Had you, whilst the works were going on, communications with your partners, either by letter or meeting them here?—A. I had communications by letter. and meeting them also in Quebec.

Q. Did you receive letters from all of the three partners?—A. I did.

Q. Do you remember whether after a certain time, your partners suggested a certain change to be made in the contract?—A. I do. It was a change of material.

Q. What was the suggestion?—A. To have a change made from sandstone to granite.

Q. Were you requested to act on these suggestions, and move in the direction of obtaining that change?—A. I was.

Q. Did you see any party in connection with that projected change?—A. I saw Mr. Thomas McGreevy.

Q. Did you go to Mr. Thomas McGreevy on your own accord, or was it suggested by your partners?

(Counsel objected, but the question was allowed.)

A. It was by written instructions, I believe, from my partner.

Q. Not only did you act on your own motion, but also with the full consent and suggestion of your partners?—A. Yes.

Q. You said you had an interview with Mr. McGreevy?—A. I did.

Q. Where was it?—A. In his own house.

Q. In Quebec?—A. Yes; in Quebec.

Q. Will you state to the committee what passed at that first interview and what was the result?—A. My partners at British Columbia wanted a change made from sandstone, as the dock was originally started with, and to have granite substituted, and they gave me an idea of about what it would cost. I told Mr. McGreeve if this substitution could be made, that I would give 25 cents a foot—we had a pricy made for granite which was in the tender—that the company would give 25 cents for each foot of granite that would go in the works.

Q. That the firm would give 25 cents?—A. Yes, the firm. I was acting for the firm.

Q. You spoke in the name of the firm?—A. Yes.

Q. You said that you would give—did you state to whom you would give?—A. To Mr. McGreevy.

Q. I think you stated yesterday that Mr. Robert McGreevy was interested in that contract?—A. He was.

Q. Before making that proposition to his brother, Thomas McGreevy, had you consulted with Robert McGreevy ?—A. I had.

Q. And was he agreable that you should make the proposition to Thomas?—A. He was.

Q. Well, what was Mr. Thomas McGreevy's answer to your proposition ?—A. I believe he set to work to get it done.

By Mr. Curran :

Q. What was his answer ?

By Mr. Geoffrion:

Q. State his answer ?—A. Well, to give the exact particulars it is very hard, but as near as I can state he said that it would be done.

Q. That would be the result of what you remember of that conversation—that he would try to have it done ?—A. Yes ; he said he would try to have it done.

Q. Did anything come to your knowledge that enables you to state that Mr. McGreevy made some attempts for that purpose, or in that direction ?—A. Yes, there were complaints, and I believe it was ordered here in Ottawa to have it done, and I immediately got letters from British Columbia from my partners asking to cancel the former order and to have a change made back again from grantite to sandstone, which would be more profitable if we got the larger course and beds, and they would make up the loss. Immediately I saw Mr. Robert McGreevy in Quebec, and he started for Ottawa.

Q. You communicated to Mr. Robert McGreevy the letters you received from British Columbia ?—A. Mr. Thomas McGreevy was in Ottawa. Robert came here and had the granite cancelled.

Q. As a matter of fact, you know the change did not take place ?—No.

Q. It was stopped in time ?—A. Yes.

By Mr. Curran :

Q. The change was never made?—A. No.

By Mr. Geoffrion :

Q. Did you have any conversation with Thomas McGreevy after that demand for a change was revoked by your partners ?—A. I had.

Q. What was that conversation ?—A. Mr. McGreevy complained that it made a great muss, if you please, in Ottawa, and trouble, and he was very much displeased with the transaction. Of course, I cannot give the details; but I immediately wrote to my partners about it, asking for an explanation, which I got.

Q. Did you say you wrote about these complaints of Mr. Thomas McGreevy ?—A. Yes.

Q. Did you receive letters in answer to these letters ?—A. I did.

Q. You have these letters ?—A. I have. I can produce them.

Q. You said you received answers. Did you communicate the substance of these answers to Mr. Thomas McGreevy, or did you inform him what your partners had answered to your letters ?—A. I did.

Q. What statement did you make to Mr. McGreevy ?—A. I stated that, of course, that they found that the quarrying was nearer to the works, and that larger stone would be more advantageous to the work and would pay better; and whatever losses were made in the work would be made up.

Q. Losses because Mr. McGreevy was losing this 25 cents per foot ?

(Mr. Henry objects.)

Q. What losses do you refer to ?—A. The loss in the change to granite—from the substitution of granite for sandstone—of 25 cents per foot.

Q. In these letters that you have received from your partners, was there any intimation of other changes suggested ?

(Mr. Osler and Mr. Cameron objected.)

Q. In this conversation you had with Mr. Thomas McGreevy, after receiving these letters from your partners, was there any talk of other changes to take place instead of sandstone to granite?—A. The change that my partners most asked for was the change from a second entrance head to a circular head, and all my letters of instruction was the same as the sandstone to granite back again.

Q. Did you make such statement to Mr. McGreevy?—A. I did.

Q. Were you also instructed in these letters to see Mr. McGreevy about these new intended changes?—A. In some of them I was. In others they asked me to have it done. They knew I would do it through Mr. McGreevy.

Q. Did you inform Mr. McGreevy that these changes were suggested by your partner?—A. Certainly.

Q. Did Mr. McGreevy say anything about these changes? Did he say what he would do?—A. He said he would try and have it done.

Q. Was Robert McGreevy aware of these new changes required?—A. He was.

Q. You say that these changes suggested were to change from the double entrance to the circular head?—A. To a circle head.

By Mr. Davies:

Q. That is making into the dock that which was to be an entranee in the head?—A. Yes.

Q. And there would be no entrance there?—A. No.

Q. At that end?—A. No.

By Mr. Geoffrion:

Q. Do you know whether the change was made?—A. I believe it was; but I was not there to see.

Q. As far as public reports and information received, was the change made?—A. Yes.

Q. Do you know that there was a change as to measurement of material on the works also?—A. I have no knowledge of my own.

Q. Except by communication from our partners?—A. My partners could better explain that than I could.

Q. Did you hear also from your partners of a proposed change in the additional lengthening of the dock besides the circular head? Was this change also suggested by your partners?—A. It was.

Q. Did you, as in the other case, approach Mr. Thomas McGreevy for this proposed alteration?—A. I did.

Q. State to the Committee what passed then between you and Mr. Thomas McGreevy?—A. I was instructed by my partners to try and get the dock lengthened an additional 100 feet—that we would give $50,000 to have it done ——

(Counsel objected.)

Q. Did you state that to Mr. McGreevy?—A. I did.

Q. When you say you stated to Mr. McGreevy you were instructed by your partners. Was it by letters that you had been so instructed?—A. It was.

Q. And did you also inform Mr. McGreevy it was by letters you had been so informed by your partners?—A. I did.

Q. He was aware, then, that your partners were on the works in British Columbia?—A. He was.

Q. What was Mr. Thomas McGreevy's answer to that new proposal?—A. That is more than I can recollect at the present time.

Q. Are you personally aware whether he made any effort to obtain that change?—A. I believe he did.

Q. But you are not aware whether he succeeded or not?—A. He did not succeed, because the dock was not lengthened the additional 100 feet.

Q. About that additional lengthening of the dock—was Robert McGreevy also made aware of those intended changes?—A. He was.

Q. Did he concur in the offer you were going to make to his brother?—A. He did.

Q. Had you several conversations with Mr. Thomas McGreevy about that intended lengthening?—A. I had.

Q. From these conversations, were you informed by him whether he was favourable to it or not?—A. He was favourable to it; I believe he did everything he could to have it done.

Q. Did he suggest anything to be done to attain that object?—A. He suggested to me to write out to my partners to get Mr. Baker and Mr. Shakespeare interested to advocate the lengthening of the dock. I did so.

Q. At Mr. Thomas McGreevy's request you wrote to your partners to see the local members?—A. Yes.

Q. Did you receive answers to those letters?—A. I did.

Q. Who were Messrs. Baker and Shakespeare?—A. I believe they were members of Parliament from British Columbia.

Q. To the Dominion Parliament?—A. To this House of Commons.

Q. In Exhibit "M 5," page 118, we read the following words: "All over $200,000 at Levis dock, extras B. C., about $73,000, of which we give $23,000." By referring to Exhibit "E 7," can you give us any explanation of the reference in this document to "Extras B. C."?—A. We had a claim for extras at British Columbia amounting, I believe, to about $23,000, and I made an agreement with Mr. Thomas McGreevy that all we would get get over $50,000 he should have. To the best of my opinion we got $71,800. I think that was got, but I am not positive on that point, and this item of $17,000 and $5,000, making $22,000, would account for it. The auditors and the book-keeper are better authority than I am. It was discussed with the members of the firm and the details I cannot go into. Mr. Robert McGreevy would do better at that than myself. I settled the amount.

Q. But having agreed to give all over $50,000, as far as you can speak from memory you obtained for that item $71,800?—A. I think so.

Q. You have just stated that you agreed with Mr. Thomas McGreevy that such would be the settlement with him. Had this been discussed with your partners?—A. It had. His brother was present when I discussed it with him.

Q. And the result of this discussion was the writing of this item in this pencilled document?—A. Yes; my attention having been drawn to it I desire to correct the figures stated just now from $23,000 to $73,000. I meant $73,000 and supposed that I had said it.

Q. Can you give us any explanation about the words "Three Rivers" opposite the amount $5,000, forming a part of this $22,000?—A. Mr. Nicholas Connolly told me ——

(Counsel objected.)

A. Nothing more than that the money was paid and I paid my account.

By Mr. Geoffrion:

Q. You mentioned the name of Nicholas Connolly. Was this change made in the book by your order?—A. No.

Q. Did you ascertain that a charge was made in the books of the firm?—A. I did.

Q. Did you ask explanations as to that charge?—A. I did.

Q. Who gave you these explanations?—A. Mr. Connolly.

Q. Mr. Nicholas Connolly is the partner who gave you the explanation?—A. Yes.

Q. On that explanation you allowed the charge and took your share?—A. I allowed my portion.

Q. And you allowed the charge against the firm?—A. I did.

By Mr. Curran :

Q. When did you discover that entry in the books ? How long after ?—A. If the Committee will allow me I will give an explanation in my own way.

(Mr. Henry objected.)

Q. When did you discover that entry ?—A. At the close of the season of 1888.

By Mr. Beausoleil :

Q. How did you come to make that discovery ?—A. I would have to ask the permission of the Committee to make the explanation.

Q. Go on ?—A. I called at Mr. Thomas McGreevy's house, and he asked for $5,000. His brother was present, and there was quite a disagreement as to which works it should be charged to. Robert objected to it being charged to the cross-wall or British Columbia, and said it ought to be charged to the Graving Dock, Lévis. I stated that my partners would not stand that, as I made a bargain that whatever came to the Lévis Graving Dock nothing should be paid out of it. I went round to Mr. Nicholas Connolly and stated the case—that there was $5,000 asked for— and he refused, and we both got a little excited over the matter, and he there admitted that he had already paid $10,000. I then came around and reported the fact to Mr. Thomas McGreevy in the presence of his brother Robert, and he asked if Mr. Connolly had stated to whom he paid it. I stated the case in the presence of his brother, and he got in a great passion to think that any one else was getting money but himself. We then—Robert in company with myself—went down to the books and examined them, and found that there was $10.000 charged to the cross-wall. It was there we discovered also where the inspectors were paid. We then came back to Mr. McGreevy's house and reported, and he himself found a great deal of fault with the way things were done—and that is how I came to discover this money. Mr. Connolly made this statement to me that he got a letter from Sir Hector ————

Mr. Osler objected.

Witness continued :—I ask him how he came to give this money and he stated that a letter was brought to him by Laforce Langevin. He said he gave the money the first time to Laforce. I asked him how he gave the second and he told me he gave the second direct to himself.

By Mr. Mulock :

Q. To whom ?—A. Sir Hector.

Q. How much ?—A. $5,000.

By the Chairman :

Q. That was the first time ?—A. The first $5,000 he gave to Laforce and the second he gave to Sir Hector himself.

Q. The second $5,000 ?—A. Yes; the second $5,000.

By Mr. Geoffrion :

Q. When Nicholas Connolly made that statement were you alone with him, or were there any other members of the firm there ?—A. I forget now, but the question was discussed by all the members of the firm, and there was a good deal of trouble as to which work it should be charged to.

Q. The matter was discussed. As soon as you were informed of that, there was therefore a discussion begun between the partners ?—A. Certainly.

Q. Was there a discussion also as to what works the amount, when once found as having been paid, should be charged to ?—A. There was.

Q. What was the result of that discussion as to the works to which it should be charged ?—A. Robert McGreevy objected to its being charged to the Cross-wall work of the Quebec Harbour works. He had 30 per cent. interest there, and after a good deal of trouble it was then charged, I believe, to the British Columbia works, in which he had only 20 per cent. interest.

Q. Finally, after Mr. Nicholas Connolly's explanation the charge was allowed in the books?—A. It was; I paid my share of it.

By Mr. Curran:

Q. You say this matter was discussed with all the partners?—A. Yes.

Q. Under all the circumstances referred to?—A. Yes.

Q. Mr. Larkin was there?—A. He was either there, or his agent, Mr. Kimmitt, who had a power of attorney from him.

Q. And yet you said Mr. Larkin was there?—A. I believe Mr. Larkin was there.

Q. Where did the discussion take place?—A In the office.

Q. At Quebec?—A. Yes.

Q. In the office of the company? —A. In the office of the company.

Q. And the two Connollys were there?—A. I do not know whether Michael was there; Nicholas Connolly was there.

Q. You do not know that Michael Connolly was there, or that Mr. Larkin was there, and you have stated that all the partners were there? (No answer).

By Mr. Geoffrion:

Q. Your books were audited after this charge was transferred from one work to the other?—A. They were.

Q. Those audits were discussed?—A. They were.

Q. And signed by all the partners?—A. Yes.

Q. And in those audits these charges would pass?—A. Certainly.

By the Chairman:

Q. Do you say Mr. Larkin was present when the charge was discussed between the partners?—A. I won't be positive, but to the best of my opinion he was.

Q. If he was not, Mr. Kimmett was there with power of attorney to act for him.

Q. You are not positive whether he was present or not?—A. I won't be positive. Mr. Kimmett had power of attorney to act on behalf of Mr. Larkin.

By Mr. Geoffrion:

Q. Anyhow, you are satisfied the charge was allowed by all partners, either personally or through power of attorney?—A. Yes.

Q. Will you look at exhibit "L-5," printed at page 116, and explain to the Committee, if you can, the nature of the charge "November 87, $10,000"?—A. The item $10,000 I gave to Sir Hector myself.

Q. Was the entry made in the book by your order?—A. If the Committee would allow me to explain,

THE CHAIRMAN—Answer the question, witness, as it is put to you?—A. I went to give it to him in two $5,000—$5,000, on each occasion—and it was to be kept secret, so that neither Robert or Thomas McGreevy would know anything about it. We decided, however, that it should be entered to the Graving Dock.

Q. The Levis Graving Dock?—A. Yes, the Levis Dock.

Q. In which Robert McGreevy had no interest?—A. No; he had no interest. Mr. Larkin knew all about it as well as I did. It was discussed, and how it was to be charged the Forsyth note.

Q. So that this item was discussed and charged in the books to the account in which the McGreevy's had no interest?—A. Yes.

Q. The charge was allowed by the partners interested in the Graving Dock works?—A. By Mr. Nicholas Connolly, Mr. Larkin and myself.

Q. Michael Connolly was not interested in those works—not as partner?—A. He had an interest, but he was not a partner.

By Mr. Coatsworth:

Q. When was that discussion?—A. At the auditing of the books.

Q. What date would that be ?—A. I cannot tell the date. The books were audited up every year. Mr. Kimmett, the auditor, will better answer that queston than I can.

Q. How long was it after the payment was made ?—A. Oh, it was some time.

Q. In the same year ?—A. I think it would be the year following. In the spring of every year the books would be audited up.

Q. Was it in 1888 ?—A. We would begin, say in the spring at an early date, to audit the books for the previous year.

Q. So the discussion would be in 1888, then ?—A. I suppose so.

Q. Where did the discussion take place ?—A. In the office at Quebec.

Q. In the fim's office at Quebec ?—A. In the firm's office at Quebec.

Q. Was Mr. Larkin a partner then ?—A. He was.

By Mr. Geoffrion :

Q. Were these items generally entered on the very day they were made, or were they entered at subsequent dates ?—A. They were all entered, I think, at later dates. Of course, the book-keeper would be able to tell you better than I can. I have never looked over the dates.

Q. So the date 1887 would not show the date of the payment, but would be the date it was entered in the book ?—A. The book-keeper will better explain that than I could. The payments are made previous to the entries. I do not believe any entry was made until the question was discussed between the partners.

Q. Can you state from memory when the books, once the entry was made, were audited ?—A. No ; I cannot.

Q. Can you remember whether at the time of the auditing of the books, after the entry was made, that the charge was discussed ?—A. Previous to the auditiug the amount was discussed.

Q. Do I understand you to say you had a charge made without consulting your partners, or whether the charge was made in the books only after the matter had been discussed with your partners ?—A. I made no charge myself; I simply paid the money.

By Mr. Curran :

Q. Answer the question of the counsel, please ?

Mr. Geoffrion—He says he made no charge himself.

Mr. Curran—If you did not make the charge, do you know that the charge was made ?—A. No.

Q. Could the book-keeper tell ?—A. The book-keeper could tell this way : I drew the cheques myself, and to the order of Nicholas Connolly, and if I had the cheques and notes I think I could trace them.

Q. You drew these two amounts by cheques to the order of Nicholas Connolly ? —A. Yes ; I signed the name of Larkin, Connolly & Co. to the cheques, and I believe Nicholas Connolly endorsed each of them.

By Mr. Curran :

Q. You drew the money out on the cheques ?—A. Yes, sir.

By Mr. Coatsworth :

Q. Where did you pay that $10,000 ?—A. In Quebec.

Q. Was it in your office ?—A. No, sir.

Q. Can you fix the date ?—A. I cannot.

Q. It was not in your own office you paid it ?—A. No, sir

Q. Where did you pay it ?—A. In Sir Hector's house.

Q. And can you fix the date of that auditing yourself ?—A. No.

Q. The discussion was before the audit, was it not ?—A. Yes ; the discussion was immediately before the audit.

By Mr. Curran:

Q. There were two payments of $5,000?—A. Yes.
Q. And you paid them both, where?—A. In Quebec.
Q. At the house of Sir Hector?—A. Yes.
Q. Can you remember the month it was in?—A. No; they were at different dates. I may say here, I paid them by the order of Nicholas.

By Mr. Coastworth:

Q. What time of the year was it?—A. Oh, I forget.
Q. In the summer or winter?—A. I do not recollect.

By Mr. Geoffrion:

Q. You cannot remember anything about it?—A. No.
Q. Do you remember the year?—A. Well, I know the year. If the Committee will allow me, I would like to state I don't make entries of these things. Of course, I tried to hide this as much as it was possible to do, and I was satisfied it would lead to trouble.
Q. Can you tell us the year it was made?—A. My cheques would show.
Q. I have not got the cheques. You cannot say the year?—A. No; I cannot say the year.

By Mr. Curran:

Q. What did you mean to say when you stated this matter was to be kept secret? I understood you to say that nobody but yourself knew you were giving this money to Sir Hector?—A. No; I stated it was to be kept secret from the McGreevys, both Robert and Thomas.
Q. To the other members of the firm it did not make any matter?—A. No.
Q. Was there a conference between the partners with reference to this matter before the charge was made in the books?—A. I believe so.

By Mr. Langelier:

Q. I understand you got out the money on two cheques signed Larkin, Connolly & Co. to the order of Nicholas Connolly, and endosed by him?—A. Yes.
Q. Did you get the money immediatly after the date mentioned on the cheques? —A. The same day.
Q. And did you pay the money immediatly after you got it from the bank?— A. I did.

By Mr. Daly:

Q. Did Nicholas Connolly know what this money was for?—A. It was by his order I paid it.

By Mr. Mulock:

Q. Paid in bills, was it?—A. Yes; paid in bills.

By Mr. Langelier:

Q. You say the date on the cheque would be exactly the date of the payment?— A. Yes.

By Mr. Daly:

Q. After you had paid this money to Sir Hector, as you say, did you inform Nicholas Connolly that you had paid it?—A. I did.

By Mr. Coastworth:

Q. Was it paid in bills or gold?—A. In bills.
Q. Do you know on what bank they were?—A. To the best of my opinion, they were on the Bank of British North America.

Q. Large bills?—A. I asked for one hundred dollar bills, and they did not have them convenient, and I think I got fifties and twenties.

Q. You said it was the desire of the partners to keep that from the knowledge of the two McGreevys. When you referred to them as partners it was in other works, not in the works to which it was charged?—A. I have stated, I believe, it was the wish of Mr. Connolly himself. Mr. Larkin was not in Quebec when I paid this money; that neither Robert nor Thomas would know anything about it, as they were not interested in the Levis Dock.

Q. Had you any conversation with Thomas McGreevy about the payments which be claimed his brother Robert ought to have made in connection with these different contracts?—A. When.

Q. At any time during the progress of the contracts. Had you several or only one?—A. I had several with Mr. McGreevy when be quarrelled with his brother. He told me his brother did not deal fairly with him.

Q. Mr. Thomas McGreevy told you that?—A. Yes; he cheated, if you please, and did not deal with him fairly—did not give him his share.

Q. Did you investigate, either by the books or otherwise, to see whether this complaint was well-founded?—A. I did. I have tried everything that a man possibly could do to make peace between the two brothers. I never tried so hard in my life, and I took Robert McGreevy to task, as to whether he had dealt fairly with him, and be showed me the books and his accounts, where be showed me he has paid his brother $177,000. I then was satisfied in my own mind.

Counsel objected.

Q. You were satisfied Mr. Thomas McGreevy had received has share. Did you go to see Mr. Thomas McGreevy after this investigation?—A. I did.

Q. Did he deny having received the amount you mentioned, or any part of it?

Mr. STUART—Ask him what he got.

By Mr. Geoffrion:

Q. What did Mr. McGreevy say when you talked to him again on that subject?—A. What subject?

Q. On this difficulty with his brother Robert—about the claim that he had been cheated by his brother Robert?—A. He talked so and accused his brother amongts other things, of being a thief, if you please, and so many other things it is impossible for me to recollect it now.

By Mr. Langelier:

Q. Did you tell him his brother pretended he had paid him $177,000?—A. No; I said nothing about this thing.

By Mr. Geoffrion:

Q. Were you asked money for Sir Hector Langevin by anybody?—A. When Mr. Thomas McGreevy would come to me for money it was always for Sir Hector—on all occasions.

Q. Did he say for what purpose?—A. Some of the first was for to give to—Sir Hector's paper was not paying; and that was the story all through nearly.

Q. What paper?—a newspaper?—A. *Le Monde*, in Montreal.

Q. Was there any other newspaper for which money was asked?—A.—There is an item here of $3,000 that Mr. McGreevy came to me and asked for.

Q. It is in Exhibit "B. 5"?—A. He asked $3,000 to pay off a debt that was on Sir Hector's son-in-law's paper in Quebec; and I refused, and went over to consult with Nicholas Connolly, and he made some trouble about it; but I told him there was nothing to do but pay it, and Nicholas Connolly told me he had paid the money. That was it initialed there.

Q. You say his son-in-law is proprietor of a newspaper in Quebec?—A. Yes.

By Mr. Edgar:

Q. There are two items of $3,000 in this account?—A. It is the one initialed "N. K. C."

By Mr. Geoffrion:

Q. I asked you whether he was proprietor or editor. What is the newspaper?—A. I do not know.

Q. What is the name of the editor?—A. It is a French name—it is Chapais. It was asked for him.

Q. You do not know the name of the newspaper?—A. No.

Q. You did not make the payment yourself?—A. No.

Q. But it is marked as having been paid by N. K. Connolly in the statement given to you?—A. Yes.

Q. And you were charged your share, and paid your share?—A. Yes.

Q. Did Mr. Thomas McGreevy ask you for money for other purposes than these newspapers for Sir Hector Langevin?—A. Yes; the $5,000. I mentioned that was to be charged Graving Dock, Levis; but we never paid it.

Q. Refer again to "B-5," and say whether you find some of the items there that were paid at the request of Thomas McGreevy?—A. There is an item, August 7th, 1887—but that date is not right. M. McGreevy came to me and wanted $5,000. These dates, I think, are all wrong—most of them. The book-keeper or the auditor propably can account for that. None of my partners that I know were in Quebec, and we were short of money. Mr. McGreevy stated that he wanted to try and get $1,000 before Sir Hector was to leave Quebec. I went to the bank, drew the cheque myself, and drew the money and handed it myself to Thomas McGreevy in the office, 124 Dalhousie street.

Q. What explanation can you give to the Committee as to the item of $4,000 following this?—A. Mr. Connolly told me he paid the $4,000. I have not drawn the cheque, and I only take his word for it that he has paid the money, and the charge is made in the books.

Q. This would be the balance of the $5,000 asked for?—A. Yes.

Q. You said that these different payments were discussed between the partners in the office of the firm. Do you know whether there was also references to and discussions of these payments made in letters exchanged between yourselves—between the partners?—A. The payments for the British Columbia Dock there is an exchange of letters; but the payments on the Quebec Harbour Works or Levis graving dock, I do not believe there would be any letters.

Q. From whom would be these letters on the British Columbia Graving Dock?—A. I received letters from all the partners—Mr. Larkin, Mr. Nicholas Connolly, Michael Connolly and Robert McGreevy.

Mr. GEOFFRION—I desire to have the unsigned letter of the 19th February, 1886, from Larkin to Murphy, filled with the Committee, now read?—A. Witness (reading)

"(Exhibit "F 7".)

"PRIVATE "ST. CATHARINES, 19th February, 1886.

"O. E. Murphy, Esq.
Quebec.

"MY DEAR SIR,—I have just got your letter of the 17th inst. Our friends, call for another $5,000, on account of British Columbia, is not in accordance with the agreement we had when the $50,000 was divided—that was that there was, to be no more calls or divisions to be made until the indebtedness of the British Columbia Dock and Quebec Harbour works to the Quebec Dock was paid, that was distinctly stated by me and agreed to by R. H.; otherwise, I would not have agreed to the division of the $50,000. You did quite right to refuse—stick to it; should we get an an order to lengthen the dock 100 feet or even 75 feet I would be quite willing that $5,000 should be given at once. Bear in mind, my dear fellow, that there is a large amount due you, Connolly and myself, and that if we continue donating as we have been doing there will be nothing left to pay us, except old plant. Keep the eleventh commandment in view—that is, look out for yourself.

"I was in Ottawa on Tuesday last and had a long interview with Mr. Perley, he assures me that the Dock will not be lengthened before completion, as Sir H. is bound to have it completed by the time specified in the contract, even if it has to be lengthened immediately afterwards; he also read me the telegram he sent Trutch and the letter confirming it, to allow us full measurement on the masonry all over, and for masonry in the caisson chamber where we had put it, and for which Trutch only allowed a price for a 17 inch brick wall. So far so good. I spoke to Perley about the $18,500 security; he advised not to ask for it now that Sir Hector did not like to return security until the work was completed, as it would be establishing a precedence which he did not want to do. Perley added that he would give us a portion of the percentage if we wished. I said that we would let that stand for the present, and the security, until such time as he chose to give it to us. I think leaving the security the better way; it does not cost much, and we can apply for the percentage any time. I do not think, however, that it would be advisable to do so for some time, as we are getting paid for the increased masonry, and it would be asking too much at one time. If Trutch was removed we could get along with Bennett all right, but as long as he is under Trutch's influence we cannot. I have just received a letter from Mike; he says that Trutch is very much annoyed because he was not consulted before the order was given to measure the increased masonry. If anything turns up that you would want to see me, I could meet you at Montreal."

Q. What about the remainder of the letter ?—A. I may state that I threw these letters in a box, and I have no knowledge where or how the balance of this letter has been missing.

Q. Although this letter is not signed, in whose handwriting is it ?—A. It is the handwriting of Patrick Larkin.

By Mr. Mulock:

Q. Did you receive it in course of post ?—A. I received it by mail.

By Mr. Hector Cameron:

Q. Can you get the balance of the letter ?—A. No; I cannot.

Q. Will you explain what has become of it ?—A. If there are no objections, I will explain it. I have thrown all these letters in the box; I never filed them away. I did not know I would have any use for them, but when I was arrested by Mr. McGreevy for criminal libel and for a fifty thousand dollar suit I went to look for some letters bearing on the case. Mr. Tarte was in company with me, and I picked out this letter amongst a number of others. The balance of the letter I do not know where it is. I have no recollection whatever.

By Mr. Geoffrion:

Q. You did not suppress it, however. Will you explain who was meant by the words "our friends," at the beginning of the letter ?—A. The meaning was Mr. Thomas McGreevy and Sir Hector. I suppose that is the construction; that is what I understood.

Q. I also read here that "it was distinctly stated by me and agreed to by R. H. ?—A. That means Robert McGreevy.

Q. Did you always communicate directly with those whom you understood to be your friends, or was there an intermediary between you—or a dummy ?—A. I would answer this way—That in my writing to my partners I have always cautioned them to give names, and the more I done it the more they gave the names direct.

By Mr. Mulock:

Q. Not give the names ?—A. Yes, I mean not give the names for fear the letters would fall into some other hands.

Q. You have stated you have received letters from other partners in connection with these Esquimalt works. Will you now take cognizance of this letter, and say whether it comes from any of your partners, and whether it was received by you?

Counsel objected but the objection was over ruled.

A. This letter was written by Michael Connolly, and is dated "Esquimalt, B.C., February 25th 1886."

By Mr. Edgar:

Q. And is it addressed to you?—A. It is addressed to me, and received by me.

By Mr. Geoffrion:

Q. Read it?

" (Exhibit "G 7".)

"LARKIN, CONNOLLY & Co.,
"CONTRACTORS ESQUIMALT GRAVING DOCK,
"ESQUIMALT, B.C., 25th February, 1886.

"FRIEND OWEN,—Yours of the 11th and 15th came duly to hand. The weather, until quite recently has been so bad that we have not been able to make the progress we expected. Now, however, I expect better weather has set in, and I hope therefore we will be able to make things jump. We have had to advance labourers, wages to $1.75 per day, as labourers were getting scarce. Yesterday we set the first of the timber slide on the inner end of the Dock, and started again in the earth excavation.

"I told you in a letter, lately that if $250,000 were granted for extending the Dock we would give fifty of it for some charitable purpose. I think it will be quite possible to get that amount, and as we will have to pull down a considerable quantity of work it will be worth that amount to pull the work down and extend it 100 feet. We have not incurred any expense in connection with the agitation about extending the Dock, but I suppose we will have to give something to the *Colonist*, whose proprietor is a pretty decent man. Nick will start checking over Carrier's bill at once. As Parliament meets to-day, I suppose you will soon hear some more about this Dock. What has become of Larkin; we haven't heard from him only once since we came out here. I returned the bill endorsed that you sent out. I don't know what Hume did with his. I hope Irvin will succeed in compelling Fitz. to give up the notes he has.

" When you write again let me know if you can find out where the forts will be located, and then I can tell you more about the place. Has any plans been got out for them yet, and if so of what material are they to be built?

" I have many things to say to you that I don't care to write at present about work in other places on this coast. I am glad to hear that mother and all of your family are well.

" Kind regards to you all.

" Very truly yours,

" M. CONNOLLY.

"P.S.—I don't see why our friends should ask for another $5,000. I know and heard a distinct understanding and agreement in presence of Capt. Larkin that after the division of the $50,000 there should be no further calls until all the debts were paid. I think our friends should have a little patience with us, and wait a little. We have not acted badly by them, for I see by the statement you sent out they have received out of this work alone $14,000, all before we were charged one dollar on it, I would advise you to be careful. There may not be so much saved or made on this work as we expected; for we have had to advance the men's wages here lately, as we could not otherwise get labourers, most of them having started out to the gold mines on Granite Creek.

" I think perhaps Nick and Hume will start about the 15th inst., or thereabouts.

" Be careful and don't pay out too much.

" Very truly yours, "M. CONNOLLY."

Q. Whose letter is that?—A. Michael Connolly's.

Q. And not only written but signed by him?—A. It was written and signed by him.

Q. The postcript is also written and signed by him?—A. Yes; that is also written and signed by him.

Q. And was accompanying that letter?—A. Yes.

Q. Will you take cognizance of this letter, and say by whom it is written?—A. It is written by Michael Connolly.

Q. And signed by him?—A. Yes; signed by him.

Q. And addressed to whom?—A. Addressed to me.

Q. Please read it?

By Mr. Amyot:

Q. Was it received through the post?—A. Received in the usual way—by mail. It read as follows:—

(Exhibit "H 7.")

"LARKIN, CONNOLLY & Co.,
"CONTRACTORS ESQUIMALT GRAVING DOCK,
"ESQUIMALT, B.C., 15th February, 1886.

"FRIEND OWEN,—Yours of the 4th inst. is just to hand. I am glad to hear that you are all well. Now as regards the forts, if it can be managed at all, by all means get them by private contract. True, we may get them by public contract; but in that case we will have every little scrub contractor in the East and West bidding against us; some will bid in good faith, while others will bid without any intention of doing the work, but in the hopes of the contract being awarded them so that they can sell out to some one else; therefore if it is at all possible to have an Order in Council passed giving us the work at our prices, by all means have it that way. In making out a tender you will have to be guided solely by our prices at the Dock here, which are not a whit too high, but if there is to be any 14 to 1 concrete in the new work it should not be less than $5.00 per yard. It is a difficult matter for me to tell you what price for earth or rock excavation as I do not know where the forts are to be located, so in making out a tender you will have to use your own judgment and be sure you don't go too low. Ordinary earth excavation should not be less than 50c. per yard with a free haul of not over 100 feet, and a graduated price for every additional hundred feet. Rock excavation should not be less than $2.00 per yard, brickwork about the same as we have here—not less.

"Now about the Dock here:—If the two hundred and fifty thousand pass in the Budget, we, of course, will have some work to tear down, &c., but if you can get a lump contract for extending at $250,000 we can give fifty thousand dollars. If we don't get it of course we will finish up as soon as possible. If you can prevent the appointment of Muir, whom Bennett appointed Inspector of Machinery on the Dock here, do so by all means. I have nothing further to say at present. I will write you again in a day or two. The mail is just leaving.

"Yours truly,
"M. CONNOLLY."

Q. Will you also examine this document and say by whom it is written and signed?—A. This letter is written at British Columbia by Michael Connolly and is signed by him.

Q. Give the date?—A. 18th January, 1885.

Q. It was received in the usual way?—A. Yes.

Q. Read it please?

(Exhibit "I 7.")

"THE DRIAD,
"VICTORIA, B.C., 18th January, 1885.

"FRIEND O. E. MURPHY,—I wrote you several letters since my arrival here, but perhaps forgot to tell you how we got along on the road. Well, we found the Grand

Trunk people very attentive, kind and obliging, and did everything in their power to render the journey of the men pleasant and agreeable. The car the Grand Trunk furnished for the men was far superior to the one sent by the North Pacific, as the water tanks of the latter leaked so badly that the floor was covered with water all the way from St. Paul to New Ticoma; besides, the North Pacific car was most wretchedly ventilated, and on the whole it could not be compared with the Grand Trunk.

"The men behaved splendidly all the way through, and when parting with the Grand Trunk car at St. Paul, they passed a vote of thanks to Mr. Chipman and the Grand Trunk, and requested me to have you convey the same to Mr. Chipman. The freight has not arrived yet but we expect it every day. I find we paid 80 cents a hundred too much for the freight, as different parties here got their freight through from Montreal for $1.75 per 100 pounds. We found a very good quarry, and left Gallagher and a few men there to get the buildings ready for the men and intend sending the balance of the men up Wednesday next. As soon as this reaches you make no delay in seeing the proper parties and get the double entrance at the head of this Dock changed to a circular head, the same as the Dock at Lévis. You can use as an argument the fact that there is quite a large hill behind this one and to build a dock in the rear of this one will cost more than to put in another cofferdam and build an entirely new dock alongside of this one. This is very important and should be attended to at once. Mr. Perley will see the absurdity of this double entrance business. I am going to take up my quarters permanently at Esquimalt to-morrow, so please address all letters there hereafter. I enclose you a clipping from the *Times* of this city which will speak for itself. I think there is nothing further worth speaking of at present. Nick and Hume will probably leave for Quebec some time next month.

"Very truly yours,
"M. CONNOLLY,
"Esquimalt, B. C."

Q. Was this extract from a newspaper attached to the letter?—A. Yes.

MR. STUART.—I would like the extract from the newspaper read.

The Clerk then read the extract as follows:

(Clipping from paper attached to Exhibit "I 7.")

"THE GRAVING DOCK."

"The *Toronto Globe's* Ottawa correspondent telegraphs that journal: 'The Government organs are urging that the British Columbia Graving Dock should be enlarged in order to accommodate large steamships. The dock, if built, according to present specification, will be large enough to take in any vessel plying on the Pacific Ocean, and it is suspected that the proposed enlargement is for the purpose of enabling the Government to make a new contract with the contractors, whose tender is said to be very low.' We hope there are more newspapers than those recognized as 'Government organs' advocating the enlargement of the Esquimalt Dock. It would indicate an intire lack of foresight or a deplorable ignorance of the requirements of the future commerce of this coast, on the part of other than 'Government organs,' if they should fail to join in the demand that the dock be enlarged. The reason assigned by the correspondent is a very absurd one, and is published solely to serve party ends. The contractors, we have reason to know, are entirely satisfied with the terms of their contract, and do not ask for any change in the plans or price. They have already commenced operations, and in a manner that indicates their intention to complete the work at the earliest possible date. The question of enlargement has been raised by the press of this Province, which, in doing so, simply gave expression of public opinion. The British Columbia Government recognizing the force of the arguments adduced, has already recommended to the Dominion Government the propriety of increasing the size 'to the capacity of taking in the largest ships which may possibly repair to these waters; provided it

can be done without delaying the work.' Neither the Dominion Government nor the contractors have had anything to do with the matter."

By the Chairman:

Q. Do you know the date of this article—from the *Globe* you say?—A. I know nothing about the article, simply that it was sent to me with the letter.

By Mr. Geoffrion:

Q. Will you identify this letter you now have in your hand?—A. It is written and signed by Michael Connolly.

Q. Before you go any further—I have seen frequent references to a party indicated by the name of "Nick." Who would that be?—A. Nicholas K. Connolly?—

Q. Go on and read the letter?

("Exhibit "J 7.")

"The Driad,
"Redon & Hartnagel, Proprietors,
"Victoria, B.C., 12th January, 1885.

"Friend Murphy,—We arrived here about 2 p.m. Saturday, and found Nick ready on the wharf to meet us. They have not located the quarries yet, as certain parties here are anxious to have the stone changed to granite throughout. As soon as you get this you had best send Dan out here as we can commence building at once, and send also a couple of thousand feet of best cast steel wire $\frac{3}{4}$ in. diameter. Nearly all kinds of mechanics get $5 per day here, and white labourers about $2.75, so you see we didn't make much of a mistake in bringing out the fifty men. Nick had to go off on the Government steamer 'Douglas' Saturday evening to get quarries and won't return until perhaps Wednesday. There will be no possibility of overdrawing our bank account here, as the banks charge from 12 to 15 per cent. for the use of money, so you see we can't stand that. Nick only accepted about four thousand dollars worth of the plant that was on the dock site. I have had but a very short time to talk to Nick since my arrival here, therefore can't give you much information as to certain prospects. The Hon. Mr. Trutch has gone to Ottawa—started this morning—to back up a petition got up by the people here to have granite substituted for sandstone throughout the works, and asking that the dock be lengthened 100 feet. If you have a chance, see Mr. McGreevy and have him arrange to have the second entrance at head done away with and a circular head, same as at Point Lévis substituted. There is a party here who has been attending to the pumps since they were started, and who is a story carrier, &c. Now according to the contract we can't interfere with this party and can't control him in any way and yet we have to pay him. I need not go into details, for you know how disagreeable such a party can make himself if he wishes—burn coal, use oil, light pipes, &c. Now, the long and short of it is, we want this party and machinery turned over to us, and put under our jurisdiction so that we can handle each as we think fit; we, of course, being held responsible for the machinery. We don't want any tale bearers on this. Everything here is very dear, and if we make much out of this work it will have to be at the best possible management and all possible economy consistent with the standing of the firm. I will write you again as soon as Nick returns. The reason we never got any letters from Nick and Hume is that they—the letters—were snow bound on the way and held there for three weeks or more. They just got the blockade raised as we came along and ours was the first train through. You will want to place all the money you can at the disposal of this institution as soon as possible. We will have to buy some horses immediately, and horses are very dear here. The rivers are full of fishes and splendid beef by the quarter or side is but 7 to 8 cents a pound. You can get a large salmon, as you know from the fishermen for two bitts—25 cents. The roads are good and no toll gates. The people are indolent. There are a great many of "aw aw" fellow from "ome ye know" here, but

they don't like Canadians, Americans are preferable to them they think. I will write you again as soon as Nick returns.

" Yours truly,

" M. CONNOLLY.

" Direct to Esquimalt—B.C."

Q. Identity this letter please?—A. This is a letter from Mr. Patrick Larkin.
A. Addressed to you?—A. Addressed to me and received by me.

(Exhibit " K 7.")

" St. Catharines, 28th February, 1885.

" O. E. Murphy, Esq.,
" Quebec.

" My Dear Sir,—Your letter of the 26th inst. received, and contents carefully noted. I cannot see why our friends should be disappointed or that they have cause to think that we have treated them in any way discourteously, either at Quebec or at Ottawa; in fact, this is a matter in which all are interested, and the more made out of it the better for them as well as us. It was first thought that substituting granite for sand stone at $1.00 per foot additional would be a big thing; afterwards, it was ascertained that the sandstone at contract prices would pay as well owing to the quarries being working well and the facilities of getting the stone to the dock would expedite the building and shorten the time materially. I am not prepared to say that the granite would not pay, but I am satisfied to leave the whole matter with Nicholas, Mike and Hume; they are on the spot and have fully investigated the whole affair, and are better judges of what will pay best than we are or could possibly be at this distance from the scene of action.

" I received a letter from Mike to-day stating that they had got passes from the Northern Pacific for Nick and Hume from Victoria to St. Paul, and were waiting for the passes from St. Paul to Quebec that they telegraphed you for. I hope you have succeeded in obtaining them, it will make the expense light—there is nothing new here or worth relating; we have a thaw to-day, and the sleighing is going fast. We have had it now five weeks steadily and good.

" Yours truly,

" P. LARKIN."

Q. Now, read this letter?—A. This letter is received from Robt. McGreevy and addressed to me.
Q. What date?—A. 24th February, —— no year.

(Exhibit " L 7.")

" Ottawa, 24th February.

" (Private.)

" Dear Murphy,—The 2nd entrance has been done away with, and circular head substituted at an increase of $35,000. The granite substitution was just about being sent to Council, but happily, my letter came in time to put it back to sandstone, where it is now, high courses and beds will be put—the additional length will be hereafter settled. I think this is what you want, but it was a close shave. The $1 foot was to be given.

" I remain yours, &c.,

" ROBT. H. McGREEVY."

Q. By the contents of the letter just read, what would be the year it was written in?—A. It would be in 1885, I think. It has reference to the changes from sandstone to granite.

Q. Now this letter ?—A. This letter is written and signed by Michael Connolly.

(Exhibit "M 7.")

"VICTORIA, B.C., February 8th, 1885.

"THE DRIAD,

"REDON & HARTNAGEL, PROPRIETORS.

"FRIEND OWEN,—"Your two letters of the 27th and 30th ult. reached me yesterday. We are all glad to hear of yourself and family being well. Nick returned from the quarry last night and says the stone is much harder than that of St. Vincent de Paul, but thinks it may turn out better after a time. We had to buy a little tug and two scows yesterday to haul sand and gravel to the Dock. We paid or will have to pay four thousand dollars for the tug and two scows; it is a big price but we had to have something to work with, and there was nothing we could get to start with but these. Nick, Dan, Neville and Porter arrived here last Friday. I fear it is a poor bargain sending Porter out here, as I fear he will be drunk all the time. Still he may do better, anyway he is here and we will do the best we can with him. Labour is not so high here as we imagined. There is plenty of white labour here to be got for $1.75 per day. What we could use to a good advantage is a couple of good blacksmiths and carpenters. We have to pay such $3.00 per day but if you can't get them for considerably less than that by paying their fare, you need not send them.

"I fear you are making a mistake in keeping those men to work on the sand as the money you are now using will be badly needed before we get any in. You know we have drawn pretty heavy on everything we could, and we must not get left for funds here above everything else.

"The wire that was shipped from Montreal has not arrived here yet and that is keeping us back considerably.

"Nick at first was very anxious to have the stone changed to granite, but I hope no such change will be made for the granite here is terribly hard and the quarry about 180 miles distant. If possible get them to extend the Dock 150 feet and do away with the double entrance but put in a circular head, the same as at Levis, and let sandstone go in as it is. Be sure and do what you can for this matter. Dispensing with the double entrance head is very important as it is very difficult work.

"I will write you again in a day or two. We all join in kindest regards to yourself and family.

"Very truly yours.

"M. CONNOLLY,

"Esquimalt, B.C."

The further examination of the witness was postponed.

MICHAEL CONNOLLY, re-called:—

By Mr. Edgar:

Q. I would like to ask Mr. Connolly whether he has yet produced the cheques, notes, stubs and bill books of the firm?—A. Well, I will answer that. In pursuance of the request of the Sub-Committee I telegraphed yesterday to our agent at Quebec to forward everything in his possession here.

Q. What answer did you get?—A. I have received no answer yet.

Q. Then you don't know whether they are coming?—A. No, Sir.

Q. To whom did you telegraph?—A. To Kelly.

Q. You heard it stated, or you stated yourself—I forget which—that a number of these cheques and notes were taken out of your office by Mr. Fitzpatrick for some trial in Quebec?—A. I heard it stated.

Q. Have you taken any steps to produce them?—A. I had Mr. Todd telegraph Mr. Fitzpatrick yesterday. I think he sent both my messages.

By Mr. Mulock:

Q. Mr. Todd, can you tell us what that message was?—A. It was: "Mr. Connolly requests that you will bring to Ottawa with you as soon as possible all papers and vouchers in your possession that have any connection with the criminal trial against O. E. Murphy and R. H. McGreevy."

The Committee then adjourned.

HOUSE OF COMMONS, WEDNESDAY, 1st July, 1891.

The Committee met at 10 a.m., Mr. Baker in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. GOBEIL, Deputy Minister of Public Works, re-called.

By Mr. Geoffrion:

Q. Have you prepared the statement I asked you for the other day in connection with the amounts which were retained monthly on the estimates for the Esquimalt works in reduction of the $50,000 for plant ?—A. That has been prepared.

Q. Will you hand it to the Committee ?—A. This is a statement of each sum which was deducted every month from the estimates rendered in favour of Larkin, Connolly & Co., to reimburse the Department for the value of the plant which was estimated at $50,000.

" (Exhibit " N 7.")

" *RE* ESQUIMALT GRAVING DOCK, B.C., LARKIN & CONNOLLY'S CONTRACT.

" Amount deducted from estimates for value of plant :

" Est. No.	1, 30th April,	1885	.....	$.....
do	2, 31st May	do	.....	4,204 85
do	3, 31st June	do	.....	4,204 85
do	4, 31st July	do	.....	4,204 86
do	5, 31st Aug.	do	.....	4,204 85
do	6, 31st Sept.	do	.....	4,204 85
do	7, 31st Oct.	do	.....	4,204 86
do	8, 30th Nov.	do	.....	4,204 85
do	9, 31st Dec.	do	.....	4,204 86
do	10, 31st Jan,	1886	.....	4,204 85
do	11, 28th Feb.	do	.....	4,204 85
do	12, 31st March	do	.....	4,204 86
do	13, 30th April	do	.....	4,204 85
	Total		.....	$50,458 24
do	14, 31st May, 1886, off		.....	169 55
	Deducted Est., 31st Nov., 1886		.....	$50,288 69
	Plant found useless which had to be replaced by contractors		.....	19,873 18
	Total deduction for plant		.....	$30,415 51"

Q. So from the books it would appear that the whole amount of $50,000 had been paid ?—A. So far as that statement shows, yes, Sir.

Q. Have you not in your possession here certain telegrams which were referred to in Exhibit " D 7," being a copy of a minute of the Honourable the Executive Council of the 20th June, 1889, approved by His Honour the Lieutenant Governor of the Province of British Columbia in the following words:—" That telegrams from

the Minister of Public Works to the representatives of the City of Victoria in the House of Commons, published in to-days newspapers, show that it is not only intended to continue the delay for so long a period that the working season of the present year will be entirely wasted " ?—A. I have not these telegrams.

Q. Well, take a note and search for them?—A. If they are telegrams by the Minister direct, I do not know that I could find them. So far as I know the Minister does not keep a copy of his telegrams.

Q. If they were sent by his secretary do you know whether his secretary would have copies of these telegrams?—A. I do not believe there is a copy of the Minister's correspondence kept in the Department. That is what I call his private correspondence. If they are telegrams sent by his order by any officer of the Department they would be there of course, but if they are telegrams sent in some private way by the Minister himself, copies would not be kept.

Q. You will make a search then for them?—A. Yes I have taken a note.

Q. Can you inform the committee whether it will be possible for you to bring before them the letter-books, correspondence, and other papers which were found in Mr. Trutch's office when he ceased to be employed by the Government?—A. well, I have telegraphed to our agent in Victoria who succeeded Mr. Trutch, to send me what he has in connection with the works under Mr. Trutch's charge. I have had no reply yet.

Q. Will you also look and see whether you have copies of a letter from Mr. Trutch to Mr. Perley dated 14th June, 1884?—A. I have produced all the correspondence that can be found in Mr. Perley's office from about the beginning of 1884 to the end of 1885 or 1886, and if it is not there I will make search again.

Q. To help you in your search, will you refer to page 152 of the Minutes and see whether you ever saw such a letter as that referred to by Mr. Trutch in a telegram to Mr. Perley reading " What about caisson chamber wall recesses? Do not think they can be dispensed with. See letter 14th ult."—A. Yes that is of 13th June 1884. I will take a note of it; it does not appear to be in my papers.

Q. In the papers produced by you, Mr. Gobeil, do you find an envelope endorsed No. 73060 dated 9th November 1886, and which is empty? Have you any idea where the document referred to in that envelope is?—A. I think I have already explained to the committee in a previous examination that wherever I could not find the originals or the papers themselves, I got a copy taken from the book of the endorsation to show the committee exactly what the paper was. Of course they may have been mixed with another file, or put away carefully where they cannot be found at present. I may find this paper perhaps to-morrow, or in a week, or a month when we are looking up some other papers. In taking a file of thousands of papers some are apt to get astray. I found one in this way last week.

Q. Could you file in the hands of Mr. Todd, Secretary of this Committee, all the estimates in connection with the Esquimalt works?—A. I believe they are all in the bundle produced.

Q. Are they all here?—A. Yes, sir; I believe so.

Q. If they are not all here, will you undertake to send them?—A. I have sent all that could be found in the accountant's office. If there is one missing, I will get the Accountant to look over them again. I think they are all here.

Q. Will you look for a copy of an Order in Council of October 28, 1883, No. 38,986?—A. It is here.

Q. Have you any papers which will show when Mr. Bennett was discharged from the employment of the Government?—A. I think, I have. I know the papers are here. The first paper is No. 81,012. It is a report from the Chief Engineer to the Minister of Public Works, dated 21st September, 1887. It reads as follows:—

(Exhibit " O 7.")

" Chief Engineer's Office,
" Ottawa, 21st September, 1887.

" (No. 20,992.)—Subject—Esquimalt Graving Dock,

" Sir,—In view of the completion of the Graving Dock at Esquimalt, and the fact that a Superintendent has been appointed, the necessity for retaining the services

of Mr. W. Bennett, the resident Engineer, no longer exists, and I have to advise that Mr. Bennett be notified that his services will not be required on and after the 31st December next.

"Yours obediently,
"HENRY F. PERLEY,
"*Chief Engineer.*

"HON. SIR HECTOR L. LANGEVIN, K.C.M.G., C.B.,
"Minister of Public Works,
"Quebec."

Q. What action was taken on that letter?—A. I was instructed in my capacity as secretary of the department to write Mr. Bennett a letter. I wrote him letter No. 44,618, which reads as follows:

(Exhibit "P 7.") "DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 26th September, 1887.

"SIR,—I am instructed by the honourable the Minister of Public Works to inform you, that in view of the completion of the graving dock at Esquimalt, and the appointment of a superintendent, the necessity for having a resident engineer no longer exists, and the Minister therefore desires me to notify you that your services in that capacity will not be required after 31st December, 1887.

"I have the honour to be, Sir,
"Your obedient servant,
"A. GOBEIL,
"*Secretary, per J. A. P.*"

"W. BENNETT, Esq.,
"Resident Engineer,
"Esquimalt Graving Dock.

WITNESS—There was a letter previous to that one to Mr. Perley. It is the same date I see. It is to the same effect, informing Mr. Perley of what was being done.

Q. Was there an answer from Mr. Bennett?—A. I do not know. There might have been a letter of thanks for all I know.

By the Chairman:

Q. For being dismissed?—A. No; for being employed for so long a time.

By Mr. Tarte:

Q. I believe there was a sum of $500 paid to him?—A. Yes; for travelling expenses back to England.

Q. There is some correspondence about that I would like to see now. There was a recommendation from Mr. Trutch about this $500?—A. Yes; there was a sum of $500 paid for travelling expenses and there must have been correspondence; but you see this paper was not asked for, and I did not look for it.

Q. Will you refer to the Order in Council of the 28th October, 1883, and see whether you find in that Order in Council anything in connection with the appointment of Mr. Bennett?—A. In the report of the Chief Engineer, attached to the Order in Council, there is a reference to the employment of Mr. Bennett.

Q. Read it?—A. It reads as follows:—

"With the view of furthering the completion of this work I beg leave to recommend that it be placed under the general supervision of the Hon. J. W. Trutch, and that Mr. William Bennett be appointed resident engineer, on behalf of the Department of Public Works of Canada, in charge of the works under the direction of Mr. Trutch; that his engagement with the Department be monthly, and that he be paid a salary monthly of $220 per month, from the date of his engagement by the Hon. Mr. Trutch."

Q. Will you look at No. 83904?—A. Yes.

Q. What is the résumé?—A. Telegram from Hon. J. W. Trutch. "Full amount of work done and materials, &c., supplied by Larkin, Connolly & Co., since 30th June last, $23483.61; no per centage deducted. That was on December 10th, 1887."

Q. Could you find any estimates about those works?—A. They would be in the bundle of papers already here.

Q. Will you now refer to 39920, 11th December, 1886?—A. That is the ackowledgment of a letter No. 73060, from Larkin, Connolly & Co. That is the only thing. On December 11th, 1886 I wrote a letter to Larkin, Connolly & Co., No. 39920, acknowledging receipt of 73060 of which I have a note.

Q. Where is that letter?—A. It is filed here. Every one of those letters is filed here.

Q. Will you file it?—A. Copy of letter sent No. 39920.

(Exhibit "R 7.")

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 11th December, 1886.

"GENTLEMEN,—I am directed to acknowledge the receipt of your letter dated 7th instant, transmitting statements of claims on your part on account of your contract for the completion of the Graving Dock at Esquimalt, B.C., and to inform you that the matter has been referred, for report, to the Chief Engineer of Department.

"I have the honour to be, Sir,
"Your obedient servant,

"Messsrs. LARKIN, CONNOLLY & Co.,
"Contractors, Quebec."

"(Signed) A. GOBEIL,
"*Secretary.*"

Q. Now refer to 25810?—A. This is a letter from Mr. Ennis to J. S. Noad, dated 3rd June, 1884:

(Exhibit "S 7.")

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 3rd June, 1884.

"SIR,—I am directed to acknowledge the receipt of your letter of 28th instant, making enquiries about Portland cement for the Esquimalt Graving Dock, and to say that no information can be given as to the quantity which will be required. The cement will not be furnished by the Government, but by the contractor when the work shall have been let.

"I have the honour to be, Sir,
"Your obedient servant,

"JAS. S. NOAD, Esq.,
"Montreal."

"(Signed) F. H. ENNIS,
"*Secretary.*

By Mr. Osler:

Q. Where are Mr. Bennett's papers—are they in the Department here?—A. They are not, so far as I know.

Q. You have had no return from him of his file as resident engineer?—A. Not that I know of.

Q. So that any information you have and any documents you produce are independent of his file altogether?—A. Yes.

By Mr. Geoffrion:

Q. According to the rule Bennett's papers ought to be among Mr. Trutch's papers for which you have telegraphed?—A. I suppose they would. They remained in the office at Victoria.

Q. He was to report to Mr. Trutch and Mr. Trutch transmitted the papers to the head office?—A. Mr. Trutch communicated direct with the Minister or Mr. Perley.

A document containing copies of letters from contractors for graving dock at Esquimalt and of engineer's reply, and of a report from the engineers, Kinipple and

Morris, on the said graving dock was filed and marked Exhibit "T 7," from which the following extract was read:

"As to substitution of solid stone in deck walls in lieu of stone and concrete, my firm were the first to introduce into Canada, Portland cement concrete as backing of quay walls behind stone face, in lieu of solid stone walls which cost from $12 to $16 per cubic yard, while a stone and concrete wall of equal durability and strength only costs from $6 to $8 per cubic yard. The latter class of work has been most successful in the Harbour and graving dock works at Quebec. It was at first supposed that the severe climate of the Province of Quebec would be very injurious to a stone and concrete wall, but it is not found to be the case. Should Canada take advantage of this experience, she may in the future save some millions of dollars in the carrying out of her public works."

The following letters were also read:

(Exhibit "U 7"). "DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 24th March, 1884.

"SIR,—In the matter of the claim of Messrs. McNamee & Co. to be paid for plant furnished by them in connection with the works of the Esquimalt Graving Dock, and which was taken by the Government of British Columbia and transferred to the Dominion, I am directed by the Hon. the Minister of Public Works to request that you will be good enough to cause to be prepared and transmitted to this Department a statement in detail of such plant, shewing also the value of the same at the time when it was taken possession of by you on behalf of the Federal Government.

"I have the honor to be, Sir,
"Your obedient servant,
"(Signed) F. H. ENNIS,
"*Secretary.*

"HON. J. W. TRUTCH, C.M.G.,
"Resident Agent for the Dominion,
"Victoria, B.C."

"No. 9653—Subj. Esq. Dock—Ref. No. 44819.

(Exhibit "B 7.") "CHIEF ENGINEER'S OFFICE,
"OTTAWA, 15th March, 1884.

"SIR,—With reference to the letter from the Hon. Mr. Smith relative to a claim preferred by Messrs. F. B. McNamee & Co., for an allowance on plant taken from them by the Government of British Columbia in consequence of the failure on their part to complete the Graving Dock at Esquimalt, such plant having been transferred to the Dominion without payment therefor, I have to state that according to a schedule of plant and materials accepted by the Hon. Mr. Trutch, on behalf of the Dominion, there appears to be a large quantity of plant and tools of all descriptions required in connection with the construction of the dock which has evidently been supplied by the late contractors, but I am unable to pick out from this statement exactly what plant and tools were once the property of Messrs. McNamee and Co.

"There is no doubt but that the Dominion has come into the possession of plant to quite a large amount which it is purposed shall be taken and paid for by the contractor who undertakes to complete this dock in accordance with tenders lately received therefor, provision having been made for the payment of all plant, tools and materials enumerated in the schedule attached to the specification in twelve monthly payments.

"Whilst I am of the opinion that Messrs. McNamee & Co. should be paid for their plant, I am unable to state either its amount or value, and I have to suggest that the Hon. Mr. Trutch shall furnish a statement showing exactly what was supplied by Messrs. F. B. McNamee & Co. in connection with their works, and taken possession of by him, and their value at the time their possession was assumed.

"I have the honour to be, Sir,
"Your obedient servant,
"HENRY F. PERLEY,
"*Chief Engineer.*"

"F. H. ENNIS, Esq.,
"Secretary Public Works Department."

The Committee then adjourned.

HOUSE OF COMMONS, THURSDAY, 2nd July, 1891.

The Committee met at 10 a.m., Mr. Kirkpatrick in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. PATRICK KELLY, sworn.

By Mr. Geoffrion:

Q. Mr. Kelly, have you brought with you any books, vouchers or papers, as ordered?—A. Yes, sir

Q. Where are they? A. They are here, sir, in these two boxes.

Q. Are these all you found in Larkin, Connolly & Co's. office in Quebec?—A. Yes, sir; that is all I found.

Q. They were in Quebec?—Yes, sir.

Q. Where were they?—A. In the office.

Q. Can you explain why they were not sent with the other papers?—A. I had not been told to send them.

Q. You had not been told?—A. No, sir.

Q. Were you not told to send all the papers?—A. I sent all the vouchers that I had.

Q. And the cheques and notes, you were not told they were vouchers?—A. No, sir.

Q. Did you forget any?—A. No, sir; I did not.

Q. You left none?—A. There may be other books, but I don't know what they are.

Q. Are they cheques and notes?—A. I don't think so.

Q. Did you make a thorough search?—A. Yes, sir; I did.

Q. Did you pack the first boxes that were sent?—A. No, sir; they were already packed.

Q. They were already packed—by whom?—A. I do not know, sir.

Q. You were not there when they were packed?—A. No, sir.

Q. When were they packed?—A. I don't know. I packed the first lot into wooden boxes, but I don't know their contents.

Q. Who gave you all these papers to pack?—A. They were already packed in boxes. I put them into wooden boxes; that is all the packing I did.

Q. You do not know their contents?—A. No, sir.

Q. You do not know who filled these tin boxes?—A. No, sir; I do not.

Q. On whose order did you send this first lot?—A. Mr. Connolly's order.

Q. Mr. Michael Connolly?—A. Yes, sir.

Q. Where did you find the contents of these two boxes?—A. In the office.

Q. In the safe?—A. Yes, sir.

Q. Is it a very large safe?—A. Yes; a great size.

Q. It was very easy to see the papers in the safe, I suppose?—A. Yes, sir.

Q. Have they been in the safe all the time since this first lot was sent here?—A. Yes, sir.

Q. They were not removed from the safe when the first lot was sent?—A. I connot say, but I got them there.

Q. And had you seen them a long time before?—A. No, sir.

Q. Had you the combination of the safe?—A. Yes.

Q. Had you access to the safe every day?—A. After Mr. Connolly went to Kingston.

Q. After Martin Connolly left Quebec to go to Kingston you were left in charge of the safe?—A. Yes, sir.

Q. And these papers were not removed from the safe? While you had possession they were always there?—A. Yes, sir.

Q. No other clerks beside you had access to that safe?—A. No, sir.

Q. You were the only man knowing the combination?—A. Yes, sir.

Q. Do the partners know the combination, too?—A. I really don't know, sir.

Q. Did you ever see any other man besides yourself have access to that safe after Martin P. Connolly left Quebec?—A. No, sir.

Q. In whose employ are you?—A. In Larkin, Connolly & Co.'s.

Q. And you live with Nicholas Connolly, I believe in Quebec?—A. Yes, sir.

Q. When did you first receive orders to send these papers?—A. I think it was on the 25th; I don't really know. Mr. Connolly gave me orders to send all the papers I had.

Q. Did you send them at once?—A. Yes, sir; as quick as I could.

Q. Is it not a fact you did not send them until the 30th?—A. On the following day I was ordered to send them I got a summons to take them along for the 2nd—to come along with them myself so then I kept them, instead of sending them on the 26th.

Q. Were they packed in these boxes in the safe?—A. No, sir; they were in the safe, and I packed them myself.

Q. You packed them as soon as you received the message on the 25th?—A. Yes, sir.

Q. To whom did you address the boxes?—A. To Michael Connolly.

Q. Were?—A. In Ottawa—here.

Q. Addressed to Michael Connolly, Ottawa?—A. Yes, sir.

Q. Did you send them by express?—A. By express.

Q. Addressed "To Michael Connolly, Bodega Chambers, Ottawa"?—A. Yes, sir.

By Mr. Edgar:

Q. Mr. Kelly, did you make a list of these papers when you packed them into the box?—A. No, sir; I did not.

Q. Can you tell us what kind of papers they are, or what they consist of?—A. Yes, sir; there are stub cheques, and I think a bill-book in one of the boxes, and in the other are vouchers.

Q. What about notes returned—promissory notes?—A. There are bank notes and cheques.

Q. Are the notes taken up and paid by the firm there?—A. I don't know anything about the office business. I am the caretaker.

Q. Did you mail these boxes yourself?—A. Yes, sir.

Q. Do you know whether the boxes are in the same condition as when you shipped them?—A. Apparently the first one is.

Q. Were there any other books or papers left in the vault or safe?—A. Oh, yes, sir; there are more books and papers, sir. There are quite a number of stone-books and time-books.

Q. Were there others besides the stone-books and time-books? Were there any others left there?—A. I suppose there may be.

Q. Are there many?—A. Yes; there may be a few.

Q. Where a e they—in the safe?—A. There are some in the safe.

Q. Large books or small books?—A. Really, I don't know the nature of them.

Q. You have seen them, have you?—A. Yes, sir.

Q. Are they like ledgers?—you know what a ledger is?—A. No; I don't think they are.

Q. Are they little books or big books?—A. Little books.

A. Any large books there?—A. Some large books.

Q. You don't know what they are or what they are about?—A. No, sir; I do not.

Q. Have you got the telegram Michael Connolly sent you the other day?—A. I think I have, sir—yes, here it is.

Q. What does it say?—A. "Please send all cheque books, vouchers, and cheques to me here by first express."

Q. When did you get that?—A. On the 25th, sir.

Q. When you got that did you go to the safe and pick out these different documents here referred to?—A. Yes, sir.

Q. Now, are you sure you left none of these documents in the safe?—A. Not that I know.

Q. Where you very careful?—A. Yes.

Q. And brought them all?—A. Yes, sir.

Q. And put them into these boxes?—A. Yes, sir.

Q. You don't know anything about any others in Quebec, I suppose?—A. No, sir.

CHARLES FITZPATRICK, Esquire, counsel for Hon. Thomas McGreevy, was called, for the purpose of producing certain cheques, notes, &c., belonging to the firm of Larkin, Connolly & Co., and in his possession as counsel for the firm in the criminal libel suit against O. E. Murphy and R. H. McGreevy.

By the Chairman :

Q. Have you the papers in connection with this case that were in your hands in the conspiracy case in Quebec?—A. I have in my possession a certain number of cheques, which I produce, on the Bank of British North America in British Columbia, dated Victoria, 1885 (Exhibit "C 8.") I have also in my possession trial balance, Quebec Harbour Improvements, from 1st May, 1885, to May, 1886; trial balance and statement of Quebec Harbour Improvements from February, 1887, to February, 1888; trial balance and statement Esquimalt Dock up to March, 1888; trial balance of Graving Dock 1st May, 1885, to 1st April, 1886; trial balance and statement Quebec Harbour Improvements from April, 1886, to 1st April, 1887. I have also five promissory notes (Exhibit "W 7") dated Quebec, 1st May, 1883, for $5,000 each, all signed by Larkin, Connolly & Co. Two are made payable on demand, one at six months from date; another at seven months from date, and another at nine months from date. Five promissory notes (Exhibit "X 7"), dated 2nd June, 1884, all signed Larkin, Conolly & Co.; one for $2,000 at two months, to the order of Michael Connolly; one for $5.000 for three months, payable to the order of O. E. Murphy; another for $5,000, five months after date, and payable to the order of Nicholas K. Connolly; another for $4,000, payable to the order of Michael Connolly, and one for $6,000, at six months, payable to the order of Patrick Larkin. I have also four promissory notes, one for $3,000 (Exhibit "Y 7"), dated Quebec, 28th November, 1884, by Larkin, Connolly & Co., at six months, to the order of Michael Connolly. Annexed to that is a voucher for $3,000, Quebec Harbour Improvements dated 30th May, 1885. I have also three notes, (Exhibit "Z 7"), dated 3rd June, 1885, and one for $2,000, made by Larkin, Connolly & Co., and payable to the order of N. K. Connolly four months after date; another for $1,000 made by Larkin, Connolly & Co., and payable to the order of N. K. Connolly two months after date; another made by Larkin, Connolly & Co. to the order of Nicholas K. Connolly, payable three months after date, for $1,000. I have also got a bundle of twenty-three cheques and a receipt from R. H. McGreevy for $13,000 (Exhibit "D 8"), as follows: one dated Quebec, 14th May, 1883, $5,000—the cheques are all made to Larkin, Connolly & Co., on the Union Bank of Lower Canada—one of 1st June, 1883, payable to the order of Nicholas K. Connolly, for $5,000, one of 4th December, 1883, for $5,000; and one 4th February, 1884, for $5,000.

By Mr. Edgar :

Q. Are these payable in blank?—A. I will make a statement about them later: 4th August, 1884, to the order of James McNider, $2,000; 4th September, 1884, O. E. Murphy or bearer, $5,000; 24th September, 1884. Nicholas K. Connolly or order, $5,000; 5th November, 1884, Nicholas K. Connolly or order, $4,000; the next is on the Bank of British North America, 1st May, 1885, $3,000;

one on the Bank of British North America, 25th January, 1887, Nicholas K. Connolly or order, $10,000; 24th January, 1887, O. E. Murphy or order, $3,000; 3rd January, 1887, Nicholas K. Connolly, $5,000; 20th March, 1886, payable to the order of ourselves, $5,000. The three last are on the Union Bank. Another on the Bank of British North America, May 30th 1885, $3,000; Union Bank of Lower Canada, July 28th, 1885, O. E. Murphy or order, $2,000; September 8th, O. E. Murphy or order, $1,000; August 6th, Quebec Bank or order, $1,000; the three last are on the Union Bank of Lower Canada; another of the Union Bank of Lower Canada, Nicholas K. Connolly, $5,000 February, 4th, 1887; one of the Bank of British North America, February 4th 1887, $5,000; the same bank, February 14th 1887, $5,000; February 17th, one to the order of O. E. Murphy, $5,000; and another to Nicholas K. Connolly, February 17th, 1887, $5,000; Union Bank of Lower Canada, O. E. Murphy or order, $5,000; December 30th, 1888, Nicholas K. Connolly or order $3,050; February 17th, 1887, Bank of British North America, by N. K. Connolly, $5,000, is payable to the order of Larkin, Connolly & Co. I have here a receipt for $13,000, signed by Robert H. McGreevy, which I know, has nothing to do with this case; but if you want it, it is here—dated January 25th, 1887. My instructions were to produce everything, and I have done so. I have also some other papers which I produce, but which I also know have nothing whatever to do with this matter. They are connected with the conspiracy case. I will state to the Committee what I have: There are three cheques and three notes (Exhibit "A 8"), as follows: A cheque, dated Quebec, August 14th, 1889, signed Larkin, Connolly & Co., for $20,260.30. Annexed to that is a note, dated Quebec, May 11th, 1889, for $20,000, payable to the order of Michael Connolly, and signed Nicholas K. Connolly; a cheque dated Quebec, November 14th, 1889, Larkin, Connolly & Co., for $25,640.40, and a note, dated May 11th, 1889, $25,000, to the order of Michael Connolly, signed by Nicholas K. Connolly; another cheque, Quebec 14th, February, 1890, Larkin, Connolly & Co., $25,955.50; and a note, 11th May, 1889, $25,000, payable to the order of Michael Connolly, and signed by Nicholas K. Connolly. These were given in consideration of advances made by Michael Connolly to the firm. I have also got a cheque with two notes attached (Exhibit "B 8"); the cheque is dated 27th June, 1887, Bank of British North America, to the order of O. E. Murphy, $52,500, signed Larkin, Connolly & Co.; the two notes annexed are for $52,500 each, one dated Quebec 27th June, 1887, payable fifteen days after date, to the order of ourselves, signed Larkin, Connolly & Co.; the other dated 30th July, 1887, payable ten days after date, $52,500, Larkin, Connolly & Co. These notes also have nothing whatever to do with this case, and they are for loans made to the firm by O. E. Murphy. I have also got a document here bearing date Lauzon, Lévis Co., 31st August, 1885. It is an acknowledgment of the interest which Michael Connolly has in the firm of Larkin, Connolly & Co. It is of importance to my client, but at the same time I produce it. Also another document, bearing date 8th June, 1883, showing the interest of Michael Connolly in some other contract—the cross-wall. These simply show his interest in the firm. I have, in addition to that, copies of agreements between Robert H. McGreevy and Larkin, Connolly & Co.; but you have the originals already produced, showing his interest in the different contracts. These are simply office copies made for my use. These are all the papers I have got.

By Mr. Edgar:

Q. Or have had? I mean to ask if there are other papers you had formerly and returned?—A. Since the date I became connected with these matters arising out of the conspiracy or libel case, I am absolutely certain I produce all the papers I have had.

Q. You did not return any to the firm?—A. They may have left my possession at different times. They have been in the possession of Mr. Hyde and Mr. Connolly; but they have been under my control. There are some of these documents which I have produced here that, in my judgment, are absolutely necessary for the cross-

examination of two witnesses, both of whom have been produced here—Mr. Murphy and Robert H. McGreevy. I think, in the interest of the gentleman I represent, these documents should be kept in possession of the Committee and not shown to the witnesses until we have had an opportunity of cross-examining them. You will see the importance of explaining some of the statements which have been made here, and we think we are in a position to do it by the aid of these documents if the ordinary opportunity given to counsel is afforded to us.

Mr. GEOFFRION objected to any such restriction.

Mr. AMYOT.—Do you specify the papers?

Mr. FITZPATRICK.—I object to the witnesses, McGreevy and Murphy, having access to the notes dated 1st May, 1883, and the notes dated 2nd June, 1884, which they pretend corroborate the evidence respecting payments to Mr. McGreevy. I will put them in the possession of the Committee, but until we have had an opportunity of cross examining these two men we should be able to keep these notes back.

Mr. MARTIN P. CONNOLLY re-called, for the purpose of identifying the books produced in bulk by Mr. Patrick Kelly.

By Mr. Edgar :

Q. Does this book contain the stubs of cheques issued on the British Columbia contract ?—A. Yes ; as far as I know, it does.

(Cheque book filed and marked Exhibit " E 8.")

By Mr. Geoffrion :

Q. Will you file the bill-book ?—A. Yes.

(Bill-book filed and marked Exhibit "F 8.")

Q. Is that the only one ?—A. Yes; that is the only one.

Q. Is this a bundle of cheques?—A. Yes; it is a bundle of cheques corresponding to the stubs in the Esquimalt cheque book. This, with what Mr. Fitzpatrick produced this morning, and that small bundle of cheques, I found in the tin box on June 25th, will cover the stubs in that book.

By Mr. Edgar :

Q. You have not examined them or compared them ?—A. No ; these cheques are all dated Victoria.

By Mr. Mulock :

Q. How long were you book-keeper for the firm ?—A. From the 2nd of January, 1885.

Q. You were not book-keeper in 1883, when these first notes were given ?—A. No.

Q. Is this the only bill-book that has been in the possession of the firm since you have had connection with them?—A. This is the only bill-book I ever knew of.

Q. Who was your predecessor ?—A. I was told he was a gentleman by the name of Shea.

Q. Was he their book-keeper?—A. Yes.

Q. For how long?—A. From June, 1884, until some time before I came.

Q. Who succeeded him?—A. I do got think there was any book-keeper, except probably Mr. Hume, until I was appointed.

Q. Who was book-keeper before Mr. Shea?—A. I do not know that there was any.

Mr. NICHOLAS K. CONNOLLY re-called.

By Mr. Mulock :

Q. Who was your book-keeper before Shea?—A. We had one, but I do not remember his name.

Q. Who was your book-keeper in 1882?—A. I think it was a man by the name of McGill.

Q. How long was he with you?—A. One year, I think.

Q. And then Mr. Shea came on?—A. Yes.

Q. Mr. Shea continued until the fall of 1884?—A. Yes.

Q. Was there anyone between Mr. Shea and Martin P. Connolly?—A. No.

Q. Is that the only bill-book you have?—A. That is the only one we have, I do not know of any other bill-book.

Q. Had you any knowledge o the way the books were kept?—A. I used to see the books occasionally.

Q. Who directed how the books of the firm were to be conducted?—A. The book-keeper was generally told to charge different things in the books, and he charged them that way.

Q. Who ordered what system of book-keeping was to be followed?—A. Mr. Hume.

Q. Where is he?—A. I think he is in Kingston.

Q. Is Mr. Hume under orders to appear here as a witness?—A. I do not know.

Mr. O. E. MURPHY re called.

By Mr. Geoffrion:

Q. Will you take cognizance of this document, and say what it is?—A. It is Mr. Robert H. McGreevy's share of the money received from the profits on the Harbour Improvements of Quebec. The lower figures are his share of the profits on the British Columbia Dock. It reads as follows:
(Exhibit "G 8.")

R. H. McGREEVY.

From Q. H. I., season	1886-87	$24,000 00
do	1887-88	30,000 00
do	1888-89	45,604 61
From B.C. Dock		48,195 81

"Correct copy from books.
"25th April, 1889.
"M. P. CONNOLLY."

Q. And written and signed by Martin P. Connolly?—A. Yes; written and signed by Martin P. Connolly.

Q. Will you take communication of this document, and describe it to the Committee?

(Exhibit "H 8.") "LEVIS, June 2nd, 1885.

"This is to certify that we have as auditors examined the cash receipts and disbursements of the firm of Larkin, Connolly & Co., and which was under the supervision of Mr. O. E. Murphy from March 1st, 1883, to May 1st, 1885, and find the same correct as per cash trial balances submitted to each member of the firm.

"RICHARD KIMMETT }
"P. HUME. } Auditors.

"Statement of the indebteness of the Quebec Harbour Improvements up to May 1st, 1885:

To Balance as per Trial Balance	$128,472 14
" Allowance for Tug "H. Larkin"	6,000 00
" Salaries and wages charged Q.H.I.	7,037 48
" 275,000 brick, at $5 per M	1,375 00
" 2 small scows, at $150	300 00
" One red barge	600 00

" 3 small scows	90 00
" 2 boilers	850 00
" 2 carts	40 00
" Harness	80 00
" Waggon	75 00
" Horses	365 00
" 1 Blake pump	90 00
" Diving suit, helmet and pump	244 00
" Balance due at audit March 7th, 1883, $32,225.33....	
" Less security returned July 8th, 1884, $12,000.00..	
	20,225 33
" 2 years and 2 months interest on $20,225.33 at 7 p.c.	3,067 52
" 1 year and 4 months interest on $12,000.00 at 7 p. c.	1,141 00
" 2 years tug interest on $6,000.00 at 7 p. c	840 00
" 1 year's interest on $73,826.55 at 7 p. c	5,167 85
	$176,060 32

Cr.

By Esquimalt Dock account	$ 33,566 74
" Balance being amount due G.D.	142,493 58
	$176,060 32

QUEBEC, June 5th, 1885. Approved, errors and omissions excepted.
" Witness.
" RICHARD KIMMETT,
" P. P. HUME.

"P. LARKIN,
"N. K. CONNOLLY,
"O. E. MURPHY,
"ROBERT H. McGREEVY."

Q. Is this the statement referred to in the certificate?—A. This is the statement referred to: "Quebec, approved, E. & O. excepted, June, 1885, signed Patrick Larkin." This would be in reference to the Harbour of Quebec; the other was in reference to all the works.

Q. Would it include the Levis works also?—A. It would include both accounts.

Q. It would not include the Esquimalt Graving Dock?—A. No.

Q. Will you take communication of this letter, and say by whom it is written and to whom it is addressed?—A. The signature is Michael Connolly's.

Q. And dated?—A. Victoria, B. C., 6th January, 1885.

Q. Addressed to whom?—A. Addressed to me.

Q. And received by you?—A. Yes; received by me in the usual way.

Q. Read it?

(Exhibit "I 8.")

"THE DRIAD,
"REDIN & HARTNAGEL, PROPRIETORS,
"VICTORIA, B.C., January 16th, 1885.

"FRIEND OWEN,—Your two letters of the 2nd January, and the one of the 6th came to hand yesterday and to day. I hope Mr. Perley has made the proper report on the retention, and that you have the funds ere this. We have just got the quarries located and are starting men to work there to-morrow. I have written you four or five letters since my arrival here, and several on the way—one from Chicago, another from Helena, Montana, and another from Portland, Oregon, besides several postal cards. I don't think it will be necessary to go into the papers here in order to get the dock lengthened, as the whole people are quite unanimous in their sentiments on that score. The Lieutenant Governor, in his speech from the Throne at the

opening of the local Parliament, referred to the matter, and said he had made the proper representations to the Dominion Government in relation to the lengthening of the dock, &c., &c. Besides this, Mr. Trutch started nearly a week ago for Ottawa, to (I think) press the matter on the attention of the proper officials in Ottawa. The people here are also very anxious to have granite substituted for sandstone in the dock, and I think Mr. Trutch will also bring this matter to the attention of the Hon. Minister of Public Works. If there is a change made we cannot afford to make the substitution for less than $75,000, in addition to the present sum, and if it was a hundred thousand it would be all the better, and we can then afford to devote more to charitable purposes. As I told you in a former letter, there will be no possibility of overdrawing our account in the bank here, as they charge all the way from 12 to 20 per cent. and pay no interest on deposits.

" Place all the funds you have to spare at the disposal of this work until we get something in, and then it will probably carry itself.

" I did not see Wilson at all, and of course now would not touch him with a ten foot pole. Mr. Bennett, the resident engineer here, is a real jolly good fellow, and loves his whisky dearly ; I know you would be just at home with him. We had the local member for New Westminster at our table this evening for supper ; he knows the hon. Thomas McGreevy very well, and speaks in the highest terms of him ; he says Mr. McG. helped him to drink a bottle of good old Irish whiskey at the Hanlan races. I spoke to you in a former letter to have the Hon. the Minister of Public Works to turn over the pumping machinery and the men who are running it to us, so that we can control it, as we have to pay the men and can't say a word to them at present. If Sir Hector can't consistently do this, have the big steam pump that we got from Toronto thoroughly repaired and send it out here, and then we will dispense with the Government pumps entirely. Bill will know what to do to it, so let him fix it. I think all it wants is a new air chamber. Supplies of every kind are about the same price as east, with the freight added, or in other words nearly 3 cents a pound added.

" Nick has written you several letters, but they were all stuck in the snow blockade. Our train was the first through in nearly four weeks. If Sir Hector will turn this man and machinery over to us telegraph us at once so that we will know how to act. If not, send the pump, as I suggest. I will keep you thoroughly well posted throughout.

" Very truly yours,
" M. CONNOLLY,
" Esquimalt, B. C."

Q. Read this letter ?—A. It is written and signed by Michael Connolly, and addressed to me, and received by me. It read as follows :

(Exhibit " J 8.")

" Larkin Connolly & Co., Contractors,
" Esquimalt Graving Dock, 28th March, 1885.

" Friend Owen,—I just received your letter of the 18th instant, with cheque for five thousand ($5,000) dollars, which I will deposit to-morrow morning. I am sorry to have to draw so much from Quebec, but I hope now with ordinary care to be able to manage here without further drafts on Quebec. We all know McEwen pretty well ; I hope soon after the season opens up we will be able to get rid of him entirely. The big barge is now at the quarry on Salt Spring Island for the first load of stone, so we expect her here to-morrow night, then we hope to start building in earnest. Mr. Trutch will be here next Saturday or perhaps a little sooner.

"I never met him yet, but I suppose Bennett, the resident engineer, will introduce me. This fellow Bennett is just like all the English engineers I ever saw. They will take all you will give them and do nothing for you, and indeed this fellow is no exception to the general rule.

" I know he got a communication from Ottawa the other day, but what was in it I cannot say, and he never intimated that he got any orders about stone or any-

thing else concerning the dock. A week ago to-day I sent Capt. Larkin a sketch or copy of one of the plans Mr. Hume prepared, showing the manner in which we intend building the stone work, thinking that it would reach there about the same time as Hume and Nick, and that they could see the proper parties in Ottawa on their way to Quebec and have the thing approved of. The reason I did that was, Bennett objected to us building as the sketch showed, so I thought the best thing to do was to send to Ottawa and have the thing settled at once. I think Bennett will object to us putting large stone in the concrete. We put some large stone in yesterday to test the matter, but Bennett didn't come here; he will be down to-morrow, and if he objects I will write at once and let you know. He is enacting very petty foolish things the specifications speak of, all of which we will of course comply with until we get orders from headquarters.

"I know he got word from Ottawa about the beds of the stone, but he never said a word about it to me. I am glad to hear that mother is so well. I hope she will live for many years yet. Trusting you'r all well, I remain,

"Yours truly,

"M. CONNOLLY."

Q. What letter is this?—A. It is in the handwriting of Michael Connolly, and signed by Michael Connolly. It is addressed to me and received in the usual way. It reads:

(Exhibit "K 8.") "THE RUSSELL, OTTAWA, December 17th, 1885.

"FRIEND OWEN,—When we entered Mr. Perley's office this morning we found that gentleman standing at his post after returning from British Columbia. He said he was not prepared to find so much work done on the dock there as he found, and said the people there were clamouring for the extension of the dock. I judged from the tone of his remarks that he is in favour of lengthening it, but as he has not yet seen it reported to the Minister, of course he can't say what will be done.

"I did not ask him anything about Bennett, but from the drift of his conversation I conclude that Bennett will be allowed to finish the dock, and then no doubt his services will be dispensed with. Captain Larkin has gone over now to make a social call on Sir Hector and Sir Adolphe, and as I am not acquainted with Sir Hector I remained behind. I leave here this evening. With kindest regards to Mrs. Murphy and yourself, I remain very truly.

"Yours,

"M. CONNOLLY.

"P. S.—I would write more but this is a very bad pen."

Q. Read this letter.—A. This was written by P. Larkin, and is signed by him.

"ST. CATHARINES, 2nd January, 1885.

(Exhibit "L 8.")

"O. E. MURPHY, Esq., Quebec.

"MY DEAR SIR,—* * * * * I hope that Uncle Thomas will succeed in getting the percentage. I am in hopes of getting the Bank of Toronto to put up the security; the cashier promised me to look into the matter next week. If I succeed, and we get the percentage, we will at once leave the Union Bank; but keep that quiet for the present. I have had Dunn write to his newspaper friend in British Columbia to agitate the lengthening the dock 100 feet, to meet the growing requirements of the shipping trade on that coast. It will not take much agitation to accomplish it. Kind regards to Mrs. M. and family, wishing yourself a Happy New Year.

"Yours truly,

"P. LARKIN.

"Keep me posted on the action taken about the percentage."

Q. Who is indicated by "Uncle Thomas"?—A. Mr. Thos. McGreevy.

Q. Read this letter?—A. This letter was written by Capt. Larkin, and received by me.

"THE RUSSELL, OTTAWA, 17th January, 1885.

(Exhibit "M 8.")

"O. E. MURPHY, Esq. Quebec.

"MY DEAR SIR—I arrived here yesterday morning at 10 o'clock. I went to the P W. Department and had an interview with Sir H. and give him the Bank of Toronto certificate to take the place of the Union Bank one; he at once sent for the person who has charge of such matters for the P. W. Department and told him to get and give me the U. B. certificate. It had been placed in the Finance Department and there are two parties who have a key each to the vault, and it cannot be opened unless both are present. One of the persons is at home sick, and the document could not be got out before Monday. I told the acting secretary that Monday would answer, and as soon as he got it to mail it to the firm, 124 Dalhousie street, Quebec. You will have it on Tuesday or Wednesday at farthest; you can then hand it over to the bank and take up the note given for it and stop interest, as both certificates are bearing interest now. I have not time to go to Quebec now, as I have to return home and prepare for the examination of Arthur H. Murphy in the McMahon suit. The examination takes place in Toronto Wednesday next. Sir H. is not going to do anything in the B. C. Dock matter until Trutch arrives; then I think all the changes we look for will be made; that is the inference to be drawn from what Sir H. and Mr. Perley says. Poor Ennis, the late Secretary of the Public Works, died here very suddenly on Tuesday night last and was buried this morning. I attended the funeral. Sir H. and all the employés of his Department, as well also the employés of the Railways and Canals, attended in full force. It was the largest funeral that I have seen for a long time and the weather was extremely cold and stormy.

"Do not overlook the percentage matter. Have Uncle Thomas work it up; we must have it some way. Write on receipt.

"Yours truly,

"P. LARKIN."

Q. Read this letter?—A. This is written by Michael Connolly and signed by him.

(Exhibit "N 8.")

"LARKIN, CONNOLLY & Co.,

CONTRACTORS ESQUIMALT GRAVING DOCK, 12th February. 1885.

"FRIEND OWEN,—Yours of the 1st and 2nd instant is just received. I am glad to hear that mother and all the folks are well, and delighted to hear that they have determined to extend the dock, as you say, a 100 feet. If it was 150 feet it would be all the better. I didn't care so much about the change of sandstone for granite, as the granite here is terribly hard, and will take a tremendous time to cut it. Nick thought at first if we get it changed to granite it would be a good idea, and there would be money in it. Now we have the sandstone quarries open and communication established with them, so that it is no longer trouble to run up or down to them, and besides, if we have to put in granite we will have to go about forty miles further off, where no boats call, and if we have anything to send there it will have to go by special conveyance. On the whole, I would rather put in the granite, as we would be able to finish in a shorter time, and I think there is fully as much money in it.

"Now, as regards the man who has charge of the pump: He is a very good man and very obliging, and all that sort of thing, and is not the appointee of any person in this Province; he got the position here because he understood his business, and not through any political favouritism. I do not wish to discharge him, neither do I wish to change him, but it is quite possible that in the near future he may find out that we have no power over him and cannot discharge him, but must pay him, work or play. Then, in that event we want to be able to apply the proper remedy. I would, therefore, strongly advise that the pump machinery and its

management be turned over to us, as soon as it can be conveniently done. I think we have pretty well succeeded in gaining the confidence of the people here, and now it only remains to keep it. The weather has been very wet lately, so much so that we have been kept back greatly by it in preparing the building plant, otherwise we would be building before this. I think, though, in about a week or so we will commence building, and once we begin we must continue it with as little interruption as possible. I think we will want about $25,000 to get this work on a paying basis, as there will be nearly that much in cut stone before we can draw anything of an estimate. In sending money, place it to the credit of L. C. & Co., and that will save any further transfer here. The $5,000 came in the nick of time. Capt. Larkin is here yet, and gets a letter from Kimmett occasionally, one of which he read to me, or rather a part of it, a day or two ago, from which I learned that Nick has been telling Kimmett it would be a good time for Larkin and himself to sell out, and Dick advises Larkin to the same effect. But it is no use in talking; you have formed a correct estimate of Larkin, for I firmly believe one could not drive him out, as you say, with a club, for he entirely disapproves of the advice Dick sends him.

"There is no way of getting rid of Larkin, except to leave him out in any work that is to be taken.

"If there is a possibility of getting the Halifax Dock, go for it by all means, and lose no time, for Larkin is going to Halifax to see what he can do about securing the contract; so, if it is possible to secure it, do so and leave him out.

"Larkin has got a bonus of $4,000 a mile, or, for the entire railroad, $200,000, but is not going to start it yet, as he intends applying to the Dominion Parliament for the bonus or subsidy for five or six thousand dollars a mile, and if he succeeds he and associates will then issue debentures or bonds and build the road on their money, and indeed I can't envy him, but wish with all my heart he may succeed. He intends seeing Caron about the forts when he returns to Ottawa.

"I wish you would let me know as soon as possible if there is a reasonable possibility of the dock here being extended, and if not, I will sell out everything here and finish up, and if we hear of no further work here I will return to Quebec at once.

"I think I have told you everything worth relating, so will bid you good night.

"Trusting yourself and family are well and with kindest regards to yourself and Mrs. Murphy, I remain very truly,

"Yours,

"M. CONNOLLY."

By Mr. Tarte:

Q. Read that letter?—A. This was written and signed by Michael Connolly.

By Mr. Edgar:

Q. Received by you—sent to you?.—A. Yes.

(Exhibit "O 8".)

"ESQUIMALT, B.C., 23rd March, 1885.

"FRIEND OWEN,—Yours of the 10th just received to-day * * * * * *

"I agree with you, things were badly mixed up and too much confused, in reference to the granite. This was owing to not getting proper data on which to base figures when writing or tendering to the Department of Public Works. Nick at first thought, and indeed so did I, that we could substitute granite for sandstone at a very moderate advance on the price of sandstone. I should be very sorry to have our friends think that the matter was done intentionally or with any view to placing them in a false position. The first letters were written without giving the matter due consideration, which I am ready to admit was our fault, but after due examination we came to the conclusion that it could not be done for the price; therefore we are grateful to our friends for having our proposition rejected. I am sorry to hear that our friends are annoyed over the

matter, for surely it is better not to get the substitution than to have it at losing figures. There are many ways, however, in which they can make up for this matter, by increasing the beds of the stone, &c., and by adding to the length of the dock will more than compensate for the loss in the granite substitution. I was not aware and I do not think anyone here knew that our friends had been ignored or that there had been any overtures made except through you to them. If there were I certainly had no hand in it, and I do not think Nick had either.

"Now, as regards the McGreevy boys, I think I had used them first-class, far better than I was used in such a position; still, I am glad to say James, the boy who came out with me, is a splendid fellow and well worth all he gets, but the other fellow, Robert, is—well I have no time to tell you all about him; but I understand he has been writing home, saying we sent him up on the desert island, where he had to climb perpendicular rocks, &c., and that he had no place to sleep but in a dug-out, &c., &c. Well, the facts are, he has as good a bed and house to sleep in as I have, and much less to do. I should have brought him here, but the fact is he is too familiar with a certain ——, and used to tell herself and mother a little too much about his uncle's influence with the Minister of Public Works, &c., and that his father would never allow his uncle to represent Quebec West again if the Government did not pay all his claims, &c. I was going to write his father about him, but I thought you could tell him more delicately than I can write it.

"M. CONNOLLY."

Q. Now identify this letter?—A. this letter was written and signed by Michael Connolly, and addressed to me.

(Exhibit "P 8.")

"LARKIN, CONNOLLY & Co.,

"CONTRACTORS ESQUIMALT GRAVING DOCK, 28th May, 1885.

"FRIEND OWEN,—Yours of the 17th instant is just to hand * * * * * * I wrote a letter to Mr. McGreevy a few days ago, telling him about Trutch. I don't think much of him; he was terribly put out when he found the Government had ignored him, and approved the changes we suggested without consulting him; hence his letter about not allowing us anything for the additional sizes of stone. I treat him with great consideration when he calls, but don't intend to trouble him much in future * * * * * * *

"This man Wilson, who is inspector on the dock, is no good; he has shown himself to be a sneaking hangman by going around and carrying mean little stories to Bennett about this thing and that thing not being as he should like to see it. He is too much of a coward to speak himself, but sneaks around to tell Bennett of it. The fact is, he is a meaner man than Bennett. Besides, he has written east several times discouraging stonecutters from coming out here, by telling them the country was not fit for a dog to live in, &c., &c.; when the fact is, it is the finest climate, since March, I ever saw. * * * * While I was away under telegraphic instruction from Ottawa Bennett prepared the estimate, but I knew we did not get all we were entitled to, as for example, our engineer tells me he did not allow us for any headers in the first and second altars, when I know there is the regulation number in, and if not, how can we face the Chief Engineer, after allowing the work to be built so much at variance with the specifications. * * * * *

"M. CONNOLLY."

Q. This is part of a letter. Identify it, please?—A. This was written and signed by Michael Connolly. It is part of a letter. No doubt, it was addressed to me.

Q. You are satisfied you received the whole of the letter, and this part you found among your papers?—A. Yes.

(Exhibit "Q 8.")

* * * * "As to the granite, I am very sorry that any such mistakes should have occurred; but of course that's all over now and cannot be recalled. Of course,

if the Government had accepted the offer we would have had to stand by it. I think the way that Larkin came to give the price to Perley for granite is this: When Larkin was in Quebec with Perley and Trutch, as we supposed, some one telegraphed, saying the Department wanted a price per foot for granite, and signed the message L. C. & Co., and said to answer to Ottawa. We did so at the time, not thinking this could engender any ill-feelings, as we thought you were all working in harmony. If possible send out the Toronto pump and a couple of smaller-sized ones, as they are the handiest things we can have here. We have not been able to get a regular cargo of stone here yet, though there are a good many cut at the quarry. We are under a very heavy expense, and cannot do much until we get stone wherewith to build. * * * *

"Very truly yours,
"M. CONNOLLY."

Q. When do you think you received that part of a letter?—A. About the time the changes were being made from sandstone to granite.

Q. It must have been after the change was rejected?—A. Yes.

By Mr. Tarte:

Q. Identify this letter?—A. This letter was written and signed by Michael Connolly and received by me in the usual way.

(Exhibit "R 8.") "THE DRIAD,

"VICTORIA, B.C., 1st February, 1885.

"FRIEND OWEN,—Gallagher has quite a force of men working in the quarry, but they have no derricks up yet. They will have a derrick, however, in a few days and after a little time things will go better. I don't think a hundred thousand dollars would any more than pay for the difference of cost of substituting granite for sandstone, as it is a very costly and tedious job to cut and prepare granite for this work. Now, the main thing is, get more ready to start here, for we will need considerable before we get an estimate here, and for goodness sake don't let us get short of funds until we get under way at least. * * * *

"Yours,
"M. CONNOLLY,
"Esquimalt."

Q. Will you identify this letter?—A. This was written and signed by Michael Connolly and sent to me.

(Exhibit "S 8.") "LARKIN, CONNOLLY & Co.,
"CONTRACTORS ESQUIMALT GRAVING DOCK,
ESQUIMALT, B.C., 2nd February, 1885.

"FRIEND OWEN,— * * * * Sir H. has telegraphed instructions to Trutch to measure all the stone in the dock full as built, but there has not been anything done about the old plant yet. * * * *

"Very truly yours,
"M. CONNOLLY."

Q. Will you kindly identify this one also?—A. This was written and signed by Michael Connolly and sent to me.

(Exhibit "T 8.") "LARKIN, CONNOLLY & Co.,
"CONTRACTORS ESQUIMALT GRAVING DOCK,

"21st January, 1886.

"FRIEND OWEN,—As you will see by the papers I have sent you, we have been getting up all the exitement about the dock, its extension, &c., that we could. Nick and I saw the two M. P.'s, Shakespeare and Baker, and I tell you they are a brace of pirates. They thought they ought to have about five thousand dollars for their influence with the Minister of Public Works, but we told them it made very little difference to us

whether the dock was extended or not, but that having the plant, &c., in position it would probably be a matter of four or perhaps five thousand dollars to us. Before parting with them, however, we agreed to give them five hundred dollars if they succeeded in their efforts with the Minister. The editor of the *Colonist* is the decentest man we have met with here; he has given us the use of his columns and never asked a cent. We intend to give him something, though. Baker and Shakespeare were to telegraph Sir Hector and Sir John yesterday and impress upon them in the most forcible manner possible the importance of extending the dock. We have agreed to pay for the telegrams and all other expenses they incur in the matter. We sent to Mr. Perley at his request recently a list of the materials the Government turned over to us which we decline taking, and our reasons therefor. I think the amount of the rejected materials will reach about $20,000, so you see it's worth looking after. We have had a week's very severe weather, with about six inches of snow, and have not been able to work in consequence. The weather is much more severe than it was last year, but there is not so much rain. This severe spell of weather will knock the bottom out of the estimate for this month. * * * *

"Very truly yours,

"M. CONNOLLY."

Q. Will you identify this letter?—A. This was written and signed by Michael Connolly and received by me.

(Exhibit "U 8.") "LARKIN, CONNOLLY & Co.,

"CONTRACTORS ESQUIMALT GRAVING DOCK,

"ESQUIMALT, 16th March, 1886.

"FRIEND OWEN,—I thought you said some time ago that the Government only intended to charge us thirty-seven thousand dollars for the plant they had on the ground here. Mr. Perley sent out a request and a list to mark and note what quantity of the plant we used or could use in connection with the work here, so we marked the different items we accepted, and their value, which in the aggregate amounted to thirty-one thousand dollars. Yet these people here, Trutch and Bennett, keep deducting the amount monthly prescribed by the specifications, viz., $4,000 a month, so that we have already paid on the old stuff forty-two thousand dollars. If Mr. Perley recommends that we be not charged with this worthless stuff and Sir Hector acts on his recommendation, Trutch and Bennett ought to be instructed in reference to the matter. Trutch sent me a plan of the keel blocks, and asked us to send him a price at which we would furnish and place them in position, which we did, when we learned he then sent out bid to Ottawa, since which we have not heard anything from it. * * *

"Yours truly,

"M. CONNOLLY."

Q. Will you identify this letter?—A. This is written and signed by Robert H. McGreevy. It bears no date.

(Exhibit "V 8.")

Private. "QUEBEC, Sunday, 2 p.m.

"MY DEAR SIR,—The memo of yesterday *re* B. C. Dock is with the Minister. He says that those conditions cannot be embodied in the contract, as it will be the same one as submitted to O'Hanly & Starrs, and it would not do to make it different; but he says that all what's asked is so fair that there will be no trouble in obtaining them, especially the $50,000 material one—however, you are to urge them just as if nothing had transpired; of course it's for you and partners to say if you will sign without them being embodied. Politics changes; so does Ministers. I will be back Tuesday. My address will be St. Lawrence Hall, Montreal.

"I remain yours

"R. H. McGREEVY.

"O. E. MURPHY, Esq."

By Mr. Geoffrion :

Q. By matter referred to in this letter will you be able to determine as near as possible the time it was written ?—A. It was written previous to signing of contract for British Columbia Dock.

Q. Long previous ?—A. A. few days or a week.

By Mr. Tarte :

Q. Will you identify this letter ?—A. This letter was written and signed by Michael Connolly and addressed to me.

(Exhibit " W 8.") "SAN ANTONIO, TEXAS, 31st December, 1882.

"FRIEND OWEN,— * * * * I think if you manage your affairs properly there is not a doubt but you will get the cross-wall. By all means keep in with friend Thomas, and be guided by him in everything that you do, and as yourselves and Moore and Wright are the only ones in the Dominion who have proper plant for doing such work, I think there is not a doubt but you will get it; for they cannot give it to Moore and Wright, as they are at loggerheads with the Board. Then you will be the only party who are in harmony with the Harbour Commission, and have the necessary plant to do the work; therefore, you will get it, for friend Thomas can work it in many a way. For instance, he can have the engineers in charge make out a report in your favor, which will justify the commission or Minister of Public Works in giving you the work, even though you are not the lowest. If you get the work and want me back of course I will come back; but if you do not get it I think there are enough of you there now to attend to what you have in hand.
* * * *

"Very truly yours
"M. CONNOLLY."

Q. Will you identify this one ?—A. This was written and signed by Michael Connolly and received by me.

(Exhibit " X 8.") "SAN ANTONIO, TEXAS, 27th February 1883.

"FRIEND OWEN,—Yours of the 15th and 18th inst. came duly to hand. I am really very glad to hear that you have everything in such good shape. I think, as you say, there will be no difficulty about your getting the cross-wall. Even if the Minister has to strain a point you will find the work will be awarded to you, for he is not overscrupulous when his friends need assistance. The next thing to consider is the prices you should put in. You know there will be a good deal to divide out of the proceeds, and therefore you must want to have a good price in your tender. You will know how to arrange that matter, though, and it's no use my suggestions.
* * * *

"M. CONNOLLY."

Q. Please identify this letter ?—A. This was writen and signed by Michael Connolly and received by me.

(Exhibit " Y 8.") "SAN ANTONIO, TEXAS, 12th October, 1882.

"FRIEND OWEN,—Yours of the 2nd inst., was here in San Antonio before I arrived. I am glad to hear that you have got along so well with the work the past season. You do right in keeping in with Hon. Thos., as just at present he has the whole thing in the hollow of his hand. You tell me you have the contract signed for the harbour work, but I think you have given Bob more than he is entitled to, especially as he is not furnishing any capital. But of course you, who are on the ground, ought to know best, and it would be better to make a hundred thousand dollars with him in, than fifty thousand dollars with him out; so I suppose you have done the best you could under the circumstances. I see there has not been any interest reserved for me. Well, perhaps they all thought that I had made sufficient

in Texas. Well, it would be easy counting all I made here yet. I am, however, going to try my luck again, but this time in Mexico, and if the firm can do without me, I think I can do without the firm. * * * * *

"M. CONNOLLY."

Q. Identify this letter?—A. This letter was written and signed by Michael Connolly and received by me in the usual way.

(Exhibit "Z 8.") "SECTION 231, M. & P. RY., 25th August, 1882.

"FRIEND OWEN,— * * * I am glad to hear that you have ousted Peters, Moore and Wright out of the harbour works. Stick to Tom, and I think he will work matters all right; anyway, I have great confidence in him. If Larkin won't get out I would give him the whole thing for he is a drag chain to carry with the present Administration; so, if he don't get out I would have it with him at a valuation. * *

"M. CONNOLLY."

Q. Identify this one please?—A. This was written and signed by Michael Connolly and received by me.

(Exhibit "A 9.")

"DEL RIO, 4th October, 1882.

"FRIEND OWEN,—As I have not heard from you in a long time, so I will write you a few lines to let you know how we have got along here.

"Conners is the worst case I ever came across; I have tried in every possible way to propitiate him and get an honest settlement out of him, but all to no purpose. Of course I have tried to save what I could from the wreck, and I tell you it has kept me busy.

"I have been making a great deal of inquiry about land in different parts of Texas, and I assure you it is really astonishing to find how land has advanced in a year—in some instances more than 100 per cent. for land with any water privileges attached. As soon as I return to San Antonio I intend starting on a tour through Mexico, for I understand there are several ranches there for sale—one in particular that I have had a description of from the man that has it for sale, and other disinterested parties.

"The ranche has 330,000 acres, and has about 60,000 acres under cultivation; the rest in fine grazing condition and plenty of fine timber on it, and four large branch ranches besides the Hycenda proper; and four distilleries, a saw-mill, two or three sugar-cane presses, several large and beautiful streams on it, and also the celebrated Hot Springs; 2,000 head of cattle, 8,000 sheep, several thousand goats and a great number of horses and mares. The owners offer the whole thing complete, with all fixtures and implements for ($90,000) dollars, fifty thousand cash and two years' time for the balance. From what I have heard it is a most beautiful place, and I believe it could be bought for about seventy thousand dollars. Besides this, there are several others there that can be bought in cheap, as they do not set much value on land in Mexico; but now I think the time is at hand when it will become valuable, and I will do my best to secure something. Of course, I will not do anything that I don't consider safe. As soon as you get this write to me to San Antonio, for I expect to be there in a few days, and let me know if you will take an interest in what I consider a safe investment, or, better still, will you come out and see for yourself, and let us buy together. I think we can make some money pretty easy this way. When in San Antonio last time I wrote to Nick, telling him to send you down and let us take a look together. If you have a notion of coming telegraph, for I think I will be ready to start as soon as this reaches you.

"When you write give me full particulars about the harbour dredging—if you signed the contract, and if so, has there been any interest reserved for me. Of course, if there is anything in it I would like to have an interest, and I depend to you to do what you can for me, for I don't think Nick will trouble himself much about me. Of

course, I did the best I could for Nick and you all here and that it hasn't been a success it is no fault of mine; but there is no telling how it will come out yet.

"You do right to keep in with Tom, as he is the main guy.

"I will not write any further now, for I intend to write you again from San Antonio, where I will be in a few days.

"Don't direct any more letters to Del Rio, but to the box in San Antonio, for I don't want the railroad people to see any of my mail matter; I do not trust any of my letters on the cars here, and send this for postage to San Antonio by a man who is going.

"Give my love to mother and all the folks, not forgetting poor old Hume.

"Very truly yours,

"M. CONNOLLY,

"Box 431, San Antonio, Tex."

Q. Will you identify this one?—A. This was written and signed by Michael Connolly and received by me in the usual way.

(Exhibit "B. 9.") "CAMP ON RIO GRANDE, 23rd July, 1882.

"FRIEND OWEN,—I having a little time, I will drop you a few lines. Mr. Chatfield returned to camp on Friday evening, but Gallagher was not well enough to come with him, so he remained behind in the hotel. I think the most that ails him is home sickness, or, in other words, a desire to get back to Mrs. Charbonnais, for he has had a little more to do here and not so many soft snaps as he had at St. Vincent de Paul On his way into town he told Mr. Chatfield that he believed if I had gone to town I would not return to the woods but would have gone north, and that I would rather he would quit then that Ben. Johnson would have. Well, I don't know why he should say that, for I used him as well as I could use any person, and made all I could of him; but perhaps I did not pamper him as much as he desired, but if I have the will I had not the time, for this is the busiest place I ever was in yet; not that we do so much, but it keeps me jumping all the time to keep up the organization. Men get so much here for a couple of days' labour as, will keep them drunk for a week. I think I will look around for something else as soon as I get a little time. I am glad to hear that you have got along so well with the work so far. How did your political friends act with you after the elections? Have they done anything by way of recompense for the outlay you have been at? How is my old friend Hon. Thos.? Does he use you well when you call to see him? How is Rev. Father McDonald, now? If you buy a dredge for the harbour works you must look out that Larkin don't palm any of this hold traps on you. I have very little news to write you. King and Ben. and Jimmy Gallagher are all well. Jimmy Gallagher is the most useful man we have, as he attends to the stable or corral, and to setting the water. The pump averages about fifteen hundred ($1,500) dollars a month, besides furnishing our own water. It is the very best piece of machinery we have, and only for it we could not get along. I get a bundle of New York *Heralds* in every mail bag that comes, which Peter sends from New York. Tell Nick Anna O'K. and her husband are in New York. Her husband is salesman in a wholesale liquor house, at least this is what O'K. writes, and he finds everything out.

"Give my love to all the folks. Trusting you are all well and doing well,

"I remain, very truly yours,

"M. CONNOLLY,

"Del Rio, Texas."

Q. Identify this letter?—A. This was written and signed by Michael Connolly and received by me in the usual way.

(Exhibit "C 9.")

"SAN ANTONIO, TEXAS, 9th December, 1882.

"FRIEND OWEN,—Yours of the 30th inst. came to hand yesterday. I am very glad to hear that mother is getting better, and that you are all well, and that you have finished the season's work so successfully. If everything is handled carefully and prudently I think there is no doubt but you will secure the contract for the cross-wall, for now that Moore, Wright & Peters are out with the Commissioners I don't think they stand any show of getting the work, and there is no doubt there is no other firm in Canada who have the necessary plant to do such work, and for that reason the Commissioners should pay no attention to such tenders as Beamer is talking of putting in.

"I am sorry that I did not know of the orders that Mr. Chatfield gave King and Goshin until it was so late; but the fact is, we were so busy at the time that we had scarcely time to do anything. I think, though, they have not got more than thirty or forty dollars more than was due each of them. In the bill that Chatfield first sent and the one that I sent last, King and Goshin were allowed ten days' time for the time they were on the road between Quebec and San Antonio.

"I sent an account of the whole thing in my last letter to you with the P. O. orders for Pratt for the amount of $147, which you can pay him, deducting the amounts according to instructions sent in same letter.

"I hope the ravings of that drunken maniac Pratt has not created any ill-feelings there. As far as his writing to Connors is concerned it amounts to nothing, for he nor nobody else knew anything wrong, for every transaction here was perfectly straight and legitimate—nothing crooked or fraudulent about our affairs—and therefore there is nothing to expose, as Pratt insinuates; so the best thing to do is to pay him and kick him out, and never allow him around the works any more.

"I sent Hume a copy of the profile of the works we were doing. Tell him not to laugh at it, for the tools I had to do it with were very poor, and besides I am not an expert at such business, anyway. When you see it you will be able to form some idea of the character of the works we had on hand. You can tell Hume that the cutting is all through-cuts, and the Rio Grande River was about ⅛ of a mile to the left, but the banks of the river was so steep that it was impossible for any person to go up or down, except in some few—and very few—places, they being perfectly perpendicular for at least 300 feet.

"We had a pretty tough time of it there, but not so bad as some, for there were some firms of contractors there who worked hard and finished their work by mortgaging their plant to the bank, thus raising funds to do it, and now the work is done and the bank owns the plant or outfit, as it is called, and they are walking around town now without a dollar to their name, and old Connors exulting over it and bragging to the local merchants of his ability to break up contractors.

"I know one firm of contractors who started in with about nine thousand dollars of capital, and a few days ago they had to actually pawn some of their wearing apparel to pay their hotel bill. What do you think of that?

"There are a great many cases on the docket ahead of ours, and there is no telling when ours will be reached; but when it is reached I think, with the evidence we have collected, there is no doubt we will beat old Connors and his minions.

"I think there is nothing more to say at present.

"Give my love to mother and remember me kindly to all the folks.

"Very truly yours,

"M. CONNOLLY.

"Box 431, San Antonio."

Q. Now this one?—A. This was written and signed by Michael Connolly and received by me in the usual way.

(Exhibit "D 9.")

"SAN ANTONIO, TEX., Jan. 8th, 1882.

"FRIEND OWEN,—Yours of the 31st ult. is just to hand. I am glad to hear that you are all well, and that mother has entirely recovered. I am delighted to hear

that you have matters so well arranged for the "cross wall." I don't think you need fear any competition from any quarter, except from Bramer, and if he has any influence at "Court" he may run you pretty close; but inasmuch as he has no dredge plant capable of working in tide water, I think the Commission can ignore his tender on that ground. From the description Nick has given me of the dredge, I judge she will be a splendid one. * * * * I am glad to receive a letter now from any quarter, for this is an awfully lonesome place, and all I have to do is read and write. True, there is no snow here, and the weather is, as a rule, very pleasant. If there was anything going on in the surrounding country I would go to work at something, and thus make expenses, but there is nothing going on here but a little building, and not much of that.

"From what I can learn, I don't think there is much chance of our case coming up before next February, that is the forepart of the month, but when it does come up, I hope to have everything in such condition that we will be awarded judgment for a considerable amount. As I told you in a former letter, I was out and re-measured the work, but I have not had the notes cubed up yet, but when they are I think we will be able to show that we were terribly swindled by old Connors and the engineers under him.

"I think we will get judgment for at least twenty thousand dollars, and then after we get through, the party who purchased the plant from us, and from whom the company took it and had it sold by the sheriff, will begin suit against Connors for sixty thousand dollars, being the value of the plant, and for the damage he sustained by reason of being deprived of the means he had of making a living. But of course we have nothing to do with this matter and are not interested in it at all.

"Before Connors could get an order from the court to sell the plant, he had to give a bond to the court in double the amount of the value of the plant and then after the plant was sold all of which of course the company brought in—they had to pay the purchase money of the same into the sheriff's office here. The plant brought at sheriff's sale, about ten thousand dollars. The court here is now engaged on the murder trials of DeWit County, which have been before the courts of this State for the past six years. If a man steals a couple of old Spanish ponies or an old cow, he is invariably sent to penitentiary; but if he kills a man in cold blood even without provocation ten chances to one but he will go scott free. I think there is nothing further to relate. Give my love to mother and all the folks.

"Very truly yours,

"M. CONNOLLY."

"Box 431, San Antonio, Tex."

Q. Identify this letter.—A. This was written and signed by Michael Connolly and received by me in the usual way.
(Exhibit "E 9.")

"San Antonio, Nov. 16th, 1882.

"Friend Owen,—I arrived here yesterday morning and received your letter of the 5th inst.

"We were through a good deal of Mexico, but did not go as far as we expected for the reason that we could not get a conveyance without paying an exorbitant price and besides we met a good many Americans who told us that it was a difficult matter to get a good title from a private individual in Mexico, but we learned that the Mexican Government is having a survey made of very valuable grazing lands which will be thrown on the market in January or February and then if a person is ready to buy, the title he would obtain from the Government of course would be unquestionable. Good land can be bought in Mexico for from 5 cents to thirty-five cents an acre; but Mexico—at least this part of it—will never be an agricultural country. Tell Nick, to let me know at once if he wants the money there and if so I will send it and if not I will invest in something here for I am tired doing nothing. The weather here is like that of June or July in Quebec.

I am sorry to hear that you have given Pratt employment, for he was the most worthless and insolent scoundrel at last here that I ever saw. I told Nick in my last letter a little of his doings here, and after a man has shown such a disposition for evil as he has he certainly is not deserving of any consideration. Don't give him any money for his services here for he has been paid in full and got his money or its equivalent—a time check which he did not get it cashed; let him produce it and I will have it cashed; but dont on any account pay him any money. There is nothing in the railroad line here and all the contractors who were fed on the false hopes of getting fat contracts from the old swindler at the head of this company are sadly disappointed, as they are all idle and feeding up their stock at a great deal of expense. No wonder that Gallagher improved since going to Saint Vincent de Paul; he has a good easy time there to what he had in Texas. He did'nt "pan out" to a very good advantage in Texas I know.

When coming back from Mexico we stopped off at a place about 50 miles south of here and went five miles into the woods hunting; we had nothing but our guns, blankets and a little provision with us. I started out and wandered off a little too far and about three o'clock in the afternoon found that I was completely lost—did'nt know which way to turn to reach camp. So as night approached I commenced shooting to attract attention and shot all the cartridges away and I tell you I felt anything but easy with the prospects of having to spend a night in the woods of Texas without any amunition. I kept on what I believed to be the right course and I tell you I made rapid strides—and emerged out of the woods about a mile from camp about nine o'clock p.m., tired and foot sore. When I returned I found there was another of the party lost and only reached camp a few minutes ahead of me. You are having a good dredge built and I don't think she is very dear either. I think it would be a good idea to have the crane of iron as by putting iron in it will be stronger and lighter. If you get the Cross wall I think Tom could have the necessary changes made in design and material to suit; so you had best try hard for it. As Moore has his plant there yet he will no doubt make a hard fight for it. Still you know how to manage things and I know you will do the very best you can.

"I have nothing more to say at present. Give my love to all.

"Yours truly,

"M. CONNOLLY."

"Box 431, San Antonio, Tex."

Q. Identify this letter.—A. This was written and signed by Michael Connolly and received by me in the usual way.

(Exhibit "F 9.")

"LARKIN, CONNOLLY & Co.,
"CONTRACTORS ESQUIMALT GRAVING DOCK,
"ESQUIMALT, B.C., May 4th, 1887.

"FRIEND OWEN,— * * * * I am trying to keep up the agitation of the dock extension as well as I can. I send you a paper to-day with a very good letter written by the engineer we had here, Mr. Aylen.

"I am glad to hear that yourself and Nick are making money in the stock business, but I think it is scarcely a prudent thing to do to give Clews a *carte blanche* to buy and sell as his opinion dictates, but of course he and you should know best. If you give these B.C. M.P's too much money you will spoil them; I did a good deal for both of them here during their recent contest; I helped them with votes and my personal influence on their platforms at their meeting, and besides subscribed about two hundred dollars to defray their incidental expenses.

* * * * * * * *

"Trusting yourself and family are well, and with kindest regards to you all, I remain very truly.

"Yours,

"M. CONNOLLY."

Q. Identify this letter.—A. This was written and signed by Michael Connolly and received by me in the usual way.
(Exhibit "G 9")

"LARKIN, CONNOLLY & CO.

"CONTRACTORS ESQUIMALT GRAVING DOCK,

"ESQUIMALT, B.C., 21st March, 1886.

"FRIEND OWEN,—Yours of the 8th instant, came duly to hand, I hope you will soon hear definitely about the extension of the Dock as we have some men whom we would like to retain. Of course if the estimate passes we will give everything we can afford.

* * * * * * * *

"We havn't heard anything from the 20,000 drawback yet, but perhaps we will in a day or two.

* * * * * * * *

"I will send you another letter in a few days.

"Very truly yours,

"M. CONNOLLY."

By Mr. Geoffrion:

Q. There are letters filed in which reference is made to Mr. Bennett, the engineer, and complaints against him. Do you know whether any steps were taken to have him removed?—A. I do.

Q. Did you yourself take part in these attempts?—A. I did.

Q. In what way?—A. I have offered Thomas McGreevy $5,000 to get him removed.

Q. What did Mr. McGreevy say?—A. He said he would try and have it done.

Q. Are you aware whether he made any attempt to have him removed?—A. I believe he did.

Mr. Osler objected to the answer.

Q. What are your grounds of belief?—A. I know myself that they were looking for an engineer to take his place, and it was suggested to me, as I was acting on behalf of the firm, that we should select a suitable person; but I stated that if something turned out wrong we did not want to take it upon ourselves and be held accountable for it.

Q. To whom did you make this statement? A.—Mr. McGreevy. I declined to have any action taken by ourselves, as they were responsible for it.

Q. You say someone suggested to you. Who suggested?—A. Mr. Thomas McGreevy.

Q. Do you know whether some engineer or parties were approached with a view to ascertaining whether they were willing to take the place?—A. I only know from his brother Robert that a man was named.

Q. You do not know from Thomas McGreevy that any man was seen about it?—A. No.

Q. Have you seen letters from Thomas McGreevy, wherein he referred to that matter of Bennett?—A. I believe there was a letter to that effect, but I cannot recollect the date of it.

Q. Will you look at page 22 of the proceedings and say whether at the time this letter was written and received you were aware of that letter?—A. It reads: "It is now understood that Bennett, the engineer at B. C., will not suit, so the Minister and Perley are prepared to change him. He asked if I could recommend one. Could you think of one that would suit, and I would have the Minister appoint him."

Q. Was this letter, so written by Thomas McGreevy to his brother Robert, seen by you?—A. I had the original in my hand.

Q. And Robert showed you the letter when he received it?—A. Yes.

Q. Had you any consultation about that question of Bennett between Robert and yourself when you received it?—A. Yes; I had.

Q. I suppose you have also seen another letter, written by Thomas to his brother Robert, referring to the same matter, and appearing on the same page, dated 4th May?—A. I saw that letter.

Q. Notwithstanding these letters, I understand Bennett was not removed?—A. No.

Q. Did you make known to your partners the offer of $5,000 that you had made to Thomas McGreevy for the removal of Bennett?—A. It was by their direction I did it.

Q. Whose direction?—A. Nicholas Connolly for one; Larkin for another.

Q. It was by their direction you attempted the removal. But did you inform them you had offered this amount?—A. Yes.

Q. Was Robert McGreevy also made aware of it?—A. The instruction was given to me at the funeral of Nicholas Connolly's wife, and Robert McGreevy was not present. It was when I came back that I discussed the matter with Robert McGreevy.

Q. Instructions were given you to approach Thomas, but Robert was not present?—A. Instruction was given near Niagara Falls and in Buffalo; also, it was talked over while we were at dinner, between Mr. Larkin, Mr. Connolly and myself. Nothing could be done there. The question was the removal of Mr. Bennett, and I was instructed to give this amount, provided Bennett could be removed and a suitable party sent out in his place.

Q. Are you aware that Mr. Perley went to British Columbia in connection with that matter of Bennett?—A. I am.

Q. How were you made aware of it?—A. When the proper man could not be found to take charge of these works, the question was discussed between Mr. Thomas McGreevy and myself to get the Minister to send Mr. Perley out to British Columbia and have a talk with Mr. Bennett and see what could be done.

Q. Seeing that you could not find a proper person to replace him, it was decided to send Mr. Perley to see Bennett?—A. Yes.

Q. You are aware that Mr. Perley went?—A. Yes.

Q. Are you aware that certain changes were made in the South Wall contract?—A. In Quebec?

Q. Yes?—A. Yes.

Q. Had you anything to do with those changes?—A. The contract was in my name, and, of course, I signed the application to make those changes.

Q. Did you discuss with anybody before making the application?—A. Yes.

Q. Who?—A. My partner and Mr. McGreevy.

Q. Mr. Robert McGreevy?—A. Both Robert and Thomas.

Q. Did Mr. Thomas McGreevy agree to your demand or application?—A. Yes.

Q. And you invited him to help you in that demand?—A. I did.

Q. And are you aware whether Mr. Thomas McGreevy interested himself in those changes?—A. He helped us all he could, I believe, to get the changes made.

Q. Are you aware whether he did anything? What are your grounds of belief?—A. That the changes were made that we wanted.

Q. Had you any conversation with Thomas McGreevy about what he had done in the matter?—A. I had so much conversation in the matter that I really do not recollect these things now.

Q. But you are satisfied he interested himself in the matter?—A. Oh, yes.

Q. Robert McGreevy was interested in that South Wall?—A. A quarter.

Q. What were these changes?—A. The change from brick to stone, and from certain stratum of the level of the sewer in the wall.

Q. Was the result an increase of the amount of money you received for the contract?—A. That I cannot tell. I sold out, or was driven out, if you please, before the contract was finished.

Q. So you are unable to say what amount was realized by these changes?—A. I cannot tell about that.

Q. What was the object of asking these changes?—A. What changes?

Q. In the South Wall?—A. One of these changes at the bottom of the sewer raised it up nearly three feet high, and there was a great saving.

Q. For the Government or contractors?—A. The contractors.

Q. Was there any diminution in the contract price on account of that change?—A. I do not know.

Q. What was the object of asking that change from brick to stone?—A. We had a good deal of cut stone on hand, and it was a good deal easier to work—as it was tidal work—in stone than brick. It would make better work, certainly. If we had courses of stone cut on our hands the time saved in building would be of great advantage to the contractors.

Q. Was anything extra paid for that?—A. I do not know anything about that.

The Committee then adjourned.

HOUSE OF COMMONS, Friday, 3rd July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

MR. JOHN HYDE sworn.

By Mr. Edgar:

Q. Mr. Hyde, you have investigated, as an accountant, the cheques and vouchers of Larkin, Connolly & Co., have you not?—A. Certain cheques and vouchers.

Q. Well, have you got copies of any?—A. I have got copies of some cheques.

Q. Are the originals produced, do you know?—A. The originals are produced of all I have got.

Q. Have you the copies there?—A. I have the copies.

Q. Will you just run over them, there may be a mistake?—A. These are my private papers.

By the Chairman:

Q. I think you should produce those copies, Mr. Hyde.

By Mr. Edgar:

Q. Will you let the Chairman see the date of them, so that they can be taken down?—A. They are private memorandums.

Q. We want to get the copies. I don't want you to read to the Committee private memorandums. I think the Chairman is entitled to see the cheques.—A. I have no objection.

By the Chairman;

Q. From this memorandum cannot you give to the Committee copies of those cheques?

MR. FITZPATRICK.—He says the originals are produced.

Mr. EDGAR.—That is what we want to find out. Would you be kind enough to take the cheques and call out the names of the banks, the date, the amount, and so forth.

Mr. GEOFFRION.—Give the full description.—A. I will read them.

May 14th, 1883.—Union Bank per O. E. M., Larkin, Connolly & Co. $5,000 in favour of M. Connolly, endorsed by M. Connolly.

June 1st, 1883.—Larkin, Connolly & Co., per O. E. M. $5,000 to order of N. K. Connolly, endorsed N. K. Connolly.—Union Bank.

December 4th, 1883.—Larkin, Connolly & Co., per O. E. M. Quebec Bank for note of $5,000; no endorsement.

No. 550, 4th February, 1884.—Larkin, Connolly & Co., per O. E.M. $5,000; no endorsement.

No. 645, August 4th, 1884.—Larkin, Connolly & Co., per O. E. M. James Macnider, $2,000. Endorsed James Macnider. James Macnider & Co., for credit Quebec Bank. J. Stevenson, cashier.

No. 666, September 4th, 1884.—Larkin, Connolly & Co., per O. E. M., to O. E. Murphy, $5,000, endorsed "for credit Quebec Bank; J. Stevenson, cashier."

September 24th, 1884.—Larkin, Connolly & Co., per O. E. M. N. K. Connolly, $5,000. Endorsed N. K. Connolly, per O. E. M. No number.

No. 731, November 5th, 1884.—Larkin, Connolly & Co., to M. Connolly, $4,000. Endorsed M. Connolly, per O. E. M.

Bank of British North America, No. 26988, May 1st, 1885.—Larkin, Connolly & Co., to order of ourselves, $3,000. Endorsed Larkin, Connolly & Co., for credit Quebec Bank; J. Stevenson, cashier.

Bank of British North America. No. 78720, May 30th, 1885.—Larkin, Connolly & Co., Quebec Bank, $3,000. Endorsed "for credit of Quebec Bank; J. Stevenson, cashier."

July 28th, 1885.—Union Bank, Larkin, Connolly & Co., to O. E. Murphy, $2,000. Endorsed O. E. Murphy. No number.

August 6th, 1885.—Larkin, Connolly & Co., to Quebec Bank, $1,000. Endorsed Thomas H. Powis, per cashier. No number.

September 8th, 1885.—Larkin, Connolly & Co., to O. E. Murphy, $1,000. Endorsed O. E. Murphy, No number.

November 9th, 1885.—Larkin, Connolly & Co., to O. E. Murphy, $500. Endorsed O. E. Murphy. No number.

Bank of British North America, No. 78739, November 17th, 1885.—Larkin, Connolly & Co., to O. E. Murphy, $5,000. Endorsed "to O. E. Murphy, Robt. H. McGreevy."

Bank of British North America, No. 78741, December 15th, 1885.—Larkin, Connolly & Co., to O. E. Murphy, $4,000. Endorsed "O. E. Murphy, Robt. H. McGreevy."

March 20th, 1886.—Union Bank, signed Larkin, Connolly & Co., to ourselves, $5,000. Endorsed Larkin, Connolly & Co. No number.

October 1st, 1886.—Larkin, Connolly & Co., to O. E. Murphy, $5,000. Endorsed O. E. Murphy. No number.

October 13th, 1886.—Larkin, Connolly & Co., to O. E. Murphy, $2,000. Endorsed O. E. Murphy. No number.

October 13th, 1886.—Larkin, Connolly & Co., to O. E. Murphy, $1,000. Endorsed O. E. Murphy. No number.

January 3rd, 1887.—Larkin Connolly & Co., to N. K. Connolly, $5,000. Endorsed N. K. Connolly per O. E. Murphy—N. K. Connolly. then the name of some bank clerk on it I cannot make out. No number.

January 24th, 1887.—Larkin, Connolly & Co., to O. E. Murphy, $3,000. Endorsed O. E. Murphy. No number.

Bank of British North America, No. 86151, January 25th, 1887.—Larkin, Connolly & Co., to N. K. Connolly, $10,000. Endorsed N. K. Connolly.

Bank British North America, February 14th, 1887, No. 86159.—Larkin, Connolly & Co., to O. E. Murphy, $5,000. Endorsed O. E. Murphy.

No. 156, Union Bank, February 14th, 1887.—Larkin, Connolly & Co., to N. K. Connolly, $5,000. Endorsed N. K. Connolly.

Bank of British North America, No. 86157, February 4th, 1887.—Larkin, Connolly & Co., to N. K. Connolly, $5,000. Endorsed N. K. Connolly.

Union Bank, February 17th, 1887.—Larkin, Connolly & Co., to O. E. Murphy, $5,000. Endorsed O. E. Murphy. No number.

Bank of British North America, No. 86161, February 17th 1887.—N. K. Connolly, endorsed to the order of Larkin. Connolly & Co., $5,000.

Union Bank, No. 290, August 3rd, 1887.—Larkin, Connolly & Co., order of N. K. Connolly and endorsed by N. K. Connolly, $1,000.

August 8th, 1887, No. 305.—Larkin, Connolly & Co., to N. K. Connolly, $4,000. Endorsed N. K. Connolly.

No. 446, November 2nd, 1887.—Larkin, Connolly & Co., to N. K. Connolly, $5,000. Endorsed N. K. Connolly.

Bank of British North America, No. 86230, November 21st, 1887.—Larkin, Connolly & Co., to N. K. Connolly, $5,000. Endorsed N. K. Connolly.

December 30th, 1888.—Larkin, Connolly & Co., to N. K. Connolly, $3,050. Endorsed N. K. Connolly. No number.

By Mr. Edgar:

Q. Have you any more copies of cheques?—A. No, sir.

Q. Did you make those copies yourself from the original?—A. Yes, from the originals.

Q. You think they are correct?—A. Yes.

Q. I think there were some of those cheques that were not produced yesterday. You did not see the originals of them?—A. I think they were produced here yesterday afternoon. I checked them off as they were called. I ran over them as they were produced in the sub-committee.

Q. You have no copies now of any other cheques of Larkin, Connolly & Co.? Did you have at any other time copies of any cheques of Larkin, Connolly & Co.? —A. None whatever.

Q. Did you examine the stubs and the cheque books?—A. I examined both stubs and cheque books.

Q. On what bank and what year?—A. I examined the stubs of the Union Bank. I don't remember the years.

Q. Would it be more than one year?—A. Oh, yes, there was more than one year; there were several stubs of the Union Bank.

Q. They seemed to be complete, did they?—A. I did not look if they were complete at all.

Q. Well, running along the dates?—A. The only thing I referred to was where a specific cheque was required.

Q. All the cheques you have there, did you find stubs for them?—A. I looked for stubs for some of them. Some of them had nothing whatever to do with this case, but with the case I was in at the time.

Q. Were they connected with this case or the conspiracy case?—A. Conspiracy and libel.

Q. You were not looking for this case?—A. No.

Q. What particular cheques can you tell me you found stubs for?—A. I cannot tell now.

Q. Do you know the ones that were important?—A. I know some that were important.

Q. You cannot tell me which ones? You looked for some stubs and found some?—A. Yes.

Q. What were the ones you found the stubs for?—A. There are some stub books here.

Q. Very few?—A. I think there are nearly half a dozen books of stubs.

Q. I am told by Mr. Tarte that the stubs for 1886 are missing. Are any produced for 1886 and for the early part of 1887? I might ask if in your investigations among the papers of the firm you saw stub books or old cheque books for the year 1886?—A. I cannot say now what years I saw at that time. There are about half a dozen books of stubs here now.

Q. Were there any missing? Did you look for stubs that you could not find?—A. I did not look to have them continuous. I merely asked for certain stubs for certain cheques.

Q. Did you find all you required?—A. No, some were missing. Some of the stubs were missing; but I cannot remember now which ones.

Q. Did you have occasion to look at the bank books of the firm?—A. I looked at one or two with respect to the charging of notes.

Q. Were the bank pass books of the firm there?—A. I saw one bank book there.

Q. Is that all?—A. It was all I asked for.

Q. What year would that be?—A. There was no cheque for what I wanted and I referred to the bank book to see if it was charged.

By Mr. Geoffrion:

Q. Did you see any other bank pass books besides the one you refer to?—A. They were brought to me by the book-keeper whenever I asked for them.

Q. They were brought to you when you asked for them?—A. I only wanted some particular books. I could not get some stubs, however.

Q. You got a pass book of the bank?—A. Yes; it was the pass book of the Union Bank and the note was of the 6th November, 1883.

Mr. Martin P. Connolly re-called.

By Mr. Edgar:

Q. Did you examine the books and papers that were opened here yesterday?—A. Yes, I examined them yesterday.

Q. Did you look for stubs or cheques?—A. I did, sir.

Q. Did you find them complete?—A. No; some of the years were missing.

Q. What years?—A. I think 1885, 1886 and 1884.

Q. Not of 1887?—A. My attention was drawn to the fact that up to the beginning of '87, January and February of 1887 were missing.

Q. Are these all the stubs that you found in the books or are these the Union Bank only?—A. These are all Union Bank stubs. The Bank of British North America stubs are there too, for 1885, 1886 and 1887.

Q. What is missing there as far as you can make out?—A. The stubs here are from August 1st, 1887, to January 23rd, 1888, Union Bank. From January 24th, 1888, to October 29th, 1888; October 30th, 1888, to December 15th, 1888; December 19th, 1888, to April 10th, 1889; April 13th, 1889, to October 26th, 1889; October 26th, 1889, to November 11th, 1890.

Q. Is that all the stubs you find of the Union Bank?—A. Apparently that is all that is in these books.

Q. Did you look carefully through them to find any more?—A. I do not remember what I saw yesterday, but I do not think there are any more than were produced.

Q. You found no more than those produced?—A. No more of the Union Bank.

Q. Were there stubs for the cheques in the Union Bank prior to August, 1887? A. There may not have been, because Mr. Murphy, to the best of my recollection, when he was handling the cash for the firm generally did not write on the stubs, but would let the stub stay blank and it was generally destroyed.

Q. You told us yesterday that when you filled out the body of the cheque you generally filled out the blank.

Q. The stubs are there since August, 1887, but you said Mr. Murphy had nothing to do with it since that time. I am talking now of the stubs of the cheques of the firm issued on Union Bank before August, 1887. Were there stubs for these? Were they torn out of the ordinary cheque-book with stubs?—A. To the best of my belief they were.

Q. You know it perfectly well, don't you? Did you not yourself enter in the cheques?—A. Yes, but Mr. Murphy paid the cheques out up to the beginning of April or in the spring of 1887, and I do not believe he wrote in the stub-book or in that stub.

Q. Very well, that may be the case, but he tore the cheque out of the cheque-book, did he not?—A. Yes.

Q. In which there were stubs?—A. Yes.

Q. And in which there were stubs in which you had entered other cheques?—A. No, he may not have. He may have written it in the bank.

Q. Never mind what you do not know anything about. I am talking about what was in the office. I want to know whether there was a cheque-book with stubs which you entered in yourself? If we cannot get anything else we will try to get that. Was there any cheque-book of the Union Bank of the firm before August, 1887, in which there were stubs?—A. Yes.

Q. When did you see that last?—A. I don't remember when I saw it last; it must have been several years ago.

Q. Was it kept in the office with the others?—A. Yes, sir, I think it was.

Q. But you missed it before now?—A. No, Sir.

Q. You never missed it?—A. I never missed it.

Q. You had no reason to suppose it was missing until now?—A. I never paid any particular attention.

Q. But have you any reason to suppose?—A. None whatever.

Q. Was there more than one cheque book before this?—A. There must have been.

Q. Were they for each year, or did you use them until they were used up?—A. Until they were used up, yes.

Q. How many would there be, do you think, during the time you were there; one or two a year?—A. At least one or two a year.

Q. So then before that, up to August, 1887, there was probably a cheque book, was there not?—A. Yes, Sir.

Q. And then in 1886, there would be one or more cheque books?—A. Yes.

Q. And 1885?—A. Yes.

Q. And you cannot account for their being missing at all?—A. No. In 1885 and in 1886, as I said, we——

Q. I am talking about the cheque books and stubs; it is stubs I am after?—A. If there were any stub books left blank, they were not kept of course, they were thrown in the waste paper basket.

Q. But was there any cheque book in which all the stubs were left blank?—A. Yes, Sir, I saw some stubs left blank.

Q. The whole of a stub book?—A. I do not remember whether it was the whole of it but there had only been one or two cheques in it. When they were one of no importance I did not keep it.

Q. Well, would that apply to all those before that date?—A. It would apply to a good many, not to all. It would apply to those that were not written in the office by myself.

Q. Well, now, of course you wrote most of them yourself, did you not? You filled out most of the cheques, did you not?—A. I did not from the beginning of the year 1887.

Q. Not from 1886?—A. No, Sir.

Q. You had the regular bank pass books, of course. Do you find those bank pass books here?—A. No.

Q. You did not throw them into the waste paper basket?—A. No, they were in the safe.

Q. When did you last see them?—A. I must have seen them in May last.

Q. Was there a book every year or how was it?—A. There were four or five continued on.

Q. Running until they were filled up?—A. Yes, Sir.

Q. There were four or five?—A. Yes, about.

Q. These were not packed by you, any of these pass books, were they?—A. No, Sir, they were not.

Q. They were left in the safe?—A. Yes, they were left in the safe.

By the Chairman:

Q. Do you know where they can be got, Mr. Connolly?—A. Well, they were in the safe when I left them in May last.

Q. Would Kelly know anything about those pass books?—A. No, he would not.

By Mr. Edgar:

Q. Here is a stub book of the Bank of British North America running from November, 1885, to November, 1887, about two years. Now is that the only cheque book that you had of that bank?—A. No, Sir, there was a stub of another one there.

Q. Are those two the only ones that there were upon the British North America Bank—cheque books of the firm?—A. Yes, Sir.

Q. There were no other?—A. No, there were no others in Victoria; we had stubs of the British North America Bank in Quebec.

Q. Those both relate to Esquimalt?—A. Yes.

Q. Do you find in these boxes any cheque books at all of the Bank of British North America relating to the Quebec business?—A. No, Sir.

Q. Well, the firm had an account with the Bank of British North America in connection with their Quebec business, had they not?—A. Yes.

Q, How long had they, during the time you were in their employ?—A. During the time I was there, they had an account with the British North America Bank for a short period.

Q. What period would that cover?—A. I do not remember exactly.

Q. Cannot you tell the year?—A. I think in 1887.

Q. Would that be before August?—A. Yes.

Q. In 1887? Had they in 1886 also?—A. I do not think so.

Q. When did you last see the stub book of that account with the British North America Bank for the Quebec business of Larkin, Connolly & Co.?—A. The last time I saw that would be the last time I saw the others.

Q. Were they with the others in the safe?—A. Yes.

Q. In May last?—A. I think they must have been there in May last. I paid no attention to it, however.

Q. There was the pass book between the firm and the Bank of British North America.—A. Yes.

Q. Did you find that here?—A. No, sir.

Q. Where did you see that last; in the safe?—A. I do not remember, but it was most likely in the safe.

Q. You kept it with the other books?—A. Yes.

Q. Do you remember specially seeing it lately?—A. No.

Mr. Nicholas K. Connolly re-called.

By Mr. Edgar:

Q. You heard the questions I have been asking the two last witnesses about the stubs of cheques on the Union Bank of the firm of Larkin, Connolly & Co.?—A. Yes.

Q. Where are they?—A. I do not know.

Q. You do not know?—A. I do not know anything about them.

Q. You, I understand, were in charge of the financial business of the firm of Larkin, Connolly & Co. from sometime in August, 1887, were you not?—A. Yes.

Q. At what time?—A. A portion of that time. I do not remember the date exactly.

Q. In 1887?—A. I think so.

Q. Were there cheque books and stubs before that date?—A. Yes.

Q. When did you see them last?—A. See what?

Q. Those stubs of the cheque books?—A. I only saw the stubs when the cheques were made out by Martin Connolly.

Q. Did you give any orders about having the papers brought here before the Committee?—A. No. No particular orders. My brother went down to Quebec to get all the papers. Kelly has been ordered to send up any further papers that were in the office.

Q. Have you been to Quebec at all, lately?—A. Yes.

Q. When were you there last?—A. I was down there last Sunday.

Q. Have you been there on any other occasion since this inquiry began?—A. I have been there once since.

Q. Were you in the office where the books and papers were kept, since the inquiry began?—A. Yes.

Q. Did you look in the vault?—A. We have no vault.

Q. Well, in the safe?—A. I have not got the combination of the safe.

Q. Well, when you were there, was it opened by anybody? Did you see into it?—A. Yes; it was open.

Q. You did not look for the cheque books?—A. No, Sir.

Q. Were there bank books kept?—A. Yes.

Q. Bank pass books, I mean?—A. Yes.

Q. Where are they? A. I do not know.

Q. You do not care, I suppose, either?—A. I have no further use for them.

Q. But this Committee has further use.—A. If I knew where they were, I would be very glad to produce them for this Committee. I have no intention to keep anything from this Committee.

Q. Well, it is a most extraordinary thing that they are not produced; somebody has got them.—A. I do not know anything about them. I did not have charge of the cheques or pass books or the stubs.

Q. Your employés had them?—A. Yes.

Q. They were Martin P. Connolly?—A. Yes.

Q. Who else?—A. Several others.

Q. Who?—A. The bookkeepers in our employ previous to Martin P. Connolly. Martin has had charge of the papers and books up to the time he left.

Q. He swore that they were there in May last—the stubs and bank pass-books?—A. Well, I do not know anything about them.

Q. Did you give any orders at all about any of those books to anybody?—A. I told Kelly when in Quebec last, to see that everything that was in the office in the way of books and papers of all kinds in connection with the work at Quebec, to send them here.

Q. Did he tell you he had left anything behind?—A. He told me he had packed up everything he could find.

Q. Has he gone away again?—A. Yes.

Q. Where to?—A. To Quebec.

THE CHAIRMAN—He was discharged by Mr. Geoffrion, yesterday.

By Mr. Geoffrion:

Q. Were any papers sent from Quebec to Kingston since this investigation has been going on?—A. Not to my knowledge.

Mr. O. E. MURPHY re-called.

By Mr. Geoffrion:

Q. Mr. Murphy, had you anything to do with the entries that were made in the books?—A. No.

Q. You gave instructions to the book-keeper, but had nothing to do with the way they were made?—A. I had nothing to do with the books or the entries in the books.

Q. I find that in the year 1887 you discontinued to be the cashier, if I may say so, of the firm, and Nicholas K. Connolly replaced you?—A. Yes.

Q. This did not suspend your power to sign the name of the firm on cheques?—A. No.

Q. He had special charge of the cash; that is all?—A. Yes.

Q. The statement which you asked and obtained from Martin P. Connolly showing the disbursements for the different work in connection with what is called, "expense" or "suspense" were asked by you so as to be informed in a compact way of the different amounts paid, both during your time and the time of your successor, Mr. N. K. Connolly, I suppose?—A. Yes.

Q. When those statements were given to you did you take the trouble, or were you qualified in fact, to ascertain whether they were correct according to the books?—A. No.

Q. You were not qualified to ascertain ?—A. No.

Q. Will you refer to Exhibit "I 5", being the trial balance and statement of Esquimalt Dock contract from the commencement up to March 1st, 1888, and say what is the amount therein mentioned by the auditors as entered under the heading "expense" ?—A. $41,750.48.

Q. What does that item mean ?—A. It is moneys paid out and charged to the expense account both in Quebec and British Columbia, I think.

Q. Will you look at Exhibit "E 7", printed at page 178 of the proceedings of the Committee, and say whether the statement which appears to have been given to you, by Martin P. Connolly, applies to the same work and covers the same period ?—A. It does.

Q. What is the amount returned to you by Martin P. Connolly ?—A. $35,000.

Q. So there is a discrepancy, as between $41,000 and $35,000 between the auditors and Martin P. Connolly ?—A. Yes.

Q. Are you able to explain it?—A. No.

Q. In the statement which was given to you by Martin P. Connolly, as applying to the Graving Dock at Lévis, did you verify in the books whether those entries were correct as to the dates or otherwise ?—A. No.

Q. So the item November, 1887, $10,000, was looked upon by you only as to the amount; you did not verify in the books how this was entered ?—A. No.

Q. Will you examine five promissory notes (Exhibit "W 7") which I hand to you and say what they are ?—A. These are the notes I gave for the cross-wall, as I have already stated.

Q. Is the one made at twelve months there ?—A. No.

Q. Can you explain why it is not there? Was it replaced ?—A. It was replaced by another note. Mr. Robert McGreevy came to me and wanted a shorter note, as some money was wanted. I gave a shorter note and cancelled the twelve months notes.

Q. Are those notes the same as those to which you refer in your testimony at page 49 of the proceedings of the Committee, in the following way:—"We went in and went down through a trap door in the office, and I drew the notes, one to Mr. Larkin, one to Nicholas Connolly, myself signing them for Larkin, Connolly & Co. They were then endorsed by the different parties?"—A. They are the same with the exception of the note which I have stated was cancelled and one for a shorter time substituted.

Q. Who were the members of the firm at that date ?—A. Patrick Larkin, Nicholas Connolly, and myself.

Q. Will you say where among these five notes you find the three partners as endorsers of some of these notes ?—A. The first note is endorsed by N. K. Connolly, the second one by myself and the third one by Patrick Larkin.

Q. Now who were the two others ?—A. The others are endorsed by Larkin, Connolly & Co.

Q. To the order of the firm and endorsed by the firm ?—A. To the order of Larkin, Connolly & Co., and endorsed by me.

Q. Referring to the notes printed in yesterday's proceedings and marked Exhibit "W 7," how are they dated ?—A. I will read them; the first is:

$5,000. QUEBEC, May 1st, 1883.

On demand after date we promise to pay to the order of ourselves at the office of the Graving Dock, Lévis, five thousand dollars for value received.

This is endorsed Larkin, Connolly & Co. and initialled by myself.

The next is:

$5,000. QUEBEC, May 1st, 1883.

On demand after date we promise to pay to the order of ourselves at the Office, Graving Dock, Lévis, five thousand dollars for value received.

LARKIN, CONNOLLY & CO.

This is endorsed by myself.

The next is:

$5,000. QUEBEC, May 1st, 1883.

Six months after date for value received we promise to pay P. Larkin or order at the office, Graving Dock, Lévis, the sum of five thousand dollars, due the 3rd November.

LARKIN, CONNOLLY & CO.
Per O. E. M.

Endorsed, Patrick Larkin.

I find in pencil marks on the back "Q. H. I's. re $25,000."

Q. Is that Larkin's signature?—A. Yes, sir. The next is:

$5,000. QUEBEC, May 1st, 1883.

Seven months after date, for value received, we promise to pay O. E. Murphy or order at the Office, Graving Dock, St. Joseph, the sum of five thousand dollars.

Per O. E. M.

Endorsed by myself,
Mr. Hearn, per pro Ross & Co.

JAMES GEGGIE.

$5,000. QUEBEC, May 1st, 1883.

Nine months after date for value received we promise to pay N. K. Connolly or order at the Office, Graving Dock, Lévis, the sum of five thousand dollars.

Per O. E. Murphy,

Endorsed by N. K. Connolly,
Mr. Hearn, per pro Ross & Co.

JAMES GEGGIE.

The date is February 1st, 1884, and there is a figure in the corner, 1227, endorsed N. K. Connolly.

Q. Is this in the handwriting of N. K. Connolly?—A. It is; and I believe that that is Mr. John Hearn's.

Q. Now, please examine these notes filed as Exhibit "X 7", and explain to the Committee what they are?—A. I will read them.

Q. First state what you know about these notes.—A. This is one of six thousand dollars, reading:

QUEBEC, June 2nd, 1884.

Six months after date for value received we promise to pay Mr. Patrick Larkin or order at the Union Bank the sum of six thousand dollars.

LARKIN, CONNOLLY & CO.,
Per O. E. M.

It is endorsed Patrick Larkin, and on the back is written: "Paid in the following manner: cash $2,000—one note for $2,000, 4 months; one do $2,000, 5 months.

By Mr. Edgar:

Q. In whose handwriting are those figures?—A. I think they are my own. It is a memorandum when the note was changed and I gave other renewals for these, if you please. The next note is:

$2,000. QUEBEC, June 2nd, 1884.

Two months after date, for value received, we promise to pay Michael Connolly or order, at the Union Bank, the sum of two thousand dollars.

LARKIN, CONNOLLY & CO.,
Per O. E. Murphy.

This is endorsed Michael Connolly. The next reads:

$5,000.

QUEBEC, June 2nd, 1884.

Three months after date for value received, we promise to pay O. E. Murphy or order at the Union Bank the sum of five thousand dollars.

LARKIN, CONNOLLY & CO.
Per O. E. M.

This is marked 5th September and endorsed O. E. Murphy, and marked paid.

By Mr. Fitzpatrick :

Q. In whose handwriting?—A. My own. The next is:

$5,000.

QUEBEC, June 2nd, 1884.

Four months after date for value received, we promise to pay to Nicholas K. Connolly or order at the Union Bank the sum of five thousand dollars.

LARKIN, CONNOLLY & CO.
Per O. E. M.

This is due October 5th, endorsed N. K. Connolly, by Mr. Connolly's signature and marked "paid." It is initialled "G.D" which means Graving Dock Account and there are the figures $22,000 in pencil.

By Mr. Osler:

Q. In whose handwriting would that word paid be in?—A. The word paid is in my own.

By Mr. Geoffrion:

Q. But the words "G. D. Account?"—A. I think it looks like Mr. Hume's figures.

By the Chairman:

Q. And the $22,000, in whose handwriting is that?—A. It is Mr. Hume's also. The next is:

$4,000.

QUEBEC, June 2nd, 1884.

Five months after date for value received we promise to pay Michael Connolly or order at the Union Bank the sum of $4,000.

LARKIN, CONNOLLY & CO.,
per O. E. M.

Due November the 5th, and endorsed Michael Connolly in his signature. There are some other marks on the note; I do not know what they are.

Q. I asked you what were those first notes?—A. They were given for the supplementary contract for the shortening of the graving dock at Lévis. The contract I entered into with Mr. Thomas McGreevy.

Q. Do they refer to the same amount as mentioned in Exhibit "L 5," which is printed at page 116?—A. They are.

Q. Will you refer to two cheques, one on the Union Bank of Lower Canada dated 2nd November, 1887, for $5,000 to the order of N. K. Connolly, signed Larkin, Connolly & Co., and the other dated Quebec, 21st November, 1887, on the Bank of British North America, N. K. Connolly, also for $5,000, and say what cheques these are?—A. They are drawn to the order of Nicholas K. Connolly and both the signature of Larkin, Connolly & Co. and the endorsation is made by N. K. Connolly. I know nothing about it. The next cheque is signed Larkin, Connolly & Co., to the order of N. K. Connolly and endorsed N. K. Connolly. I know nothing about it.

Q. In whose handwriting is it?—A. Nicholas Connolly.
Q. Both the signature of the firm and the endorsation?—A. Yes.
(Cheque fyled and marked Exhibit "H 9.")

By Mr. Curran:

Q. In whose handwriting is the body of the cheque?—A. I believe it is Martin P. Connolly's—both cheques.

By Mr. Geoffrion:

Q. Will you take communication of a cheque dated 20th March, 1886, on the Union Bank of Lower Canada, signed Larkin, Connolly & Co., for $5,000, and say in whose handwriting is that cheque?—A. The cheque is in my handwriting and endorsed by myself.
Q. And is signed in your handwriting?—A. Yes.
Q. Have you any means of stating what this cheque was given for?—A. I have not, otherwise than where I draw cheques to my own order in this way. It is drawn to my order and it would be some money we would pay out; but I cannot tell at the present time. For cheques endorsed by myself and in the firm's name, it would be for the use of the company.
Q. This one was made the order of?—A. Larkin, Connolly & Co. This cheque I believe is in my handwriting but it is a new cheque. It looks very much like my handwriting; but it also looks very much like paper that has not been handled.
Q. And you cannot explain to the Committee what this cheque was for?—A. No.

By Mr. Ives:

Q. Does it bear a number? That would be a more positive identification?—A. There is no number on it.

By Mr. Geoffrion:

Q. You say you cannot say what it is for. Had you occasion to sign many cheques whilst you were acting as cashier of the firm?—A. I had.
Q. Hundreds?—A. Yes. I have very much doubt about that cheque (referring to Exhibit "I 9").

By the Chairman:

Q. That it is genuine?—A. Yes.
Q. You are not sure it is in your handwriting?—A. No.
Q. You had better look at it again and say whether you have any doubt?—A. It is a new cheque. It looks a good deal like my handwriting, but I won't swear positively it is mine.

Cross-examined by Mr. Osler:

Q. When did you come to Canada, Mr. Murphy?—A. In '78 or '77. I believe.
Q. '78 or 77, which?—A. '77.
Q. Can't you remember more accurately?—A. I think it was December, '77.
Q. You know it was December, '77. Where did you come from?—A. New York.
Q. And where did you strike this soil first?—A. Niagara Falls.
Q. Where did you make your headquarters first?—A. St. Catharines.
Q. How long had you been in New York?—A. 28 years about—27 or 28 years.
Q. What was your employment in New York; I mean in the latter days?—A. I will give you my history if you wish.
Q. No; I only want you to answer my questions. What had been your employment in the latter years of your living in New York?—A. Contractor and builder.

Q. How long had you been contractor and builder ?—A. From 1857 to 1877.

Q. Occupied in contracts up to the time you left ?—A. Yes.

Q. Had you any contracts in hand in December, '77 ?—A. I was building houses for myself and selling them.

Q. That was your occupation ?—A. Part of it.

Q. Any houses in process of building in '77 ?—A. I think they were built.

Q. You had property also ?—A. Yes.

Q. Real and personal ?—A. Both.

Q. Family in New York ?—A. Yes.

Q. Had you any office ?—A. Do you mean any public office ?

Q. Yes, public office ?—A. I had.

Q. What was it ?—A. I was one of the Excise Commissioners.

Q. One of the Excise Commissioners for New York ?—A. That was one of the offices and I believe the other was School Trustee.

Q. We will not trouble about the School Trustee, we will go to the excise business. You were Treasurer of the Board ?—A. Yes.

Q. A Board of three ?—A. Yes.

Q. Treasurer without security ?—A. Without security.

Q. You would receive very large sums of money during the course of your office duties ?—A. I did.

Q. And they were at your personal disposal by cheque ?—A. They were.

Q. Without security and so remained for some time. You would always have large sums of money at your disposal ?—A. Yes, during my time.

Q. And then on the 22nd of December, I think it was, you still held the office ? —A. Yes.

Q. And you still holding the office left for Canada ?—A. Yes.

Q. Have you been back in New York since ?—A. I have.

Q. When ?—A. Several times.

Q. How long after you left ?—I speak of New York city.—A. I have not been in New York city.

Q. Just a little slip over to Buffalo now and then ?—A. Several other parts as well as Buffalo.

Q. But still you kept away from New York city ?—A. Not for any particular reason.

Q. Of course not. You got tired of New York city after having been in it for 28 years ?—A. No.

Q. After you left in December, '77, was there any fuss about your accounts ? —A. Yes.

Q. There was some little fuss about your accounts ?—A. I loaned large sums of money.

Q. Just answer my question, please. There was some trouble about your accounts ?—A. Yes.

Q. And an audit took place you heard ?—A. Not while I was there.

Q. No, not while you were there. Oh, no. After you left. And did you hear the result of that audit ?—A. I did.

Q. They made the result rather prominent in the newspapers ?—A. Yes.

Q. The result would indicate that the city or some of its citizens were a little short ?—A. Neither the city nor its citizens.

Q. The audit justified you, did it ?—A. I won't say that.

Q. The audit was a document rather against you, was it not ?—A. Does he not mean I am not going to answer that. ?

Q. Answer my question. Was the audit against you ?

(Hon. members objected.)

Q. I am going to treat the witness with perfect fairness. I want his answer and then he may give his explanation. Was the audit against you ?—A. I was not there to see whether it was or not.

Q. Did you hear about it?—A. I used $20,000 in the election, some of it for myself and some for my political friends, and when the time came that they promised to pay the money they did not make it good in the excitement of the fight between Kelly and Tilden in the election of 1876. I had been carrying a great deal of real estate and it fell and depreciated very much, and with the expectation of making it good I drew an extra $30,000. That is the whole story and I do not care who knows it.

Q. You were $50,000 short?—A. I will pay every cent of it. All these men knew of these things. Mr. Thomas McGreevy knew it and Sir Hector Langevin knew it. I will answer any of these questions.

Q. I will ask that the witness do not make a speech but confine himself to giving an answer to the specific question put. Then, as a matter of fact, you left New York a defaulter to the extent of $50,000?—A. Yes.

Q. And that default remains against you no matter what was done with the funds?—A. It remains against me.

Q. You were, under the circumstances, compelled, so to speak, to flee to Canada?—A. No, Sir.

Q. But did you flee to Canada?—A. I came; but I was not compelled.

Q. You thought it was wise?—A. No, sir.

Q. Was it foolish?—A. I think it was.

Q. But you stayed here?—A. Yes.

Q. Having come to Canada under these circumstances, you left your property in New York, personal and real, in the condition you have stated?—A. Yes.

Q. How long did you remain in St. Catharines?—A. I forget.

Q. About how long?—A. Probably about two months.

Q. And where then did you go?—A. I came to Montreal. From there I went to Portland, Maine State. I stayed there for a few days in Portland, Maine, and from there went to Halifax, and from Halifax I went to England—sailed, I believe, on the steamer *Moravian*, Capt. Jackson.

Q. You went from Portland, Maine, to Halifax, and Halifax to England and from England?—A. I should say Ireland first and then to England, and from England I went—stopping at several ports—to the Amazon and Brazil.

Q. Staying there how long?—A. I went up the Amazon.

Q. What I asked you was how long?—A. I went up the Amazon and visited nearly all the cities along the Atlantic coast.

Q. Never mind that.—A. South America is a very large place.

Q. Never mind that. How long were you there?—A. I put in nearly a year.

Q. What did you do after leaving South America? Where did you go?—A. I came back to St. Catharines with the intention of going back to South America.

Q. From St. Catharines where did you go?—A. To Pennsylvania, on business for Mr. Connolly, several times.

Q. And from there where did you go?—A. I got into this contract at Lévis.

Q. You went finally to Quebec?—A. Yes.

Q. When did you reach Quebec?—A. I think it was in June, 1880.

Q. So you were unsettled from December, 1877, until June, 1880?—A. 1880.

Q. When you located?—A. Located in St. Joseph, Quebec.

Q. And you have remained there ever since?—A. Ever since.

Q. Your name in New York—what was your official name there?—A. I was called Owen and Eugene.

Q. But you were known as?—A. Owen Murphy.

Q. When you came to Canada you were known at first as Eugene?—A. No, sir.

Q. You used the name Eugene?—A. Yes; I might.

Q. You signed a document under that name, if I am not misinformed?—A. I do not recollect it.

Q. Dropping the "O"?—A. I do not recollect that I did.

Q. Will you swear that you did not?—A. No. I was always addressed as Owen, and sometimes as Eugene, and many times I got a letter endorsed by one.

Q. Is Eugene your name?—A. It is part of my name. It is my middle name.

Q. It is a name you received, and not a name that you adopted in later life. Did you adopt it for convenience or was it given to you in earlier days?—A. I believe it was given to me in earlier days, but I never kept it up. I was instructed by my lawyer—one is Recorder Smyth, of New York—as a very important thing every time I would make a transfer of real estate to have a middle name. There was another Owen Murphy in Quebec, and my letters were often opened by him.

Q. I am asking you whether it was an original name, or as a matter of convenience did you take the middle name?—A. No.

Q. But your whole official record in New York appears to be under the name of Owen Murphy?—A. Yes.

Q. That is the way you drew the cheque?—A. Yes.

Q. When you came to St. Catharines, if I have a document signed E. Murphy and Eugene Murphy, would that be the name you went by?—A. I might have gone by that name.

Q. But you were known as Owen E. Murphy in Quebec?—A. Yes.

Q. There being another Owen Murphy?—A. Not always known as Owen E. Murphy; sometimes as Owen.

Q. That was the signature you adopted on going to Quebec, and that would be convenient, there being another Owen Murphy there—an M.P.P.?—A. Yes.

Q. With whom I believe you were sometimes confused?—A. I would state that the official document notifying me to appear here as a witness went to the other Murphy, and I had to go to the post office to have a return made of it.

Q. Then in June, 1880, when you came to Quebec, you had, at all events, known Michael Connolly?—A. I did. He lived with me in New York.

Q. And he travelled with you when you went to South America?—A. Yes; I paid all his expenses there and return.

Q. He was then a young man, who had not been in the business for himself?—A. No.

Q. And I believe that to some extent you availed yourself of his services in winding up your business in New York and Brooklyn?—A. I had no business in Brooklyn.

Q. In New York?—A. Yes.

Q. Michael Connolly was the one who went down from St. Catharines to follow your instructions in realizing upon your property?—A. Part of it—also Nicholas.

Q. And you came down to Quebec to join them in a large contract?—A. I was partly forced into that contract.

Q. Which contract?—A. The Graving Dock contract.

Q. But you became a partner there?—A. I bought out a third interest from Nicholas Connolly.

Q. That being the interest Nihan had first?—A. Yes.

Q. Nicholas had bought Nihan's share?—A. I believe so.

Q. And you bought Nicholas out?—A. Yes; a third interest.

Q. The share that he had got from Nihan?—A. Yes.

Q. What has been your particular function? Were you a skilled builder or tradesman of any kind? What was the particular knowledge you had in carrying out a contract?—A. I claimed to have more knowledge than any of my partners.

Q. Practical knowledge of masonry, for instance?—A. Yes; building of all kinds, pile driving, &c.

Q. And outside management?—A. Yes.

Q. Were you skilled in finance?—A. I was—more than my partners.

Q. And you have been an election manager in New York?—A. Yes.

Q. Then you worked along at that contract until—what was the next change?—A. The dredging at Quebec.

Q. When you first went to Quebec had Mr. Robert McGreevy any interest in the contract that you joined in?—A. Not that I know of.

Q. And you did not know him?—A. No.

Q. You did not know him at that time. Then, in regard to your second contract, had he joined you before you entered that? Had you become acquainted with Robert or had you had any business dealings with him in reference to the first contract before you got the second contract?—A. I had no business dealings with Robert McGreevy up to the time we got the dredging contract.

Q. Had you come to know him prior to getting the dredging contract?—A. Very little.

Q. He was but a casual acquaintance?—A. That is all.

Q. Can you remember under what circumstances you first met hin?—A. I can.

Q. Can you shortly tell them?—A. I met him at the Graving Dock at St. Joseph.

Q. On business?—A. He came there in connection with putting in a tender for the St. Charles Branch.

Q. To see if you would put in a tender in connection with him?—A. In connection with him.

Q. It was his introduction to you on that occasion which was the first business suggestion there was between you?—A. I believe that was the first, as far as I can recollect. I am speaking now from recollection.

Q. Can you say when that was?—A. I forget whether it was in 1881 or 1882; I am not positive.

Q. When had you the first business dealings with him?—A. The first business dealing, as far as I can recollect, was when tenders were about being asked for the dredging at Quebec.

Q. Then you had some business conversations with him, perhaps?—A. What kind?

Q. I only wanted to know whether you had any business conversations with him prior to that?—A. Business transactions.

Q. I am not asking about business transactions just now. I asked you if you had any business conversations with him?—A. I do not know as I had.

Q. He came to be your partner, did he not?—A. He came to see if——

Q. He ultimately came to be your partner, did he not?—A. Yes.

Q. When was that?—A. I believe it was in 1882.

Q. What month in 1882?—A. I do not recollect now.

Q. You do not remember?—A. No.

Q. He became your partner under a written agreement which has been produced here—Mr. Nicholas Connolly being associated with you?—A. Yes.

Q. And your shares were determined on; and ever since that date, up to within very recent times, you have been associated with him?—A. I have.

Q. You have been associated with him in various contracts, as appears by the record here. Have you had other dealings with him?—A. I had no contract or was not interested in any contract with Robert McGreevy outside those connected with the firm of Larkin, Connolly & Co.

Q. You have had no business transactions or dealings with Robert McGreevy outside of Larkin, Connolly & Co.'s transactions?—A. I had.

Q. Have you had many transactions in which you were jointly concerned?—A. We built a block or warehouse in Quebec which he was interested in.

Q. I am not asking for details. I am merely asking if you had many transactions. Had you several transactions?—A. I am giving you the details.

Q. I do not want the details just now. What number of transactions had you with Mr. Robert McGreevy?—A. I bought some Richelieu stock for his account along with his brother Thomas.

Q. You had Richelieu stock transactions?—A. Yes.

Q. Anything else?—A. I bought some Montreal Telegraph stock. That was in connection with myself and two others, of which I was supposed to take his stock——

Q. Never mind the details. Have you had any other stock transactions?—A. No.

Q. Any real estate transactions?—A. Excuse me, I did buy some bank stock, Banque Nationale stock, in partnership with him.

Q. Did you have any real estate transactions with him?—A. I stated that we built a block together.

Q. Any other joint transactions apart from the Larkin, Connolly & Co. matters? —A. None but what I have mentioned.

Q. Just the four transactions then?— A. Yes.

Q. Were the transactions in regard to Richelieu stock on more than one occasion?—A. Yes.

Q. How many occasions?—A. Several.

Q. About how many?—A. I cannot tell.

Q. You operated with him in Richelieu stock?—A. Also his brother Thomas.

Q. I am not asking you that, unless Thomas was jointly interested with you three?—A. Yes, he was.

Q. Did you buy separately? Had you separate transactions with Robert McGreevy?—A. I had.

Q. In Richelieu?—A. Yes.

Q. Will you tell me the years in which you were operating, the three of you, and the years in which the two of you were operating? When you were operating with Thomas and Robert, and when you were operating with Robert only?—A. I really cannot tell the years now. I think it was in 1887 and 1888, as near as I can recollect.

Q. With Robert?—A. Yes.

Q. And before that with Thomas and Robert?—A. I bought 250 shares for Thomas.

Q. Before that?—A. Yes; I think it was before that.

Q. To what extent had you transactions with Robert in Richelieu?—A. I have held 800 shares in my name for his account, and we were jointly interested in other stocks, that he paid me the difference in the price, and I had to keep the stock.

Q. In other blocks of Richelieu?—A. Yes.

Q. Taking the 800 shares to which you have referred and adding the others to them, would you have a thousand shares in which you were interested at one time?—A. I might.

Q. What are the shares of that company? What is the par value—$100 or $50?—A. $100, I think.

Q. How did the market run when you were operating?—A. It ran as low as 39½ or 40, up to 70.

Q. The fluctuations were from 39 to 70?—A. Yes.

Q. Was it a good speculative stock?—A. No.

Q. It was a bad speculative stock?—A. To me it was.

Q. Did you both lose money on it?— A. I think so.

Q. To any considerable extent?—A. I do not think Robert McGreevy lost money to any extent.

Q. The loss fell on you?—A. I have the stock yet.

Q. But you have hopes?—A. Yes, with good management.

Q. How did you buy this stock? Did you go into the market to buy and paid for it, or were you carrying it on margin?—A. Some I carried on margin; some I paid for as it suited me best.

Q. Just as funds were?—A. Yes, just as it suited me best.

Q. Who was your broker or your banker?—A. Several banks had the stock and held it on margin. Several brokers, Messrs. Meredith & O'Brien, Mr. Mowat & Co., Mr. McNider, in Quebec.

Q. Anybody else?—A. Mr. P. A. Shaw bought some bank stock.

Q. These were the people who were carrying the stock? Anyone else?—A. That is all I think of.

Q. Well then, the period over which the speculations with Robert in Richelieu, covered about—when did you commence?—A. We commenced when we had a large block of the stock thrown on our hands—the Connollys and myself—and we were very much interested in making Thomas McGreevy, President.

Q. Well we don't want these little matters; they are of no consequence to the Committee. At what date did you commence?—A. I cannot give you the exact date. It was over a period of several years.

Q. Over what number of years were there speculations?—A. I cannot tell at present.

Q. Did they commence as early as 1882?—A. No.

Q. 1883?—A. I think not.

Q. Will you swear there was nothing in 1883?—A. I will not swear.

Q. I mean, not merely Richelieu, but any stock speculations on investments with Robert McGreevy, were there any in 1883?—A. I think not.

Q. 1884?—A. I think not.

Q. 1885?—A. I won't answer 1885.

Q. You are in doubt about 1885?—A. To the best of my opinion I believe I did not.

Q. Then, did they commence in 1886?—A. I think to the best of my knowledge it was in 1887.

Q. Well, in 1887. You had then to the best of your knowledge no joint transactions with either Robert or Thomas McGreevy prior to that date. Is that what I understand you to say?—A. Not in stocks.

Q. Well had you any other transactions apart from Larkin, Connolly & Co., with Robert McGreevy prior to 1887?—A. Yes.

Q. What were they?—A. They came to me and borrowed my personal notes and got me to discount a draft for Mr. Senécal, I believe, and I had a good deal of trouble with them and I had Senécal's draft I think for $2,500 discounted?

Q. You had, in other words, aided him financially?—A. I had.

Q. You aided Robert financially prior to 1887?—A. I did.

Q. To what extent?—A. That I cannot tell; not much.

Q. About how much?—A. Oh, that is impossible for me to tell now, I kept no account of it.

Q. Did Robert require financial aid in his transactions, from as early as 1883?—A. I don't know that he did personally.

Q. Well, will you say you did not help him financially in 1883?—A. He is helping me now. I borrowed money of him when I was in Quebec and he borrowed from me too just the same as usual.

Q. How long has that been carried on?—A. Always since we became intimate—same as usual.

Q. When you had money you lent it to him and *vice versa*?—A. I did.

Q. There was perfect freedom between you in financial transactions.—A. Yes.

Q. And perhaps you speculated more with him as your associate than with anybody else?—A. No, outside of the Richelieu I don't know I had any speculation; he sold his bank stock and he took his profits.

Q. But I am asking you whether there was anybody with whom you had more transactions than with Robert McGreevy?—A. I had transactions with both the Connollys with this Richelieu business as well as Mr. McGreevy. I bought stock and held it in my own name.

Q. What I am trying to get at is who was your most intimate financial associate, the man with whom you had most association. Was it not Robert McGreevy?—A. It might be.

Q. Did you operate at all on the Chicago or New York markets?—A. Yes.

Q. With respect to your transactions in New York and Chicago had you any margin transactions in the stocks that are ordinarily dealt with in those cities?—A. I bought some pork in connection with Colonel Rice. We talked over it in Montreal.

Q. It is unnecessary to bring in anybody else's name unless the Committee desires it. -A. I felt it was necessary to remember it.

Q. What I desire to avoid is bringing in the name of anybody who is not here to defend himself or who is not concerned in the inquiry. Sometimes people do not like to see their names in print. You had transactions in Chicago in pork?—A. Yes.

Q. Margin transactions. What year?—A. I forget the year.

Q. About what year ?—A. I bought 2,000 barrels of pork.

Q. I am not asking you about the pork, but about the year ?—A. I think it was about two years ago.

Q. What other margin transactions had you ?—A. I got quite a lot of stock in New York at the present time.

Q. Carrying on margin ?—A. Some of it is paid and some on margin.

Q. How long have you been carrying stocks in New York? When did you commence ?—A. I bought stock and paid for it in 1881 I think.

Q. Go on ; you kept buying in 1883 ?—A. No; I dropped off for some time.

Q. You dropped off for some time : sold and bought again ?—A. Exactly.

Q. And you kept doing so during those years ?—A. Yes.

Q. Pretty much on margin ?—A. Sometimes.

Q. Mostly on margin ?—A. Mostly, yes.

Q. And the volume of those transactions would be very considerable ?—A. They would.

Q. Was Robert interested with you in those transactions ?—A. No, it was my own.

Q. And in Chicago he had no interest whatever ? It was only an isolated transaction in Chicago ?—A. Just what I mentioned.

Q. What year was the pork in ?—A. I think it was about two years ago.

Q. Well, to what extent can you tell me in 1883 were your stock transactions in New York ?—A. I bought sixty-seven shares of the New York Central and paid for them.

Q. I don't want the details, I want about the extent ?—A. That was the extent.

Q. Sixty-seven shares in the New York Central. You paid for them and did not carry on margin ?—A. Yes.

By Mr. Henry :

Q. What year was that ?—A. I think it was in 1881. I correct myself. I had $10,000 idle in the Union Bank for a year and got no interest, and I wanted to buy something that would pay me. Mr. McNider bought the stock.

By Mr. Osler :

Q. That transaction was through Mr MacNider ?—A. Yes.

Q. And you held that stock how long ?—A. I held it too long for my own good.

Q. That does not answer the question.—A. I cannot tell the year I sold it. I hypothecated the stock to the Union Bank and loaned the money to the Connollys and I could not get a release. It was at the time Mr. McEwan was manager.

Q. Stop, I only want to know how long you carried stock ?—A. I stated it was in 1883 or 1884.

Q. Three or four years ?—A. Two or three years, I am not positive, but to the best of my knowledge.

Q. You speculated in stock in 1882 to what extent ?—A. Nothing more than what I said here—with sixty-seven shares in the New York Central.

Q. That was in 1881 ?—A. Well, I carried it on until this time.

Q. You bought no more ?—A. I don't think I bought any more.

Q. In 1883 ?—A. No.

Q. 1884 ?—A. I may have.

Q. You have not it in your mind ?—A. No.

Q. You cannot carry the transactions as to the day and the year ?—A. No.

Q. 1885 the same ?—A. I may have.

Q. When did you commence on Richelieu ? About what year ?—A. I think that was 1886.

Q. When did you commence the joint matters with Robert McGreevy ?—A. In stocks ?

Q. In anything except Larkin, Connolly & Co., which are on record ?—A. I think it was in 1886, I am not sure.

Q. You think it was in 1886 ?—A. Outside of this draft, I don't think I had any stock transactions with him.

Q. What was the extent of his indebtedness to you at any one time ?—A. I have carried the stock. I got a loan of thirty-five dollars a share and he paid the difference between thirty-five and what I paid for the stock.

Q. You do not understand my question, I want to know the extent of the indebtedness of Robert McGreevy to you at any one time ?—A. The total amount ?

Q. Yes ?—A. That I cannot answer.

Q. Would it be large ?—A. It might be $20,000.

Q. About $20,000 would be the high water mark, so to speak ?—A. I think so; it may be a thousand more or less.

Q. Would there be any time when you owed him ?—A. There was.

Q. What would be the extent ?—A. Well, not much.

Q. The indebtedness generally was the other way in your favour ?—A. Mostly.

Q. But occasionally ?—A. I was in his debt.

Q. To the outside extent of ?—A. I think I owed him $4,000 or $5,000 at one time.

Q. And what would be the time of low water mark for you ? When were you the debtor, what year ?—A. Well, I don't know.

Q. Well, you can give me an idea can't you ?—A. It would be temporary, off and on, and from time to time, but I cannot give you the particulars.

Q. I suppose it was this way. If you had any money to spare and he wanted it, he got it ?—A. He had it.

Q. And the other way ?—A. If I wanted any money and he had it he would loan the money.

Q. Then you have got a bank book showing your transactions when you were living in Quebec ?—A. I have.

Q. Have you it here ?—A. I have.

Q. Will you produce it ?—A. I will.

Q. I would like it produced now.—A. I have no objections, and I would state that the first bank book I had of the Union Bank I believe it was left in the office of Larkin, Connolly & Co. I diligently searched for it, but it is not in my house. I have got all the others, if the clerk will get the books I will open them and show them to you.

Q. How many bank books have you ?—A. I had chiefly on the Union Bank and I was dealing a short time with the Banque du Peuple, and the Quebec Bank.

Q. And you say you have all your bank books and your cheques ?—A. Yes.

Q. For all but the earlier period ?—A. Early and late I have got them all here.

Q. But there was one missing ?—A. Yes, all but that.

Q. What period does that cover ?—A. That covers from 1880 up to the time the book was filled out.

Q. Your first pass book on the Union Bank ?—A. Yes, I would state I kept these in the office of Larkin, Connolly & Co. I had a pocket in the safe and I believe my bank book is in the office of Larkin, Connolly & Co.

Q. You believe your earlier bank book is in the office of Larkin, Connolly & Co. ?—A. I think so.

Q. Is it in a locked drawer ?—A. I had a locked drawer for my petty cash account.

Q. You have no bank book earlier than 1886. Have you bank cheques ?—A. I have every cheque.

Q. All here ?—A. All here.

Q. All assorted ?—A. No.

Q. Are they assorted in years ?—A. It is very easy to assort them.

Q. Is this the whole lot ? These are all the cheques since the time you landed in Quebec ?—A. Yes.

Q. You have no objection to these being examined?—A. Not at all.

Q. Then we will hold an inquest on that box this afternoon. Had you, with Robert McGreevy any transactions with the banks by which you obtained discounts?—A. Very little.

Q. Had you any?—A. I had some.

Q. Did he help you by endorsing paper in the banks occasionally?—A. I do not say he did. He may have.

Q. Did you help him?—A. I have given notes to him, but to a very small amount.

Q. You occasionally had to make an accommodation note for him?—A. Yes, small amounts—$500 or so.

Q. Did you occasionally give Larkin, Connolly & Co. notes to him for accommodation?—A. Outside of myself I never loaned Larkin, Connolly & Co.'s notes to him.

Q. Did you give Larkin, Connolly & Co. notes to him?—A. Not to my knowledge.

Q. You had a transaction with him by which you sold him a note for a pretty large sum, hadn't you?—A. That is a question I will answer in another place. I do not think I am forced to answer it here.

Q. Did you sell him a note for $400,000?—A. I decline to answer that question here.

Q. Did you have a note for $400,000? You state, I suppose, your reason for declining to answer?—A. I am sued in a criminal suit by Michael Connolly about a transaction with a note claimed to be $400,000, and I decline to answer anything connected with that.

Q. Do you refuse to answer because it may tend to criminate you?—A. Yes.

Q. There is a criminal indictment with reference to that?—A. Yes, and also with reference to Robert McGreevy.

Q. The indictment is for conspiracy?—A. I believe so.

Q. In connection with the $400,000 note?—A. I believe so.

Q. And it is because there is an indictment pending against you in the criminal court at Quebec?—A. I decline to answer any further questions in connection with that. I am sued criminally, and I might give testimony here that would criminate me. I do not think it is fair for counsel to ask me these questions.

Q. You have certain rights with respect to that—rights which I hope not to infringe. You had in your possession a $400,000 note. Now, whenever you come to a question that you do not wish to answer, you may say that you do so because you believe it may tend to criminate you.—A. I decline to answer anything in connection with that note.

Q. That is not sufficient, unless you say that it tends to criminate you. There is apparently no rule in an enquiry like this and I may have to ask the Committee, to press you for an answer.

Mr. Geoffrion objected.

Q. Had you ever a note for $400,000 of Michael Connolly's in your possession?—A. I decline to answer any question in connection with that note. I will answer that in another place.

Q. If you persist in that answer then I will press you. Had you a note in your possession of Michael Connolly for $400,000?—A. I decline to answer. The statement I may make here may criminate me in another place.

Q. I ask you had you in your possession a note of $400,000 of Michael Connolly; had you?—A. I answered yes.

Q. When did you part with it, and to whom?—A. That I decline to answer for the same reason.

Q. Was an action brought upon that note by Robert McGreevy?—A. I decline to answer, and for the same reason.

Q. Was that action subsequently abandoned?—A. I decline to answer that question for the same reason.

Q. Were you, by reason of that action on a note of $400,000, arrested?—A. I believe I was.

Q. Was there a true bill found against you by the Grand Jury?—A. I decline to answer that.

MEMBERS OF THE COMMITTEE—Oh, oh.

WITNESS—If the Committee wants it—yes.

Q. To that indictment you have pleaded and given bail?—A. Yes.

Q. It stands for trial?—A. Yes.

Q. And on the motion of your counsel that trial has been put off twice?—A. I believe so.

Q. On the motion of your counsel as to absent witnesses; is not that so?—A. Yes.

Q. I am asking if it was not on account of absent witnesses. Is not that the reason it was put off?—A. Yes; absent witnesses.

Q. Who are still absent? (No answer.)

Q. The witnesses are still absent?—A. Certainly; they cannot be here.

Q. The Committee might be told whether they are out on the Pacific Coast?—A. Some of them are in Texas.

Q. And the matter stands now for trial for the October term?—A. I believe so.

Q. Was Robert McGreevy indicted with you at the same time?—A. I believe so.

Q. Can you remember the date of your arrest?—A. No; it was some time in October.

Q. Last October?—A. Yes.

Q. When did you first see Mr. Tarte with reference to the matter we are now inquiring into?—A. It is over a year ago.

Q. Can you give me the occasion?—A. I have stated it as near as I can.

Q. Without giving reasons tell me as near as you can the date that you and Mr. Tarte met first?—A. I cannot.

Q. Can you give me the month?—A. No.

Q. Can you give me the year?—A. I think it was in 1890.

Q. What month do you think it was?—A. I do not recollect.

Q. Was it in the fall or spring?—A. In the spring, I think.

Q. Did you go to him, or did he seek you?—A. Mr. McGreevy and myself went to Mr. Tarte together.

Q. Without invitation?—A. Without invitation.

Q. And you think it was the spring of 1890?—A. I do.

Q. What was the occasion of your going to Mr. Tarte? I do not want the interview, but what was the immediate——?—A. Circumstances?

Q. Yes, the immediate circumstances?—A. Mr. Thomas McGreevy threatened me that I should get no more contracts from the Government, and that if I tendered to the Department of Public Works, he would see I got nothing. He then had a good deal of trouble with his brother and his brother had a statement and wanted to know if it was correct. I said yes. Mr. Robert McGreevy wanted to show those papers to Sir John Macdonald, as both of us were strong supporters of the Conservative party, and when he went there it was under the strict promise of Mr. Tarte, that no persons should see those papers but Sir John Macdonald. I showed Mr. Tarte the slip of paper that was presented here yesterday with the amount of money that Robert McGreevy received for his share of the different contracts. That was the paper I showed Mr. Tarte.

Q. My question is—what was the occasion on which you first went to Mr. Tarte and I want you to confine yourself to the question asked?—A. I am stating it now.

Q. No, you are stating what took place afterwards. I am asking you the circumstances in which you first came in communication with Mr. Tarte. You heard Mr. Thomas McGreevy say you could not get any more contracts?—A. He told me personally.

Q. And Robert McGreevy was to get no more contracts from the Government?—A. Also.

Q. And finding out that you could not get any more contracts from the Government you went to Mr. Tarte? Had you any other reason than that? You have given me two reasons—the one in reference to Robert, the other to yourself?—A. That is the chief reason.

Q. Had you any other reason?—A. None that I know of.

Q. You had your interview with Mr. Tarte ?—A. Yes.

Q. Did you then give him any statement ?—A. What do you mean ?

Q. Any statement for publication ?—A. No.

Q. Did Mr. Robert McGreevy give Mr. Tarte any statement for publication ?—A. Not to my knowledge.

Q. Was Mr. Robert McGreevy at that time a candidate for any political position ?—A. Not that I know of.

Q. At that time ?—A. He might have been. I know nothing of it.

Q. Was he candidate at any time prior to the publication of your first statement ?—A. He ran for member of Parliament for the local House I believe.

Q. You had seen Mr. Tarte before Mr. Robert McGreevy ran ?—A. I think not.

Q. Was it shortly after he ran ?—A. I cannot tell.

Q. I am told it was shortly after the local election ?—A. I do not remember.

Q. Have you supported Mr. Robert McGreevy in his election as candidate ?—A. I did not vote.

Q. Have you supported him ?—A. What do you mean ?

Q. There are apparently other ways of supporting a candidate than by voting ?—A. What do you mean by supporting—finance ?

Q. Had you given him your aid ? You had had experience in New York ?—A. In New York you get votes for nothing. In Quebec you have to pay for them.

Q. Had you aided Mr. Robert McGreevy in his election ? You need not answer if it tends to criminate you ?—(No answer).

The following letter was filed as :

(Exhibit "J 9.") "DOMINION GOVERNMENT AGENT'S OFFICE,
"VICTORIA, BRITISH COLUMBIA,
"19th August, 1884.

"SIR,—Mr. Trutch directs me to enclose herewith copy of the *Colonist* newspaper containing the advertisement for tenders for the Esquimalt Graving Dock, amended as per your telegram of the 8th August.

"I have the honour to be, Sir,
"Your obedient servant,
"H. S. ROEBUCK,
"*Secretary.*

"F. H. ENNIS, Esq.
"Secretary, Department of Public Works,
"Ottawa, Canada."

"GRAVING DOCK, BRITISH COLUMBIA.

"Sealed tenders, addressed to the undersigned, and endorsed 'Tender for Graving Dock, B.C.,' will be received at this office until Saturday, 20th September next, 1884, inclusively, for the construction and completion of the partially finished graving dock at Esquimalt Harbour, British Columbia, according to plans and specifications to be seen on and after Monday, 1st September next, at the Department of Public Works, Ottawa, and on application to the Hon. J. W. Trutch, Victoria, B.C.

"Persons tendering are notified that tenders will not be considered unless made on the printed forms supplied and prices affixed to the *whole* of the items stated therein, and signed with their actual signatures.

"Each tender must be accompanied by an *accepted* bank cheque for *the sum* of $7,500, made payable to the order of the Hon. the Minister of Public Works, which will be forfeited if the party decline to enter into a contract when called upon to do so, or if he fail to complete the work contracted for. If the tender be not accepted, the cheque will be returned.

"The Department will not be bound to accept the lowest or any tender.

"By order,
(Signed) "F. H. ENNIS,
"*Secretary.*'

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 8th August, 1884."

The Committee then adjourned.

HOUSE OF COMMONS, SATURDAY, 4th July, 1891.

The committee met at 10 a.m., Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. O. E. MURPHY recalled, and his cross-examination continued.

By Mr. Osler:

Q. I was asking you, Mr. Murphy, yesterday, what was the moving cause of your going to Mr. Tarte with a complaint, and you answered, that, substantially, Mr. Thomas McGreevy had informed you that you could have no more contracts?—A. Yes.

Q. And you also learned from Mr. Robert McGreevy that the same rule applied to him?—A. Yes.

Q. And you consulted Mr. Robert McGreevy as to what should be done?—A. No.

Q. How did you then come together?—A. I visited Robert McGreevy's house; he had some kind of a statement there, and asked me if it was correct.

Q. Well, you came together, and you had a talk before that with Robert?—A. That is how we came together.

Q. And you came to know from Robert that he was in the same plight as you were?—A. Not until I saw the papers; not until I saw the statement.

Q. Then I would like you to fasten the time?—A. I cannot fasten it.

Q. But the year?—A. It was last year.

Q. The year 1890?—A. Yes; the year 1890.

Q. In the early part of the year?—A. I think it was, as near as I can remember, March.

Q. At that time had you any disagreement or dissolution with the Connolly's?—A. Yes.

Q. Had you sold out at that time?—A. Yes.

Q. You were no longer interested in any contract with them?—A. No.

Q. You had got your money?—A. Yes.

Q. When did you sell out?—A. In 1889.

Q. The latter part of 1889?—A. I think it was in May, 1889.

Q. In May, 1889. you had sold out?—A. Yes.

Q. Were you anxious to go on? Were there any contracts they tendered for in which they did not include you, such as, for instance, the Sault Canal?—A. I don't know that they tendered for the Sault Canal.

Q. Had you anything to do with them after you sold out?—A. No.

Q. Or any negotiations with them as to joint contracting?—A. No.

Q. Then you were entirely clear of them and had got your mony?—A. Yes.

Q. And you were occuping yourself in speculations, mostly with Robert McGreevy?—A. And in building for myself.

Q. And building jointly with him?—A. No, sir.

Q. When was it the local by-election took place in Quebec West?—A. I cannot tell.

Q It is said to have been December, 1889. Would that agree with your recollection?—A. I take it for granted it is; I have no recollection of it.

Q. Well, Robert McGreevy was a candidate on one side, and Owen Murphy on the other side?—A. I believe so.

Q. The other Owen was the candidate on the other side?—A. I believe so.

Q. Then, do you know who Mr. Tarte supported—his paper I mean?—A. I do not.

Q. You have no idea.—A. No, sir.

Q. Do you know who Mr. Thomas McGreevy was supposed to be supporting?—A. I do not know myself. I heard it from hearsay that he supported Owen Murphy.

Q. And you heard that at that election Thomas McGreevy supported Owen Murphy against his brother?—A. Yes.

Q. And who, as a matter of fact, would Mr. Tarte support—naturally?—A. I cannot tell.

Q. You cannot tell; you do not know?—A. I presume he was a Conservative, and as Robert McGreevy ran in the Conservative interest, that he supported him; but of that I have no knowledge.

Q. Did you spend any money in that election?—A. None of my own money.

Q. Well, did you spend any money?—A. I believe I did.

Q. You believe you did. In aid of which candidate—Robert McGreevy?—A. Robert McGreevy.

Q. Spend any considerable sum?—A. There was considerable money spent.

Q. How much, for instance, passed through your hands?—A. About three thousand dollars.

Q. It was not your own?—A. No.

Q. Then, what did you do at first, when you heard you were to get no more contracts?—A. I did nothing.

Q. Did you see Thomas McGreevy?—A. He met me in the——

Q. Did you see Thomas McGreevy about the matter, not merely meeting him?—A. I met him on the street and complained of the way I was treated, and he got in a passion, and said I must not attempt to get any more contracts from the Public Works Department; he would see I would get none—that I might not tender; and I made this answer: that when the Department of Public Works would get my cheque again I would get the contract.

Q. When was that interview?—A. After the Kingston Dock was awarded.

Q. Did you tender for the Kingston Dock?—A. I did.

Q. Alone or with others?—A. With a man named Macfarlane.

Q. You tendered for the Kingston Dock, and you did not get it?—A. No.

Q. Did you speak to Thomas McGreevy first?—A. I believe I did.

Q. Shortly after you found you did not got that contract?—A. Yes.

Q. Was that the only interview you had with Thomas?—A. I had several interviews.

Q. After he got in a passion, had you more interviews with him?—A. That was the last, I think.

Q. After you were indicted for conspiracy with reference to the $400 000 note, did you see him?—A. Yes.

Q. Did you go to his house?—A. I was invited there.

Q. Did you go to his house?—A. Yes.

Q. And had you an interview with him?—A. Yes.

Q. What month was that?—A. October.

Q. October last?—A. Yes.

Q. That was about when you were coming to be tried, or was it after the trial was put over?—A. It was before.

Q. Had you an interview with him at his house?—A. Yes.

Q. Did you send anyone to him?—A. No.

Q. Do you know a Mr. Davis?—A. I do.

Q. What is his first name?—A. Charles G. Davis.

Q. What does he do?—A. I do not know what he does now.

Q. He lives in Quebec?—A. No.

Q. Where does he live?—A. I cannot tell. The last time I heard he was in Detroit.

Q. You know the man?—A. Yes.

Q. Did you ever have any interview with Davis about the matter with Thomas McGreevy ?—A. Yes.

Q. When was that—shortly before the conspiracy case was sent for trial?—A. I think it was the Sunday before; I met him on the street.

Q. And you had an interview with him with reference to the subject ?—A. He stopped me on the street and spoke to me about the trouble, and asked if he could be any means of settling, and if I would give him permission to see Mr. McGreevy. I said I had no objection.

Q. And did he report to you ?—A. He came back after several interviews and wanted me to go to Mr. McGreevy.

Q. He went backwards and forwards ?—A. Yes.

Q. Have you got the instrument of dissolution between yourself and the Connolly's ?—A. I have not.

Q. It is in writing I presume ?—A. No; I do not know.

Q. Is there not a notarial deed ?—A. Yes.

Q. Can you give me the month that that was executed ?—A. I think in May, 1889.

Q. What amount were you paid on its execution ?—A. $70,000 in notes.

Q. Their notes ?—A. Yes.

Q. In May, 1889—that is, you received your $70,000 in their promissory notes, payable over a period ?—A. I believe so,

Q. The contracts not being yet fully completed ?—A. No.

Q. Then was the dissolution advertised ?—A. I have no knowledge of it.

Q. I want to see how far you have obeyed the order of the Committee with reference to your productions, and how far you are able to do that. You know the order that was made by the Committee ?—A. Yes.

Q. I want you to produce the original statement or declaration, signed by you, as published in *Le Canadien* of the 30th April, 1890 ?—A. I have no original for that

Q. What have you representing your productions ?—A. Nothing.

Q. What did you do with it ?—A. I had none. Mr. Tarte got one, and he has published that without my authority at all. I had no original.

Q. How did it come into being ?—A. I signed a paper for Mr. Tarte, and he promised strictly that it should not be published, and I know nothing more about it.

Q. You signed a paper, then, on the promise that it should not be published ? Where did you make your signature ?—A. I believe Mr. Tarte has it.

Q. Who wrote that document ?—A. I cannot tell.

Q. To whom did you give the information for the writting of it ?—A. I believe Robert McGreevy and Mr. Tarte were present.

Q. You three sat down ?

Mr. TARTE—I was not there.

A. Mr. Robert McGreevy and myself were there

Q. Where did you meet ?—A. I think it was here in Ottawa.

Q. Who was with you ?—A. Robert.

Q. Who besides ?—A. No person.

Q. When you met in Ottawa there was no document ?—A. Yes.

Q. I am trying to get at the origin of this document ?—A. Mr. McGreevy had the document, but I believe there was an item "Baie des Chaleurs" Railway that he wanted to strike out.

Q. You first saw the charge in writing in Mr. Robert McGreevy's hands ?—A. Yes.

Q. You had not been a party to it ?—A. Not the original.

Q. When did you become a party to any statement that was given over your signature ?—A. When I saw a statement of the amount of moneys I had paid I was asked if it was correct. I said, yes; but as far as I know the dates were wrong.

Q. Then where was it you gave your signature?—A. There was a signature in Quebec and a signature here at Ottawa.

Q. A signature to a similar document, or was there a difference?—A. The Baie des Chaleurs Railway, of some $40,000, was struck out.

Q. Of which document?—A. The first document in Quebec.

Q. The first document was signed in Quebec?—A. Yes.

Q. But that contained an item as to the Baie des Chaleurs Railway, which was subsequently struck out and did not appear in the document you signed in Ottawa? —A. The Baie des Chaleurs Railway I knew nothing about, and it was struck out of this document.

Q. Had you signed it with the Baie des Chaleurs Railway in?—A. No.

Q. I am asking you what document you first signed and who prepared it?—A. A statement of the amount of moneys that was paid by the firm to the two McGreevy's.

Q. To whom did you give that document—the document you first signed?—A. I do not recollect.

Q. It was not the sort of document you would let lie around loose. You must remember the circumstances under which it was prepared and to whom you gave it? —A. I have no recollection to whom I gave it.

Q. Who asked you to sign it?—A. Robert McGreevy asked me if it was a correct statement as near as I could recollect, and I said yes. He asked me to sign it and I said: "Oh yes. What do you want to do with it?" He said he wanted to show it to Sir John Macdonald.

Q. The first document you signed was presented to you by Robert McGreevy, and when he told you what he wanted it for you signed it?—A. Yes.

Q. Now, can you tell me when that was?—A. I think it was about March.

Q. Of?—A. '90.

Q. Had you seen Mr. Tarte before that?—A. No.

Q. You had no communication with him?—A. No.

Q. Was that the time that Robert McGreevy was a candidate at the local bye-election?—A. It was after, I believe.

Q. Now, up to that time you had not seen Mr. Tarte at all?—A. No.

Q. That is not exactly as you put it first. You told me yourself and Robert McGreevy met together, but seemingly your memory is getting better as we proceed. When did you sign the next document?—A. I think it was nearly a month after.

Q. At whose request?—A. At Mr. Robert McGreevy's.

Q. Had Mr. Tarte anything to do with that?—A. No; not when I signed that.

Q. What were the circumstances under which he came to get you to sign that?— A. To show it to Sir John A. Macdonald, to let him see the way his brother treated him.

Q. He said he wanted to show it. But what were the immediate circumstance? Where was it, for instance, and why did he want the second document?—A. That is more than I can tell.

Q. Was the second document identical with the first, with the exception of the Baie des Chaleurs Railway?—A. There were some changes.

Q. Changes of dates or figures?—A. I think as to the amount of money.

Q. Then you had signed a document at first which was not correct?—A. I cannot say it was not correct.

Q. If they did not agree as to dates and figures the first must be wrong?—A. As far as the amounts of monies were, and as my knowledge of affairs, the first was right.

Q. Did you sign the second with different dates and with different figures knowing that the first was right?—A. No.

Q. Then wherein did the two differ and yet both be right?—A. That is almost impossible for me to explain. There was some difference, but it was not material.

Q. Why was it necessary that you should sign another one?—A. I believe the first was destroyed, as far as I recollect.

Q. What was the interval between the first and the second?—A. I think it was about a month, as far as I recollect.

Q. In whose handwriting was that second document?—A. Written out?

Q. Yes?—A. I believe it was Robert McGreevy's; I am not positive.

Q. And the first one?—A. I do not know whose.

Q. Then up to this time you had not come in communication with Mr. Tarte?—A. No.

Q. Then, what was the next step?—A. I believe Mr. McGreevy came to Ottawa to show this paper.

Q. I do not want what you believe. What was the next step in which you took part?—A. With reference to this?

Q. With reference to these signatures. We have spoken of the two documents which you signed; we only wished you had them?—A. Mr. McGreevy then, with myself, went to Mr. Tarte, knowing him to be a friend of the party and a friend of Sir John A. Macdonald's?

Q. After the second document you went to Mr. Tarte?—A. Yes.

Q. Did you show him the document?—A. We showed him the document.

Q. What did you do with the document?—A. We gave it to Mr. Tarte.

Q. Both documents?—A. I believe so; no, the last document.

Q. The first you told us was destroyed?—A. I believe so.

Q. You gave the last document to Mr. Tarte. Was there a declaration or statement on the part of Mr. Robert McGreevy as well as yourself?—A. I believe so.

Q. They were both left with Mr. Tarte?—A. I believe so.

Q. Were those documents in handwriting or were they type-written?—A. I think they were type-written, but I am not positive; I think so.

Q. You cannot recollect that?—A. I am not positive.

Q. Then you had a consultation with Mr. Tarte as to what should be done?—A. Yes.

Q. And did you arrive at a decision at the first meeting?—A. I believe we did.

Q. And the decision was?—A. That these papers should be shown to Sir John A. Macdonald.

Q. But they had already been shown?—A. Not that I know of.

Q. I thought you had said so?—A. You stopped me short. These papers were to be shown to Sir John A. Macdonald to defend Robert McGreevy from charges his brother was making against him, and that Mr. Tarte, knowing him to be friend of the Conservative party he promised to do so. Afterwards Mr. Tarte asked the privilege of me, as we had pledged him to secrecy and not to show them to any other person; he asked me if he might show them to one more. I asked him who it was; he told me Sir Adolphe Caron, and I gave him that permission.

Q. You handed the documents to Mr. Tarte with permission to show them to two?—A. Yes.

Q. Was this occasion on which they were to be shown to Sir John Macdonald after yourself and Robert McGreevy knew that you could not get any more public contracts?—A. I believe so.

Q. And the idea was to remove the ban? (No answer.)

Q. You wanted to justify yourself?—A. Yes.

Q. That was the object?—A. I suppose so.

Q. The object was your personal gain or Mr. Robert McGreevy's personal gain?—A. As far as I was concerned, I wanted no personal gain, but I wanted to vindicate Mr. Robert McGreevy.

Q. You had no personal gain in view?—A. I did not care for any more tendering

Q. When did you give Mr. Tarte permission to publish?—A. He never had permission.

Q. Nor ever has had permission?—A. No, sir; I knew nothing about his publishing; it was a violation of confidence, I might say.

Q. When was it published?—A. I cannot tell the date.

Q. How long after leave was given to show it to Sir Adolphe Caron?—A. I do not know.

Q. Now, can you identify the document I put in your hands as the document that was published? You will see, Mr Murphy, that there are paragraphs suppressed. There were two publications. One is as it was published, and the other has the suppressed paragraphs. Can you identify that statement?

Mr. GEOFFRION objected to the witness being asked to identify the documents on the ground that the originals should be produced.

WITNESS—I cannot tell anything about it for the present. The original documents were in French, and I knew part that was signed was not all published.

Q. It was published first with some paragraphs suppressed?—A. It was translated to me.

Q. It was French, I believe, first. Do you understand French?—A. No, sir.

Q. The document you signed was in French?—A. No.

Q. The document you signed was in English, then?—A. In English.

Q. And you read it before you signed it?—A. I did.

Q. Then, when it was published, did you notice it had been published correctly?—A. It was not.

Q. Was there any error in it, except that two or three paragraphs were suppressed, or not given?—A. It was published in French, and I was unable to read it, and I was very much surprised to see it, and I did not know what was published for some time after.

Q. Well, go on. Did you take means to inform yourself whether the publication as made, whether in French or English, was this the statement substantially that you had left with Mr. Tarte?—A. No; I paid no attention to it after.

Q. You did not see whether it was correct or not?—A. The statement was not all published.

Q. That I have already stated—the statement was not all published?—A. No.

Q. You noticed that?—A. Yes.

Q. Did you notice any other errors, or anything that you had not stated in the publication?—A. I do not recollect.

Q. If there had been any errors probably you would have noticed it?—A. No.

Q. I am told that the fact is, it was published in the two languages?—A. I believe afterwards.

Q. Is it; it was, I am told?—A. Yes.

Q. It was published in the two languages?—A. Yes.

Q. Well, then, did you read it in the English?—A. Sometimes I read it and others not.

Q. Well, you have read it?—A. I have read part of his papers.

Q. Well, have you read the statement of Mr. O. E. Murphy? Now it was matter with display type, a matter that created public attention and attracted public attention to a great extent. You do not want to tell me that you did not read it?—A. I got Mr. Tarte's paper once in a while, when I saw the statements.

Q. I am speaking of the publication of this statement as it first appeared. Did you read it?—A. I did; I think it was published first in French, as far as I recollect.

Q. Yes, and afterwards?—A. It was published part of it in English.

Q. Well, now, could you tell me, apart from the paragraphs that were suppressed, whether the statement that was published was substantially the statement that you had made?—A. The first statement published—I think not.

Q. It had been altered?—A. I think Mr. Tarte, I am not positive——

Q. It had been altered?—A. I think he suppressed something.

Q. Well, I am accepting the suppressed paragraphs. Apart from the suppressed paragraphs, was it as given?—A. I think not.

Q. In what particular did it vary?—A. I cannot recollect.

Q. Because, remember, it purported to be published above your signature?—A. Yes.

Q. Now, was there any material discrepancy?—A. I cannot recollect the particulars now.

Q. Were any dates wrong?—A. I don't recollect.

Q. Were any amounts wrong?—A. That I do not recollect.

Q. You see, that was a charge that went to the world above your signature. It is a matter you surely would pay some attention to?—A. Without my authority.

Q. Without your authority; therefore the more attention. Now, did you take upon yourself to see whether that was correct or not?—A. No.

Q. Did you make any corrections to Mr. Tarte?—A. No.

Q. You treated it with indifference?—A. With indifference.

Q. It was a matter of no concern to you?—A. Not after it was published.

Q. Did you complain of this publication?—A. I did, I believe.

Q. When and to whom?—A. Mr. Tarte, I think.

Q. Well you would surely remember that. Did you make any complaint—say to whom and when?—A. I think I complained to Mr. Tarte, as near as I can recollect, over the publication, and that he told me he was responsible, and that he took the responsibility himself in the public interest. I believe that was the answer I got.

Q. That was the answer you got?—A. To the best of my recollection.

Q. You did not try to have it corrected at all?—A. No.

Q. Then did you notice it was published from time to time and at different times in the paper?—A. I did.

Q. Did you object?—A. No.

Q. Did you see Mr. Tarte on the intervals between publication?—A. Oh, I met him several times.

Q. You met him several times, but did not ask him to stop the publication?—A. No.

Q. Did you see Mr. Robert McGreevy?—A. I did.

Q. Then, this document which was published was the ultimate document, the result of your meeting with Mr. Tarte, or was the document complete before you saw Mr. Tarte?—A. I think it was complete.

Q. You think it was complete. You started to tell me that there never was any original and that you and Mr. Tarte and Mr. Robert McGreevy met together. What do you mean by that?—A. That was a mistake on my part.

Q. Then that was the way in which this came out; and now let us ask for the rest of the documents. "2nd. All bank books, cheque books, cheques, letter books, brokers' statements, and all other books, papers or documents showing the financial transactions of said O. E. Murphy from the 1st May, 1883, up till 1st March, 1884, and from 1st of June, 1884, till 1st of February, 1885, and from 1st July, 1885, till 1st April, 1888." Now you produced us yesterday a box with papers. Are those papers, in so far as they are your return cheques from the bank, complete?—A. They are.

Q. You issued no other cheques that you know of?—A. None that I know of.

Q. And to the best of your belief you have carefully preserved all your cheques, and you have produced them all?—A. I think I have.

Q. Did you keep the stub?—A. No I have never had stubs.

Q. Nor enter in stubs?—A. No.

Q. Have you no other bank account than that shown by the cheques produced?—A. No.

Q. That is, cheques on the Union Bank chiefly? During that time? It was of the Union Bank and no other bank?—A. No other bank.

Q. Your bank books you spoke of?—A. Yes.

Q. And you have nothing to add to what you stated yesterday?—A. No, sir.

Q. All the bank books for the earlier years were left in Larkin, Connolly & Co.'s safe?—A. I believe they were.

Q. Now, what letter books have you got?—A. None.

Q. You never kept any copies of letters?—A. No.

Q. You never copied any in the firm's books?—A. Letters?

Q. Yes ?—A. No; not unless they came to the firm.

Q. You never thought of copying any special letter you were writing ?—A. Not that I recollect.

Q. You let it go without record ?—A. Yes.

Q. That was your habit throughout ?—A. Yes.

Q. Then the progress statements ?—A. I have brought all I have.

Q. They are not complete, however ?—A. Well then, they may have been destroyed, as the amounts have been settled up from time to time. I have not destroyed anything with any intention.

Q. I am not asking that; I am asking whether it is not apparent from the books that there are other progress statements to produce which are not here ?—A. I have nothing that I did not produce here.

Q. Did you keep a cash book ?—A. No.

Q. Did you keep any ledger ?—A. No.

Q. Did you keep any account with Robert McGreevy ?— A. No; unless a memorandum in my diary.

Q. Now you have a series of diaries ?—A. Yes.

Q. These are not produced ?—A. I have them here.

Q. In this box we had yesterday ?—A. Some were in this bag.

Q. In a little bag we have not seen ?—A. Yes; I have petty cash books with the firm.

Q. Belonging to the firm ?—A. Belonging to me personally.

Q. And some diaries ?—A. Yes.

Q. These you have, which were not produced yesterday ?—A. They were not asked for.

Q. Now produce them when they are asked for ?—A. I will.

Q. You are willing they should be examined ?—A. I am.

Q. Would these diaries contain entries with reference to your transactions with Robert ?—A. All money transactions.

Q. They are entered in the diary ?—A. Yes.

Q. Will you just let me see how they are kept? Take the diary for 1887 ?—A. There is part of it.

Q. Let us see how many books there are here ?—A. There is one that goes back to 1885.

Q. I would like something in 1883 or 1884 ?—A. Here is 1883.

Q. This book is pretty badly broken up in 1883 ?—A. Yes.

Q. Some pages gone ?—A. Not that I know of.

Q. Let us see: unless you took a holiday between the 1st and the 8th ?—A. They are all there—the dates, if you please.

Q. You think everything is complete ?—A. There is nothing missing.

Q. Now, what would be the scope of your entries ? What use did you make of this book ?—A. When the men would draw money from time to time I entered it. Even both my partners would find their names there drawing money, and at the first of the month I would return it to the book-keeper. The amount of pay-rolls you would find there. It is the petty cash disbursed for the month. All cheques drawn to my own order would be accounted for here.

Q. You will find this complete ?—A. Yes; with reference to money paid out by me.

Q. Then, no large transactions are entered in this book ?—A. I do not think they would be.

Q Then, would you have in this book your private transactions with Robert McGreevy; 1883 seems to be, from a casual look at it, a mere record of petty cash ?—A. I do not believe I had any private transactions with Robert McGreevy during this time.

Q. Would you have any ?—A. I do not think so. If I drew some money I would charge it up there, the same as against other parties.

Q. I notice, for instance, at the end of this book, a page with larger transactions noted. Had you any other book in which you noted larger transactions ?—A. No book whatever of any kind but this, unless of dealing with the firm in the office.

Q. Let us see how many of these series of books there are, because we will have to put a Sub-Committee on them. Are these all ?—A. These are all.

Q. We commenced with 1880—two of them for that year. See if I am right, as we go through the series. There are two of 1880, one of 1881, one of 1882, one of 1883, one of 1884, one 1885, one 1886, one 1887, one 1889, one of 1890 ; 1888 seems to be missing. Will you see where it is ?—A. I do not know where it is.

Q. Well, satisfy yourself if it is not amongst these ?—A. It is not there, I believe, I believed it was there until you drew my attention to it.

Q. Where would it be ?—A. It may be at the office in Quebec ; it may be in my house. Perhaps it is in my tin box here.

Q. Please examine the box ?—A. (After searching.) Here is the diary for 1888. Do you want the papers inside ?

Q. We may as well take them all. Perhaps they have something to do with the case. And this is your diary for 1888 ?—A. What little I kept.

Q. I think in your later diaries you used them more for larger entries. You ceased to keep the petty cash and you entered your larger transactions ?—A. Yes.

Q. And the diaries gradually got to be a record of the larger transactions ?—A. Whatever it is.

Q. Well, you see such as " purchases and sales of bank stocks, &c." ?—A. Yes. (Diaries filed as exhibits " K 9 " to " V 9, " inclusive.)

WITNESS—I want these books returned, Mr. Chairman.

MR. OSLER—What are the other papers in the little bag ?—A. You can have them.

Q. What are they generally, Mr. Murphy ? Are they papers you brought here in consequence of your subpœna or the order of the Committe ?—A. There might be some of them useful to me. Some of them have reference to private transactions between the Connolly's and myself—notes and orders in Pennsylvania transactions. I have no objection to the Committee having them.

Q. Anything beyond your dealings with the Connolly's ?—A. Oh, yes.

Q. Have you gone through these yourself ?—A. I have.

Q. Having gone through them, you selected them from the other papers and brought them up here ?—A. Yes.

Q Are they all your papers ?—A. They are all my papers ; I have no objection to the Committee taking them all.

Q. You told me yesterday that you had a few speculations, and looking over your cheques will perhaps enable you to enlarge your views as to the value of your business. Who is H. C. Bossé ? Is he a broker ?—A. He is a brother of Judge Bossé's.

Q. I did not ask for his grandmother or his son. Is he a broker ?—He is a broker ; I believe so.

Q. Did you have any stock transactions with him, or through him ?—A. Through him.

Q. He was your agent—Messrs. Mowat & Co. also ?—A. Yes.

Q. You had stock transactions through them ?—A. Yes.

Q. Mr. P. A. Shaw ?—A. Yes.

Q. Mr. McNider ?—A. Yes.

Q. Oswald Bros. ?—A. Yes.

Q. Leary ?—A. Yes.

Q. Meredith and Monk, and Meredith and O'Brien ?—A. Yes.

Q. You had stock transactions with them all ?—A. Yes.

Q. Well now, do you know Hanrahan & Co. ?—A. I never had any transactions with them.

Q Well, there are cheques here which indicate transactions with Hanrahan & Co. ?—A. Mr. Charles McGreevy did some business for Mr. Nicholas Connolly and myself.

Q. Through Hanrahan & Co. ?—A. I believe so.

Q. And the cheques to Charles McGreevy for Hanrahan—you knew where they were going ?—A. Yes.

Q. For instance, we get a cheque of 7th May, 1887, for $250 to Hanrahan ?—A. Yes.

Q. On 6th July, $6,000 to Hanrahan ?—A. Yes ; I believe so ; I take it for granted. I gave Charles McGreevy some cheques.

Q. 30th, July $575 ?—A. I would have to see the cheques ; I gave several cheques.

By Mr. Geoffrion :

Q. But you are satisfied there are such cheques ?—A. Yes.

By Mr. Osler :

Q. There is another for $4,000 to Hanrahan ?—A. I believe I gave that cheque.

Q. And Hanrahan was just a bucket-shop man, was he not ?—A. I don't know what you call him.

Q. You know the meaning of bucket-shop ?—A. I considered it afterwards a bucket-shop.

Q. The bucket never returned ?—A. Sometimes ; I never went in their place but once in Quebec, so I know nothing about the transaction.

Q. But still you were willing to take a fly at his special wire ?—A. With my friend Connolly.

Q. Then Mr. Shaw—you had large dealings with him ?—A. Not very large.

Q. Take a look over this list and say generally whether it is correct, and you can correct it afterwards if it is merely a detail. You see we have put the payment of the cheque at the top of the column and the date, and on these sheets we have endeavoured to extract your dealings ?—A. If it is a correct statement I have no reason to contradict it.

Q. But look : there are three or four sheets ; just look down, please, and see if it appears to be generally correct, and we will not go to the trouble of checking it over ?—A. I take it for granted it is.

Q. Look at all the sheets, please ?—A. I would have to see the cheques to compare with each.

Mr. Geoffrion objected to witness being asked to swear to the correctness of a statement he had not had an opportunity of examining.

Q. See whether the general volume is correct. Look over this list and say whether the general volume of the transactions is correct, subject to correction in any individual item ?—A. I have said I would take it for granted it is correct.

Q. I want you to look at it first ?—A. I am looking at it.

Mr Mulock—By whom is it prepared ?

Mr. Osler—By Mr. Hyde. It was prepared by him yesterday from the cheques, and it was done to save time.

Mr. Geoffrion—(To witness). Don't take it for granted ; if you do not understand the books leave the responsibility on the man who prepared it.—A. I shall.

By Mr. Osler :

Q. Now, I see a great many cheques here to Charles McGreevy—$250, $500, $500, $100, $2,000—apart from those given to him which were marked Hanrahan. What where those given for ?—A. I would state his father, it was possible, would send a note to me to borrow money, and I gave it to Charles in order to trace it—all these cheques signed for Hanrahan.

Q. I am saying they are not for Hanrahan. I find others of Charles McGreevy, and I give you the amounts as taken from the cheques that are here to verify them ? —A. I would like to look over them.

Q. What are these given for ?—A. I suppose I loaned him money on them, as far as I can say.

Q. To Charles or Robert?—A. To Charles or for Robert, I cannot tell which; that is as near as I can recollect.

Q. Take your pass-book of 25th April, 1887, and tell me if that cheque is entered?—A. I should think not, but I will look. The most in my diary would have reference to Larkin, Connolly & Co.

Q. The later diaries seem to carry the large transactions, or some of them. Is there any entry in that 1887 diary as to what that $250 is for?—A. No; I have an entry here of 250 shares of Richelieu.

Q. That is shares, not dollars. Look at the 14th July, 1887, and see what entry you have of the transaction there?—A. There is none.

Q. Look at a day before or a day or two after?—A. There is none, but on the 21st there is an entry here of $1,000 against Thomas McGreevy.

Q. Look at that cheque for $2,000 on the 14th July, 1887, and say what that is for. Have you anything to aid your memory?—A. Nothing but my pass-book. I was in the habit of changing cheques with Mr. McGreevy, and this may have been an exchanged cheque.

Q. You see this is a cheque to the order of yourself, with "C. H. Mc." marked on it. It is endorsed by you?—A. I am in the habit of exchanging cheques. When it was paid it would be cancelled.

Q. Have you anything to show it was an exchange of cheques?—A. No.

Q. Give me your bank pass-book of July, 1887. I want to get at your system of book-keeping, if system there be. You see there is a cheque for $2,000 charged, but there is no deposit of $2,000 there?—A. It is charged C. H. McGreevy, as the cheque reads.

Q. But there is no credit on the other side to show it would be an exchange?—A. The exchanged cheque I would simply put in my pocket until such time as they were ready to pay it.

Q. But you see no such deposit for a long time?—A. Sometimes I would get the cash and use it.

Q. I see an entry here of 21st July, 1887, to T. McGreevy. That is a little off the line of the present examination, but is that a record of money you paid to Thomas McGreevy on that day?—A. Yes.

Q. What does that entry mean?—A. Money I gave to Thomas McGreevy on behalf of the firm.

Q. You have that in your memory clear?—A. Yes.

Q. There is nothing in the entry to show what it was given for?—A. I got a cheque back from the firm for the amount.

Q. Was the entry made at the time?—A. It was.

Q. And you got a cheque back from the firm for that amount?—A. A cheque, or a credit on the books of the firm.

Q. Which was it? Your bank-book does not show any cheque from the firm?—A. The book-keeper will probably explain that.

Q. I want your explanation?—A. It is there.

Q. No; that is a debit cheque. I want to know where is the credit cheque you say you got from the firm?—A. If I got the money back I deposited it with a larger amount, so it would not show.

Q. You see here are your only deposits for the month?—A. The 3rd of August it is only charged for on the slips; 3rd August I deposited $1,502.38, and also on the 3rd $5,000.

Q. Then, sometimes you would make your payments and get your money afterward?—A. Sometimes. That is marked in Martin Connolly's pencil.

Q. That is a $1,000 cheque (exhibiting cheque), marked to the order of self?—A. Yes; you will find it here.

Q. What are these initials "self L. C. & Co."?—A. Paid out for their benefit.

Q. "Self L. C. & Co."?—A. I drew it to my own order, but went to the bank and got the money and paid it.

Q. This is the cheque?—A. Yes. (Cheque marked Exhibit "W 9.")

MR. OSLER—I put in the bank book from 1886 to 1888 (Exhibit "X 9"), and refer to the page covering the July account. Witness identifies the pencil entry of 21st July, "self Larkin Connolly & Company" in pencil, opposite a debit of $1,000, as the entry having reference to that cheque. He identifies the entry in his diary of the 21st of July, 1887, (Exhibit "S 9") as the entry with reference to that $1,000.

Q. Still speaking of your productions, I find in your papers three promissory notes made by yourself to Robert McGreevy. The first March, 1889, for $4,000, and interest at 5 per cent?—A. That is correct.

Q. Then we have the 18th December, 1889, $3,000; 19th February, 1891, $750, at 15 days. Were those accommodation notes?—A. Some of them were and some not.

Q. Which of them?—A. The $4,000. I believe I owed Mr. McGreevy that amount of money, as near as I recollect.

Q. That one, then, is for value. Now the others?—A. I think the other is about the same, as near as I recollect?

Q. That you owed him?—A. Yes.

Q. You owed him this money, and gave him these promissory notes?—A. Until I gave him the cash.

Q. And then you took up the notes?—A. Yes.

(The three notes were filed and marked Exhibit "Y 9".)

Q. Now, refer to your pass book of 4th June, 1886, where you find a deposit to your credit in the bank for $7,500, and tell me where that money came from, if you can? Have you any means of knowing?—A. I do not know that I have any means of knowing. When I got a cheque I deposited it to my credit.

Q. I propose to show, and it is apparent—at least, I make that statement after verification, not by myself—that there is no such money coming from the Connolly firm;—that you did not receive it from the Connolly firm. Can you tell me where you received it?—A. I would receive it from one of my brokers.

Q. From one of your brokers?—A. I suppose so.

Q. Now, on 5th January, 1887, there is another round sum of $10,000. Apparently from Larkin, Connolly & Co.'s books that does not come to you from the firm? Where would it come from?—A. I think it would come from Mr. Clew's in New York. The Union Bank wanted some money, I think, and I drew on New York.

Q. On 3rd March following, in the same year, there is $5,280, not received by you from the firm. Where would that come from?—A. I suppose the same way.

Q. I may come back to this in another light presently, and I want you to give me your best judgment.—A. I have no other knowledge.

Q. And there would be no other source. Remember this may appear to be immaterial now, but it may come to be material; and I do not want you then to have any back door.—A. I have no other knowledge.

Q. Tell me where it comes from, or say you do not know?—A. I do not know.

Q. Where would it probably come from?—A. One of my brokers, I suppose.

Q. Would there be any other source?—A. No; unless I got it from Robert McGreevy.

Q. Did it come from there?—A. It is possible.

Q. Now, 1st April, $3,000. Would your answer be the same?—A. Is that the same year?

Q. The same year.—A. I have no knowledge.

Q. Would your answer be the same as to the $5,280?—A. The same.

Q. It might come from two possible sources—always supposing I am right that it does not come from the firm—it would either come from your brokers or from Robert McGreevy?—A. Yes.

Q. Then there is another item—17th June, 1887, $3,000. Would that be the same?—A. I suppose it would.

Q. Is that your best recollection?—A. It is my best recollection.

Q. You know of no other source?—A. No; either my brokers or Robert McGreevy.

Q. 5th August, $2,400. The same answer?—A. If it is the same year it would be the same answer.

Q. 24th August, $2,000?—A. It would be the same answer.

Q. You quite understand that these answers may become quite important?—A. I am perfectly satisfied.

Q. And you cannot tell me of any other sources?—A No.

Q. Well 21st December, $10,000. That appears to be a draft on New York. That would be on your broker if it was a draft on New York?—A. Yes.

Q. Then in 1888 we have various sums: 20th April, $1,951.19; 28th April, $1,950; 14th June, $17,840; 3rd July, $15,000; 13th July, $16,180.08; 28th July, $5,520; 16th August, $16,125.56; 5th September, $5,000; 6th September, $4,458.66; 8th September, $3,598; 21st September, $20,000; 27th September, $3,790. Now all these, from the search we have made, do not appear to have come from Larkin, Connolly & Co. What would be the source?—A. Sale of stock and receipt of cash.

Q. None from Robert McGreevy?—A. I think not.

Q. From sale of stock and receipt of cash?—A. The smaller amounts might come from Robert McGreevy. The item, I think, of $16,156, was given to me by Robert McGreevy for purchase of stock.

Q. On the 13th of July?—A. I won't be positive, but I think that item has reference to it.

Q. You see there are two very nearly identical—$16,186.08; and look at the item below? Would either of these come from Robert McGreevy or the firm of Larkin, Connolly & Co.?—A. Mr. McGreevy had better explain this item himself.

Q. You cannot tell me if one or both came from Robert McGreevy?—A. Yes.

Q. And the other of smaller amounts. We don't find any entries in Larkin, Connolly & Co.'s books showing either of those sums?—A. Well, what others came, that would be from my brokers, but I have a recollection, I believe, that Mr. McGreevy got money from Michael Connolly when I bought stock from them. It is a stock transaction with Mr. McGreevy and the Connolly's.

Q. You think that is it?—A. Yes.

Q. I want to ask you one or two questions on another matter. After you came to Canada did you draw any cheque on New York?—A. Yes.

Q. How much was that cheque for?—A. $10,000 to the order of Nicholas Connolly.

Q. You gave that cheque on the funds that belonged to the Board of Excise or that were in your name as treasurer?—A. Yes.

Q. And so, after you came to Canada you signed a cheque "O. E. Murphy, Treasurer," and handed it to Mr. Connolly for collection?—A. Yes.

Q. That would be a cheque that the New York people did not honour when it came through, did they? Was it a cheque on the Pacific Bank?—A. I don't know what bank it was.

Q. You forget?—A. It may be the German Exchange.

Q. Or the Pacific?—A. Yes.

Q. The day you left, I think, you drew a cheque for $20,000, did you not?—A. Thirty, I believe.

Q. Well, I have it the day you left twenty, and the day before, ten?—A. You are mistaken.

Q. I am mistaken, I see. Was it in two cheques or one cheque?—A. Two cheques.

Q. One ten and one twenty?—A. I believe one twenty was drawn all in one, and the one of thirty in one.

Q. That is your best belief?—A. It may be different.

Q. But at all events, the total sum was fifty thousand, and you gave a cheque for ten more than that amount, but the money did not come. Are you familiar your-

self with the dates and sequence of the contracts that you have been interested in? The first contract of all was the Graving Dock at Lévis?—A. Yes.

Q. I will give you the date for convenience; there is no dispute about it—17th of August, 1878, Larkin, Connolly & Co., being the contractors, and originally Nihan was in, and you eventually took Nihan's place?—A. I believe so.

Q. You came into that firm, and that is the first transaction you had in connection with Contracting with the Connolly's? You came in as a substitute for Nihan?—A. I bought a third interest.

Q. Then you came in in 1880?—A. I believe so.

Q. And that contract was being executed under Kinipple & Morris—Robert Pilkington being resident engineer?—A. It was.

Q. The next contract, Contract No. 2, was a contract connected with the closing of the opening at the Louise Embankment?—A. The dredging, I believe.

Q. Not the dredging. There were two contracts on the same day, both dated the 25th, you remember. There was the closing of the opening at the Louise Embankment, 25th of September, 1882, in which you were a partner. The two contracts were on the same day?—A. I don't understand you.

MR. STUART—The work at the gas works?—A. Yes; I remember it now.

By Mr. Osler :

Q. The third contract was the dredging of the Louise Basin?—A. Yes.

Q. The partners were, as before, Mr. Larkin, M. K. Connolly and yourself. That is dated the same day, 25th of September, 1882?—A. Yes.

Q. Now, the fourth contract is the Cross-wall of the 6th June, 1882, the same partners; but the fifth contract was the supplementary contract for the work described in No. 1—the lump sum contract of the 23rd June, 1884; and the sixth contract is the Graving Dock at Esquimalt, 8th November, 1884. The seventh contract is the contract for the South Wall, 16th February, 1887, which contract was given to Gallagher and yourself?—A. Yes.

Q. Up to the seventh contract the partners had been the same?—A. The same.

Q. And the eighth contract was the dredging contract on the 23rd of May, 1887, in the Wet Basin, where the original contractors, Larkin, N. K. Connolly and O. E. Murphy, were the contracting parties?—A. Yes.

Q. Now, these are all the contracts you were concerned in?—A. Yes.

Q. In the first contract Robert McGreevy had no interest?—A. That is the Graving Dock at Levis?—A. No.

Q. Directly or indirectly?—Not that I know.

Q. Robert McGreevy first came in for the execution of the second and third contract, which is the closing of the opening in the Louise Embankment and the dredging?—A. He did.

Q. By an agreement which has been put in, his interest was thirty per cent. He also came in on the contract for the Cross-wall?—A. He did.

Q. He had no interest in the fifth contract—that is the lump sum contract—the supplementary or lump sum contract for the Graving Dock at Levis?—A. No.

Q. In the sixth he came in, but on a lesser interest?—A. What is the sixth?

Q. Esquimalt.—A. Twenty per cent.

Q. Instead of thirty?—A. Yes.

Q. In the seventh you gave him a percentage?—A. He had twenty-five per cent.

Q. And in the eighth, which is the dredging contract of 23rd May, he had his thirty per cent?—A. Yes.

Q. These are all the contracts and interests?—A. I think so.

Q. Except that Michael shared in all these contracts—that is Michael, although not appearing as a contractor, shared?—A. We gave him an interest.

Q. But the giving of Michael that interest did not interfere with Robert McGreevy's share in any way?—A. No.

Q. He did not contribute to Michael's interest?—A. No.

Q. As to the first contract, there is no charge. You have made no charge in the statement, and I believe there is no charge at all with reference to the first contract. That is the contract of 1878?—A. I do not know anything about the contract at all.

Q. You shared in that, but you have not made any charge with reference to it?—A. I know nothing about that.

Q. Were you the one that first proposed the payment of money to Thomas McGreevy? Were you the one who originated the idea? I judge so from the evidence you have given.—A. Thomas McGreevy himself first asked $5,000 for Beaucage.

Q. But the original inception of anything which is irregular or improper was your proposal—That is to pay $25,000?—A. It was.

Q. The suggestion came from you?—A. It did.

Q. And was made by you to Mr. Thomas McGreevy of your own notion—your own idea?—A. It was.

Q. Where was that suggestion made first?—A. In Dalhousie street, Quebec.

Q. What month?—A. While the tenders were here at Ottawa.

Q. What month?—A. I cannot tell.

Q. How long before the tender was accepted?—A. It was some time.

Q. How long?—A. I think, may be a week or two.

Q. A week or two before the contract was awarded?—A. I think it might be that time.

Q. What was the position of affairs at the time you suggested that $25,000? If we can get that, we can get at the date in that way?—A. That is a question I cannot answer.

Q. I think you must make an effort?—A. No.

Q. What was the position of affairs?—A. The tenders were here at Ottawa.

Q. Being worked out?—A. Yes.

Q. And the working out had not been accomplished?—A. I do not know about that.

Q. What is your recollection?—A. I have no knowledge of that. I was in Quebec when the tenders were here.

Q. Now, there would be some object in making the offer. What was the condition of affairs? You did not know at that time, apparently, whether one of the three tenders you controlled would not be accepted?—A. We got orders at the time to withdraw Gallagher's tender and we would get Beaucage's, and Mr. McGreevy told me he wanted to promise Beaucage $5,000; and I then thought if we could get that done it was possible to get the Larkin, Connolly & Co. tender accepted; and I made the proposition and found we got it.

Q. You made the proposition to pay $25,000 if you got the Larkin, Connolly & Co., tender?—A. Yes.

Q. At that time you thought you w re going to get the Beaucage tender?—A. Yes.

Q. But you thought you would rather have the Larkin, Connolly & Co., tender at $25,000 than the Beaucage tender at $5,000?—A. Yes.

Q. And so you offered $25,000?—A. Yes.

Q. And when was the $25,000 to be paid?—A. There was no conversation about the payment at the time the offer was made.

Q. Was the offer made on the street or in the office?—A. In the street.

Q. And had you thought of it before, or did it just come into your head during the conversation?—A. I did not think of it before until I met Mr. McGreevy.

A. Was Beaucage to get any part of the $25,000?—A. That I do not know.

Q. Beaucage was your tender—you controlled it?—A. No; the McGreevy brothers controlled that.

Q. Robert McGreevy?—A. Robert and Thomas, I believe.

Q. You do not know it of your own knowledge?—A. No.

Q. What was the condition of things when you came to hand over the $25,000 in notes?—A. We got the contract, and I expected we would pay the money as we got it out of the works, and Robert McGreevy came to me, and after consulting with my partners the notes were given.

Q. Then you knew Beaucage had withdrawn his tender?—A. No.

Q. Had amended it—Gallagher had withdrawn?—A. Yes.

Q. What day was it the $25,000 in notes was delivered?—A. I cannot tell that.

Q. Was it after the contract was executed?—A. I believe so.

Q. Will you say so?—A. To the best of my judgment.

Q. I want to get a more clear statement from you of the parties who were present when the notes were handed over. Who was present when you handed over the $25,000?—A. To the best of my recollection they were all present.

Q. Who were all?—A. Mr. Larkin, Mr. Nicholas Connolly and I believe Michael Connolly.

Q. And who else?—A. Robert McGreevy.

Q. And?—A. Myself.

Q. And?—A. I think Thomas McGreevy came down stairs for a while.

Q. Do you say whether he was there or not at the time the notes were handed to Robert?—A. Of that I have no recollection, but to the best of my opinion he was not.

Q. You handed them to Robert without Thomas being there?—A. That is my recollection.

Q. Has that always been your recollection?—A. It was, I think.

Q. Then that is clearly an error in your evidence at the top of page 43:

"Q. You promised $25,000 to Mr. Thomas McGreevy?—A. Yes.

"Q. Did you give it to him?—A. Yes."

You say at page 173 that is incorrect?—A. Yes; I corrected that.

Q. At page 173 witness says this:

"There is a question here I would like to have corrected. It is at page 43 of the printed evidence, and is as follows (reads evidence). What I stated in reply to the question 'Did you give it to him?' was, 'that I gave these notes to his brother Robert.' That is what I answered at the time."

Q. Now, do you think Mr. Thomas McGreevy was present? You say you think not when the notes were handed over?—A. I cannot tell. To the best of my knowledge I do not think he was.

Q. That is your judgment?—A. Yes.

Q. This is what you said at page 49 of the printed proceedings: "Q. You say you delivered the notes to his brother Robert. Was Thomas McGreevy present?—A. I am not clear on that point where he stood. We all went out to Dalhousie street. I think Mr. McGreevy was present, but I am not clear on that. I would not like to swear positively."

Mr. MILLS (*Bothwell*)—Read on further. At the bottom of the page he says: "*By the Chairman:* Q. Was Thomas McGreevy present when the notes were delivered to his brother Robert?—A. I do not know that."

Mr. OSLER—He says his impession then was that Thomas was present. Now, did you know that there was an indictment for libel, and did you give a statement on that occasion—make a statement for the defence in the libel suit that was brought against Mr. Tarte and against yourself?

Mr. GEOFFRION—What is your question again, please?

Mr. OSLER (to witness)—Were you indicted for libel?—A. Yes.

Q. Did you instruct counsel?—A. I did.

Q. As to the nature of the defence?—A. Yes.

Q. Did you instruct counsel with reference to the defence as to the statement that the $25,000 had been paid over?—A. That question was not asked.

Q. I find in your defence you put in a paragraph with reference to it.

Mr. GEOFFRION—That was not asked by the lawyers?

WITNESS—No; I pleaded not guilty.

By Mr. Osler:

Q. Did you know of Mr. Tarte's defence?—A. There was a long paper read there.

Q. In Mr. Tarte's defence?—A. Yes.

Q. In reference to Mr. Tarte's defence, do you know of any other sources of information as to these notes for $25,000, except your statement and Mr. Robert McGreevy's?—A. I think not.

Q. I find in that statement of defence, which I will put in the allegation, that the notes were handed over to Robert McGreevy in presence of Thomas McGreevy? Then these fives notes that are produced here were made after the execution of the contract, and they were dated back at your suggestion?—A. I believe they were.

Q. These are the notes in question (Exhibit "W 7"). Now, which one of these five was it that was substituted?—A. My impression is at the time that I gave no demand notes. My own note is the one I stated was given for twelve months, and Robert McGreevy came to me afterwards and wanted it changed for a shorter period.

Q. How long after?—A. I cannot tell.

Q. Weeks, months or days?—A. I think it was months, but I cannot tell or keep a record of them.

Q. You told us yesterday that one of these notes was not as originally written. The question I asked is, which one?—A. I cannot tell. My impression was then that they were all made for a time. I find here that two of them are on demand.

Q. Well, what I ask you to say is very clear. You told us yesterday that one was substituted. I ask you to put your fingers on that one?—A. I so believed at the time.

Q. Well do you believe it now?—A. I cannot tell which of them was substituted. I see now there are two notes on demand.

Q. Was it one of the notes on demand?—A. Yes.

Q. It was one of the notes on demand that was substituted—the seven months, or six, or nine?—A. It was the twelve months note.

Q. The twelve months note, which is not there?—A. Yes.

Q. Now, for that twelve months note, one demand note was substituted?—A. I believe so.

Q. And you think months afterwards?—A. I think so.

Q. I want you to be as careful as you can about that. You say there are two demand notes. There is nothing on these demand notes to show which one was substituted, is there?—A. I think to the best of my knowledge there were two.

Q. Substituted?—A. I think so, but I won't be positive—to the best of my knowledge.

Q. Well, then, those would be the two demand notes we have here.—A. I——

Q. Would those be the two demand notes of the same amount and of the same date?—A. To the best of my knowledge they were.

Q. You said yesterday one was substituted. Do you now stick to the same story?—A. I know that at that date I gave five notes of $5,000 each.

Q. That is not what I am asking you. I am asking you whether those two of five thousand were substituted for the original notes?—A. I believe they were substituted, to the best of my knowledge and belief.

Q. Then substituted by you and given by you?—A. Yes.

Q. To whom?—A. Robert McGreevy.

Q. The dealing was with him, was it?—A. After I gave a note the dealings all were with him.

Q. And these two notes you think were probably the substituted notes. They are in your handwriting throughout including both the making and endorsing. Look at them?—A. Yes.

Q. And apparently they have never been through any bank; there is no bank mark on either of them?—A. No; I was notified——

Q. Answer the question, please. There are no bank marks apparently on them? —A. No.

Q. You say you paid these notes?—A. I did.

Q. When did you pay them?—A. As we would have money.

Q. About when did you pay them?—A. I cannot tell.

Q. Have you any entry in those books showing when you paid them?—A. No, the book-keeper knows.

Q. They would appear in Larkin, Connolly & Co.'s books?—A. Yes.

Q. Were the demand notes paid before or after the time notes?—A. That I cannot tell.

Q. What is your belief?—A. I believe, when the company would have money——

Q. What is your belief, not when the company would have money?—A. I have no recollection whether the demand notes or time notes were paid first.

Q. You cannot say?—A. No.

Q. One way or another. Where did you pay those demand notes and to whom? —A. To the best of my recollection I paid one of them in Mr. MacNider's office.

Q. But the other, please?—A. I cannot tell.

Q. Did you pay them by cheque or money?—A. Cash.

Q. I am speaking of the demand notes. You paid them in cash?—A. Yes; I paid them in cash.

Q. Did you draw cheques for their payment?—A. I think so.

Q. You have no doubt about that in your own mind—you were the financial manager at that time?—A. Yes.

Q. You would be the one?—A. Yes.

Q. You drew money and you paid the notes?—A. I did.

Q. And you retained them?—A. I returned them to the office of Larkin, Connolly & Co.

Q. You returned them to the office of Larkin, Connolly & Co. When?—A. As soon as I paid them and took them up.

Q. Now, did you not retain those notes yourself until the audit? Were they not in your possession until the next audit?—A. They may have been, I have no recollection.

Q. You know there was a good deal of trouble about the audit?—A. Yes.

Q. Now, sir, at page 49 you were asked: "Q. Did you pay the notes subsequently?—A. I did.

Q. Who to? A. Different parties. Q. You took up the notes. Where were they?—A. Different places. One was paid in Thomas Ross' office. I always drew the money out of the bank and paid them without giving cheques. Q. Were the entries of these payments duly made in the book of the company?—A. The books of the company were not audited up in time. There was a good deal of trouble about them after." Q. Is that true, there was a good deal of trouble about them? Of what kind was that trouble?—A. When Mr. Kimmett came down the books were not audited I believe for two years, and these notes there was no entry for them, and we could not show them to the clerk that was there previous until Mr. Kimmett came over to audit the books, and after he came down he wanted an explanation of these notes, and Mr. Nicholas Connolly came over to me in Quebec to go down to the office and these notes were all on top, if you please, and I turned the notes all over, and I said, "there are the notes."

Q. Then you produced the notes to the auditor?—A. No, sir.

Q. They were in the office, they had never been entered up?—A. That I cannot tell.

Q. You said before: "There was a good deal of trouble about them." Were the entries of the notes in the books?—A. No.

Q. Will you explain the nature of the item? You produced these as vouchers for Mr. Kimett to enter up?—A. The clerk always had charge of these.

Q. You produced them?—A. No, sir; they were on his desk when I got down.

Q. Whose desk?—A. The clerk's and auditor's desks.

Q. Who had handed them in to the office?—A. I handed them in when I paid or them.

Q. And where would they be kept?—A. In the safe.

Q. Then, will you tell me what was the trouble about them at the audit?—A. The auditors—Mr. Kimmett on behalf of Mr. Larkin—did not know what they meant and a proper explanation had to be given—what they were for and what account they would be charged to.

Q. This was, of course, in the audit that took place nearly two years afterward? —A. The audit of 1885.

Q. And from the day they were paid in 1883 until 1885 they did not appear in the books of the company?—A. That I do not know; I never looked into the books. I do not know whether they were there or not.

Q. You know there was trouble at the audit, and you produced them as vouchers before the auditors?—A. They had them before them all the time, under the control of the clerks.

Q. It was your act, the question being what account the $25,000 should be charged to when you produced the notes?—A. The notes was in their possession.

Q. When you produced them they were in your possession?—A. No; they were not.

Q. You were the financial manager; you had paid them?—A. Yes.

Q. You would put them away?—A. Yes.

Q. And when the question came up before the audit you would be the person to produce them?—A. They were under the control of the clerk.

Q. You were the financial manager?—A. Yes.

Q. There had been cheques given which would represent these notes—cheques for cash?—A. Yes.

Q. Will you tell me when these cheques were made? Look at this cheque of the 4th December, 1883, and tell me whether this cheque is to retire one of the notes? —A. I believe it is.

Q. A cheque of the 4th December, 1883, for a note that would be apparently a time note. Can you identify the notes by their due dates, and tell me which one that would retire?—A. I cannot tell as to the demand note.

Q. Will you look at the due dates of these three notes. Here is one seven months, O. E. Murphy, John Hearn, $5,000, due 4th December. That cheque would apparently be to retire that note?—A. I suppose so.

Q. Then look at the next cheque. What date was it?—A. 4th February.

Q. Note at nine months, due 4th February, that would be that note?—A. I suppose so.

Q. Then six months, due 3rd November. Have you 3rd November cheque there? That is marked on the face of it "Debit Larkin, Connolly & Co. account." It is apparently its own voucher.—A. Have you got the cheque?

Q. There is apparently no cheque for it.—A. I suppose I gave a Union Bank cheque for this.

Q. Does not this look as if it had been debited to Larkin, Connolly & Co.'s account, especially as I do not find a cheque for it?—A. I think I gave a cheque for the note.

Q. Can you give me a better idea, now you have seen these cheques and vouchers, when the demand notes, substituted months afterwards, were paid?—A. I cannot.

Q. Can you give me any idea?—A. No.

Q. Have you looked over Larkin, Connolly & Co.'s cheques to see when they were paid?—A. I have not.

Q. Were they paid by Larkin, Connolly & Co.'s cheques drawn by you?—A. I believe so.

Q. Could they have been paid in any other way?—A. They might have been. Sometimes Larkin, Connolly & Co. had not the money and I used my own.

Q. Look at these cheques. This is a cheque of the 14th May, 1883, and the other the 1st of June, 1883. Were they to retire these demand notes?—A. It might have been these.

Q. How can you retire a demand note made months afterwards by cheques at the beginning of June and May?—A. The notes were made 1st of May, and consequently would be paid.

Q. But you see these bank cheques were paid about the dates they bear. Now, sir, these are the only cheques in Larkin, Connolly & Co.'s account which will correspond with or pay these first two notes. The books will show it. Will you explain yourself, if explanation you have, how it was that these cheques were issued prior to the making of the contract, prior to the date you say the notes were made—the original notes—and these cheques are drawn by yourself?—A. They are made to the order of N. K. Connolly.

Q. What did you draw them for?—A. Mr. Connolly can explain that.

Q. What for?—A. To his order.

Q. Take that one dated the 14th May, 1883, and which is paid by the bank on or about that date. What was that for?—A. Mr. Connolly will have to explain it.

Q. You cannot?—A. No.

Q. Can you explain this of the 1st June?—A. Mr. Connolly will have to explain it.

Q. You cannot?—A. No.

Q. Can you find me any other cheques or any other vouchers for that part of the $25,000, except these two cheques?—A. The book-keepers will have to find that; I do not know anything about it.

Q. What explanation is there, supposing there are none? How do you reconcile your evidence?—A. The evidence is, to the best of my recollection, how the transaction occurred.

Q. How do you reconcile your evidence with the fact that $10,000 of this $25,000 was paid before the interview with Thomas McGreevy took place? How can you reconcile your cheques with your evidence?

Mr. GEOFFRION objected that the witness had never said so. There were other ways for accounting for the cheques. They might have been for the general purposes of the firm—for instance, the pay rolls.

Mr. OSLER (to witness). The question I put is a hypothetical question. If there are no other vouchers for these notes, how do you account for these cheques? I asked you, on the assumption that there are no other vouchers that show this payment of the $25,000 and the $10,000 part of it. How do you account for these cheques?—A. The pay-rolls and Mr. Connolly will have to account for it.

Q. Ah, that is Mr. Geoffrion's answer. What about the pencil marks?—A. The pencil marks indicate the amount of money—the way it was got. My recollection of this is, that the pay-rolls will show it. I do not think it was for one of these notes.

Q. Supposing, then, if these were properly chargeable to the pay-rolls, there are no vouchers for the remainder of the $25,000?—A. Of these amounts, one is to Nicholas Connolly and the other to Michael Connolly; they must account for them.

Q. I tell you, and I assume what I tell you is correct, if these cheques are applicable to the pay-roll the firm has not paid the $25,000?—A. They have. Let Mr. Connolly—both of them—account for the cheques.

Q. The cheques are drawn by you?—A. Yes.

Q. They were drawn before the contract was signed?—A. Yes.

Q. And these, I tell you, are the only cheques applicable to the retiring of those notes?—A. I can safely state, and I do it honestly——

Q. Answer my question, please.—A. I say these are not for the notes, to the best of my recollection.

Q. Just swear to it, please. Look at these cheques carefully, and tell me whether they are for the notes or not.—A. I do not think they are.

Q. Will you swear they are not ?—A. I am swearing now, I think.

Q. I do not want any qualifications. Will you swear they are not ?—A. Mr. Robert McGreevy will give his statement as to how the notes were paid.

Q. I am not asking Robert McGreevy ; I am asking you. I want a definite statement what the cheques are for ?—A. This is all the statement I can give.

Q. You know nothing about them ?—A. No.

By Mr. Geoffrion :

Q. About these two cheques ?—A. No.

By Mr. Osler :

Q. They were drawn by you ?—A. Yes.

Q. Larkin, Connolly & Co., per O. E. M., is yourself ?—A. Yes.

Q. And you are ignorant of them. Have you any memorandum in your little books about them ?—A. I do not think so.

Q. Look and see ?—A. What is the date ?

Q. 14th May, 1883. Do you find any entry ?—A. I cannot find any.

Q. Now, you say the figures on those cheques indicated pay rolls—do they ? You mildly suggested that just now. Look at them again.—A. I do not know whose figures they are, unless they are the teller's.

Q. You referred to the figures. Let us read them and see whether they correspond with the pay-rolls. "36 × 100". That is 36 one hundred dollar bills ; "28 × 50". That is 28 fifty dollar bills. Is that the way you paid the men ?—A. No.

Q. Let us see further: 50 one hundred dollar bills. These are the figures placed there by the bank officials. You see that refuge is gone from you.—A. To the best of my knowledge and belief this has not been for the notes.

Q. They are clearly not for the pay-rolls ?—A. When I had any for the pay-roll——

Q. They are not for the pay-rolls. Answer the question ?—A. I do not think so.

Q. Now, sir, do you know that it was the absence of vouchers for that ten thousand that delayed Mr. Kimmett in his audit until the 2nd of June, 1885 ?—A. No, sir ; he had these notes before him.

Q. You say he had the notes before him ?—A. Yes.

Q. Why do you know ? Was it the cause of Mr. Kimmett signing as late as the 2nd June, 1885 ?—A. Mr. Kimmett can inform you better than I can.

Q. Well, answer me a little better as to the trouble you speak of on page 49 ? " There was a good deal of trouble about that after."—A. I have explained that already.

Q. Do it over again ; perhaps you have got more light since.—A. They did not know the account, and they did not have the notes although they had them on their fyles before them.

Q. They did not have the notes, although they had them on the fyles before them, but on top, and you opened them out ?—A. In presence of Mr. Connolly.

Q. Yes ; you always want company. How many meetings were there in reference to that audit ?—A. Only one with me.

Q. How long was it delayed ?—A. That is more than I can tell. The auditors and the book-keeper were very slow, and I had discharged the previous book-keeper, and a new book-keeper, Mr. Martin Connolly, came to the firm, and he found a great many errors in the books, and he lined them with a pencil mark, and a new man took charge that did not understand the books.

Q. Did you see Robert McGreevy about the time that these cheques were drawn ?—A. I cannot answer.

Q. But you had a little financial dealing with him at that time ?—A. Yes.

Q. On the 14th of May I see one cheque is drawn, and then on that day I find Mr. Robert McGreevy deposits to his credit in his own bank $3,500. Do you know anything about that ?—A. No.

Q. Well, on 1st June, the day a certain cheque was drawn, I find Mr. Robert McGreevy making the large deposit of $4,000 to his credit.—A. I know nothing about it.

Q. Now, sir, you have seen this cash book before, no doubt?—A. I have not.

Q. You have never seen this?—A. I have never looked over the cash book.

Q. We produce here a cash book of Larkin, Connolly & Co. (Exhibit "E 3") and on page 33 I find an entry 14th May, of a cheque $5,000, marked for No. 1?—A. That is Michael Connolly's cheque.

Q. What does that No. 1 refer to?—A. I don't know.

Q. And at page 51 an entry on 1st of June, "N. K. Connolly, cheque No. 2, $5,000," corresponding with the two cheques in the box. Does that throw any light?—A. It may.

Q. What did you do with the substituted notes, Mr. Murphy—the ones that were substituted prior to the demand notes?—A. The twenty-two thousand?

Q. I spoke of the two five's.—A. One I cannot account for, the other I believe I have got in this box—part of it.

Q. Let me see that part?—A. I had it here; I had it it my coat pocket in Ottawa.

Q. The one with the signature on it?—A With my own signature on it.

Q. And showing the amount? How did you identify the piece?—A. With my name, and what had been on the end and the amount.

Q. What did you do with the other one?—A. I think it was torn up in the office and destroyed.

Q. Do you remember the fact or do you merely surmise it?—A. It is my opinion.

Q. Where did you find this fragment?—A. In my drawer, the same as I would find any other letter.

Q. Had it been discounted?—A. No.

Q. Had not been through any bank?—A. No.

Q. Now, you tell me when you approached Mr. Thomas McGreevy about the $25,000 you had not any idea but that the contract would be given either to Beaucage or Larkin, Connolly & Co. You had no idea of any other dangerous competition?—A. After Mr. Gallagher withdrew we expected Beaucage would get it.

Q. From what I knew, Mr. Peters was between Beaucage and Larkin, Connolly & Co. You had to rely upon Beaucage being ahead of Peters, Moore & Wright?—A. Yes.

Q. Was that the condition of things when you saw Mr. McGreevy first?—I believe it was.

Q. At page 46 you say that there was some figuring up or figuring down. Do you know anything about that, or are you speaking from hearsay? Do you know anything about that, or is it surmise?—A. What is it?

Q. About figuring up and figuring down?—A. That is the statement Mr. Thomas McGreevy gave me.

Q. That is from Mr. Thomas McGreevy's statement. Do you know of your own knowledge whether there was any figuring up or figuring down?—A. Not to my own knowledge.

Q. Do you know from anything that has come to your knowledge with reference to the figures that they have been honestly extended or otherwise?—A. I believe——

Q. Not your belief—your knowledge. I am told that they figured out correctly and properly. Have you any knowledge to the contrary?—A. I may here state that they would not.

Q. What would not?—A. The tenders as they went in.

Q. Would not figure out as what?—A. As reported.

Q. By Mr. Perley?—A. Yes.

Q. Have you tested that yourself?—A. I know it to be a fact.

Q. In what particular is there an error?—A. Concrete, for instance.

Q. You know it is not figured out properly ?—A. For anybody else who knows as well as me, the difference between the amount that was paid and the amount that was figured.

Q. I want you to put your finger on the error. I want you to tell me specifically what errors there were in these tenders. You have sworn there was figuring up and figuring down. You say you have some knowledge. State it ?—A. I have asked Mr. McGreevy how it was done.

Q. I am not asking you for your hearsay testimony. We have the figures here before us, and apparently they are extended properly. I want to know whether you have tested the figures, and whether you can point out any errors in their extension ?—A. I never saw the figures myself, and know nothing about them.

Q. Then your knowledge is from what others have told you, and as Mr. McGreevy told you. You are unable, from any knowledge you have, to show there is an error in the extensions ?—A. I am pretty well satisfied there is.

Q. I do not want your " pretty well satisfied." I want to know, and I want to trace it out, to see whether it is dishonesty or a mistake—for it is the sort of thing that could not be allowed to remain ?—A. I never saw the figures, and therefore cannot say more than I have said.

Q. Then, what you have said about figuring up and figuring down is from hearsay ?—A. It is.

Q. I want your full knowledge, and not your hearsay. What you have heard from others, others should be put in the box to tell about. Now, here is the schedule. Can you point out any specific error or miscalculation in figuring up or figuring down by which one tender is made improperly above or below another ?—A. I would have to get a table to spread this schedule on. Take Larkin, Connolly & Co. : our price was $8 per yard, and if you look at Gallagher's it was $5.75 and Beaucage $6.50; and if you look again at Peters it was $6. Now, all you have to do is to multiply the quantity Larkin, Connolly & Co. has been paid for. Take the items and figure it up.

Q. Do you suggest it was an error ?—A. Taking the items and figuring it up.

Q. What we are doing now is in reference to the figuring out of the tenders and the result.—A. To get at the result you have to take the quantities paid for in every item and see what the price would be of the same quantity on each tender.

Q. I am not suggesting anything in reference to the working out of the contract. —A. That is the way to get at it.

Q. What I am after now is a specific statement from you that there was a figuring up or a figuring down at the time the tenders came in, as to who should have the contract. I am merely asking you, with the knowledge you had at the time the tenders were put in and prior to the contract being awarded, as to any error in the working out of the tenders showing how they totalled ?—A. Nothing more than I had been told by Mr. McGreevy.

By Mr. Edgar :

Q. How do you mean, in reference to that item of concrete, that any figures connected with that item would give one tenderer an undue advantage over another ? Can you tell that ?—A. We got paid $2 per yard more than Peters, Moore & Wright.

By Mr. Kirkpatrick:

Q. What is the estimated quantity of concrete ?—A. 15,500 yards. That is the total given here.

Q. Now, can you tell us what is the total quantity of concrete used ?—A. I know myself one year we put down about 22,000 yards, and I think to the best of my knowledge there would be 35,000 yards used; probably it would be nearer 40,000.

By Mr. Edgar:

Q. Do you mean, supposing there were 35,000 yards of cement required, would

that have altered the standing of the tender if put there, instead of 15,000?—A. Certainly.

Mr. OSLER—He says at page 47, and there is also a reference at page 46: "Q. How was Peters' tender got rid of?—A. That is for somebody else to answer besides myself. Q. Were you told?—A. We were told he was figured over Larkin Connolly & Co. Q. Who told you that?—A. Thomas McGreevy. In other words, the answer was given to me that instead of being figured down they were being figured up." That being on the record, my question has reference entirely to the transactions prior to the signing of the contract.

By Mr. Kirkpatrick:

Q. Are the estimated quantities given in each tender?—A. As put in originally?

Q. Yes?—A. No.

Q. Was not the estimated amount of concrete, 15,000 yards, in each tender?—A. The item I was looking at was $7 instead of $8.

Q. You have no knowledge, to come back to the original question, of any improper extension?—A. Personal knowledge?

Q. Yes?—A. No.

By Mr. Edgar:

Q. There were no quantities put in with the tenders?—A. No.

By Mr. Osler:

Q. Had the Department of Public Works issued any quantities to the tenderers at all?—A. No.

By the Chairman:

Q. Did they have access to those figures?—A. No.

By Mr. Edgar:

Q. Did the public or tenderers have access to the quantities in the Department?—A. They had the plans before them.

Q. But had they any quantities made out?—A. Not that I know of.

By Mr. Davies:

Q. How did you make up your estimate of quantities. Did the Department give information as to the quantities you were to make up?—A. It was for the contractor to look at the plans.

Q. And he figures out himself?—A. Yes.

Q. And he makes his own calculations?—A. What the cost of each article would be.

Q. Take one article of cement you mentioned. Is that a quantity given in the plan or specification, or form of tender or advertisement, or any other document issued by the Department?—A. No.

Q. Then, if you come to estimate upon it you make up the quantity in your own mind—is that it?—A. Yes.

Q. Then you might make it ten thousand dollars astray?—A. Yes; it might be.

Q. So that if you tendered below another man the quantity the engineer would put in would determine whether you were a higher tender or he was higher tenderer?—A. The cost is estimated on the quantity per yard.

By Mr. Langelier:

Q. Would the plans as exhibited to the tenderers show 35,000 yards or 15,000 yards, or what quantity would they show as being the probable quantity that would

be necessary?—A. Well, I am of opinion it would show more than this, but I have no authority on that point.

By Mr. Geoffrion:

Q. Would it show more than the amount the engineer gave?—A. You could get the amount the Government paid for different items, and then add them up.

By Mr. Osler:

Q. Now, with reference to Contract No 1. When you came in the engineer was Mr. Robert Pilkington, was he not?—A. The Graving Dock?

Q. No; the first contract.—A. I don't know his first name—it was Pilkington.

Q. Was that a schedule of rates, or was that a bulk sum at that time?—A. I believe it was a schedule of rates.

Q. So you were paid for what you did?—A. Yes.

Q. Then Messrs. Kinipple and Morris were at that time the engineers-in-chief? A. They were.

Q. That was when you came in?—A. Yes.

Q. When and where did you see Mr. Kinipple or Mr. Morris at work, or did you deal entirely with Mr. Kinipple?—A. Mr. Morris was there several times, I believe.

Q. What year?—A. I think it was in 1881; he may have been in 1882.

Q. What were your specific complaints in reference to that contract, confining yourself to that contract, and having regard to the conduct of the engineers, Messrs. Kinnipple and Morris? What was the trouble?—A. It was about getting estimates.

Q. Who did you get estimates from—Pilkington or Kinipple and Morris?—A. Pilkington.

Q. Well, then, was your complaint against Pilkington—was that the trouble?—A. The trouble was against both Pilkington and Kinipple and Morris.

Q. But they only acted through Pilkington, I understand?—A. I understood it the other way; Pilkington would do nothing without their permission.

Q. Had you to write to the old country before you got the progress estimate?—A. No.

Q. Pilkington had to act on his own judgment?—A. Yes.

Q. What else was there against Kinipple and Morris besides delay in the estimates—I mean, from the contractors' view?—A. We wanted to get them removed.

Q. What was against them?—A. They would not give the contractors what they wanted.

Q. What was it you wanted they would not give?—A. Changes.

Q. What changes?—A. We wanted to get stone backing, for instance.

Q. What year was that?—A. When I came down, in 1880, it was the trouble, and all through 1881.

Q. What is there to show you wanted stone backing? Did you apply or suggest?—A. I made a suggestion. I do not think there was any written communication on the subject.

Q. Who suggested stone backing?—A. Nicholas Connolly.

Q. Who to?—A. It was talked over with me.

Q. But to whom in the Engineer's department was it suggested?—A. Pilkington.

Q. And Pilkington declined?—A. I think so.

Q. What else was your trouble?—A. There was trouble about a temporary coffer-dam.

Q. What was the trouble?—A. We wanted to get paid for putting in a temporary coffer-dam, and he did not want to allow it.

Q. Who did not?—A. Pilkington.

Q. Now, we have two items—stone backing and temporary coffer-dam. What next?—A. We could not get paid for extras as we wanted them.

Q. What extras?—A. Different items.

Q. What extras did you claim? Let us get down to the specific. What extras did Mr. Pilkington disallow or Kinipple and Morris disallow?—A. The temporary coffer-dam.

Q. We have passed that, and the stone backing.—A. There was general complaint.

Q. I do not want generalities. We want details. Come right down to the items, please.—A. I prefer not to go into details.

Q. But I want you to. I do not want this from a general statement. I want to analyse them, and see what is in them. I want to see what there is to meet. Now go on: temporary coffer-dam and stone backing. What was the next item of complaint against either the engineers or the resident engineer?—A. That we could not get our progress estimates as we wanted, and advances on stone and other classes of material.

Q. Material delivered, but not in the work?—A. Yes.

Q. You wanted advances which you could not get, and were not satisfied with the progress estimates?—A. Yes.

Q. These were all against Pilkington?—A. Yes.

Q. Was that all?—A. That was about all.

Q. Was there any trouble with regard to the nature of the plan and foundation?—A. Yes; a good deal.

Q. Was there an error in the plan and location, so that the work would not stay?—A. Yes.

Q. Was that a matter to which the attention of the Commissioner was called from time to time?—A. It was.

Q. Was that a very serious matter?—A. It was.

Q. A very serious error in the judgment of the engineers in locating?—A. It was.

Q. It was giving you constant trouble, renewing and repairing the work?—A. Yes.

Q. And there was a grave question as to whether the contractors or the Government would lose; but somebody was losing?—A. Somebody was losing.

Q. By reason of these errors in the original plan?—A. Yes.

Q. Did it occur to you that that would be sufficient cause to get another engineer?—A. It did.

Q. Was it not a sufficient cause for the removal of the engineer?—A. I think so.

Q. Then, when Mr. Perley came in, was the matter changed and the difficulty cured?—A. After some time it was.

Q. But how did Mr. Perley's plan compare with the original plan?—A. No changes, except the shortening up of the dock.

Q. But you got a permanent work, after which, under the former plan, there was very great difficulty?—A. Yes.

Q. And apparently an impossibility?—A. Yes.

Q. An impossibility within any reasonable expenditure to carry it out?—A. Yes.

Q. Then you did not, of course, know when the question was asked as to their removal who was to succeed?—A. Well, we were pretty well posted on that; but, of course, I have no knowledge of that personally.

Q. You expected it to go into the Department of Public Works?—A. Yes.

Q. When did you first know that?—A. By the removal of Kinipple and Morris.

Q. After they had been removed?—A. Yes.

Q. Messrs. Kinnipple and Morris were engineers residing in London or Glasgow, on the other side of the water?—A. London, I believe.

Q. And they acted in this country chiefly by the young man whom they sent out?—A. Yes.

Q. And Mr. Morris occasionally visited this country?—A. Yes.

Q. Do you know that Mr. Pilkington was not well during a good part of this time, suffering from an unfortunate infirmity?—A. That is about the time he left or was dismissed.

Q. For some time before that?—A. I do not think he was suffering much.

Q. Do you know there was complaint in the public newspapers with respect to him?—A. We were writing most of those things ourselves.

Q. Were they with reference to his state of health?—A. I think not.

Q. When you make that statement, do you make it seriously, that these complaints were being made?– A. I believe Michael Connolly done most of it.

Q. You did not do any?—A. I brought some to the newspapers.

Q. What newspapers?—A. The Quebec *Telegraph*.

Q. Any other paper?—A. No; we chiefly used that.

Q. Now, speaking of Exhibits "F 5" and "G 5," you were asked to explain the nature of the item, "Expense, $7,393.14. That is in Exhibit "E 5," mentioned at page 111. In reply you answered: "That is money that has been paid during that year to those donations, if you please, or subscriptions"—what do you mean by that? Enlarge that answer. What do you mean by donations or subscriptions which cover that $7,393.14?—A. I suppose that was money we paid.

Q. For what?—A. Mr. McGreevy might want some of it, and for different——

Q. Is that all money that was improperly applied; not using "improperly" in the sense that you understand it, but as it is ordinarily understood?—A. I believe it was.

Q, The whole of that?—A. I think so.

Q. Then you were asked, "What is the nature of the item, $35,000 'suspense' in Exhibit 'F 5'?" And you replied "For the same purpose, I believe, most of it. I paid most of it myself; I had the cheques there." "Q. And about $5,000 'expense' in "G 5"?—A. That was for the same purpose. Take "E. 5" first and see how far you are correct in reference to $7,393 "expense" account?—A. That amount I believe, some of it, has been paid out to donations as such; elections. The book-keeper could explain it.

Q. You swear to this as correct?—A. I do not swear to its correctness by any means.

Q. Here is a copy of the ledger, referring to this $7,393. I see: subscriptions, St. Catharines *Journal*, Montreal *Post*; Cummin's account for horse-shoeing; classification of pay-roll; vinegar for the horses, &c. Do you see the small items for expense, "vinegar for horses, 75 cents; whiskey for men, $2.50; keeping horses at quarry, $10.42; half auditor's allowance, $200." This is the account which you said was for these donations and things. It seems to be a general expense account for that year?—A. There is a donation here, $100. It is for the book-keeper to explain this better than I can.

Q. You have sworn here, the exhibit having been put into your hands, that that payment, $7,393—the inference from your statement is that it is—is a corrupt payment, "that is, money that has been paid during that year to those donations, if you please, or subscriptions"?—A. I believed so at the time.

Q. Let him see the original ledger, and see that it is the ordinary expense account for the period including some donations.—A. The Union Bank cheque for $5,000 is here amongst the $7,000; and there is another $500, which makes $5,500. Then there is here, "donation for election, $100"; another $100, which makes $5,700.

Q. But does not this appear to be your general expense account for the period? —A. Here is another item in the same statement, $500, which would make nearly $6,000 of that amount, so that I am not far out of the way.

By Mr. Geoffrion:

Q. $6,200, you mean?—A. Yes.

By Mr. Osler:

Q. But you see, Mr. Murphy, that while your statement with reference to that is specific it includes the ordinary expenses of the firm as well during that time,

and that these items are carried into the ordinary expense account?—A. A very small amount of them.

Q. Then, Mr. Murphy, on the other expenditure of yours, I may as well ask you now: you said that in reference to the supplementary contract for dredging that you retained $5,000 and spent $7,000 in Mr. McGreevy's election, that was the election which took place on the 22nd of February, 1887. Now, how did you pay out that $7,000? Did it eventually come from cheques drawn on your banking account?—A. I drew one cheque of $5,000 and another of $2,000.

Q. On whose account?—A. Larkin, Connolly & Co.

Q. That came through your banking account?—A I believe so.

Q. Will you say so?—A. It ought to be so—to the best of my knowledge and belief.

Q. You say you retained it, in your evidence, and you spent two thousand of your own?—A. No; the company's money.

Q. Was that your own or the company's money?—A. That about the two thousand I am not positive.

Q. That about the two thousand, you are not positive whether it was your own?—A. I spent it and refunded it, if it was so.

Q. Well, then, you paid this out during what period, the election being on the 22nd of February?—A. Some of the money was paid before the election a few days and some of it on election day.

Q. Any after?—A. No.

Q. It would be payments, then, before and on the 22nd February?—A. On election day.

Q. And the $7,000 were all paid out by you?—A. Yes; as directed.

Q. Had you any position in the elections, any official position as member of a committee, or anything of that sort?—A. No.

Q. You just paid the money as it was called for up to that amount?—A. Yes.

Q. Now, did you pay any from your own banking account?—A. I don't think I did. It may be possible I drew that $2,000.

Q. It may be possible you drew that $2,000 from your own account, and it would be refunded?—A. Yes.

Q. But you had the money in bills, and you either got that money from the firm and refunded it, or you got it from your own banking account, and that was refunded after the election?—A. Yes.

Q. Then, about when did you draw that first money?—A. The ten thousand dollars?

Q. You drew $10,000, you say. I mean with reference to this $7,000?—A. I drew $5,000.

Q. In one cheque?—A. One cheque.

Q. Your own order?—A. I think so.

Q. And got the money from the bank?—A. One was my own order. I think it was one of my partners who was there. I got the money myself from the bank.

Q. And put it in your pocket? It became a wad?—A. Yes.

Q. And you kept it in the wad form until it was called for?—A. Yes.

Q. In what size bills? What size did you want for a Quebec election?—A. I was in the habit of drawing generally fives, but I think these were tens.

Q. So you carried about with you for the purpose of that election $5,000, in ten dollar bills, and distributed them as they were called for?—A. I did not carry them long. I have the names of the parties here who got them.

Q. Did you draw at all from your own account?—A. I have answered that, that that $2,000 might have been.

Q. We have your cheques here, your own personal cheques, for January and up to the 22nd of February. That is to say, the 19th is the last day and the 23rd is the next following, $1,000. What you drew from your bank during the months of January and February was $1,000. It is quite clear you did not get it from your own account?—A. No; if the bank shows it.

Q. Presuming this to be so, it is quite clear that you did not draw any of your funds to pay out that $7,000?—A. It is possible.

Q. Of this $7,000, that you were claiming to be paid in this way, how much did you give to Robert McGreevy?—A. Robert McGreevy would send orders to me——

Q. How much would you give Robert McGreevy?—A. I cannot tell what reached him.

Q Most of it?—A. Most of it was paid on his orders and by his directions.

Q. And a good deal of it to himself?—A. I do not know that I paid any amount to himself. His son came to me, or some confidential man, showing the amount of money to give him.

Mr. William Brown assistant cashier Quebec Bank, sworn.

By Mr. Stuart:

Q. A subpœna was sent to the Quebec bank requiring it to produce before the Committee here a statement of the account of Robert H. McGreevy with the bank? Have you got it here?—A. I have.

Q. Will you produce it?—A. This is the statement (Exhibit "Z 9").

Q. The bank was also required to produce a statement of any draft drawn by Robert H. McGreevy on New York. Have you got such a statement?—A. No; we have none by Robert H. McGreevy. I will give you a statement of all the figures which have gone through the bank. I produce a statement of the discounts of Larkin, Connolly & Co. for a certain period (Exhibit "A10"); and a copy of the requisition for a draft made by O. E. Murphy on Henry Clews & Co., of New York, for $1,000, dated 9th February 1884 (Exhibit "B 10.")

Q. You were also required to produce the deposit slips?—A. All the deposit slips belonging to Robert McGreevy from——onwards are here, with the exception of one for $4,100, which I cannot trace. I have evidently left it behind.

By the Chairman:

Q. Will you undertake to send it by a letter?—A. I will.

Mr. James McNider, stock broker, Quebec, sworn.

By Mr. Stuart:

Q. What is your business or profession?—A. I am a broker.

Q. You were summoned to produce a statement of the business done by you with Mr. O. E. Murphy for a certain period. Do you produce it?—A. This is the paper. (Exhibit "C 10.")

Q. Have you a statement of Robert H. McGreevy's account?—A. He had no account with me for the dates named.

Q. Have you a statement of any notes you discounted for O. E. Murphy or Robert H. McGreevy during the period mentioned—A. There were only two notes discounted for Robert H. McGreevy. I received a note from him on the 17th February, 1885, a note of Larkin, Connolly & Co. dated 28th January, payable to the order of themselves for three months; due 1st May $1,000. It was discounted with us by Robert H. McGreevy. Then there was another received on 13th June, 1885, Larkin, Connolly & Co., dated 3rd June, payable to the order of N. K. Connolly at two months; due 6th August, $1,000.

Q. And discounted by Robert H. McGreevy?—A. Yes; that is all, I think.

By Mr. Daly.

Q. What year is that?—A. 1885. I see by the newspapers that there was a cheque for $5,000 wanted, but we kept no record of that because it was a cash transaction.

By Mr. Stuart:

Q. You did business as a money broker, also, and cashed cheques?—A. Yes.

By Mr. Fitzpatrick:

Q. There was also a note maturing on the 5th September, 1884?—A. I know nothing of that. If I saw the note I might be able to speak of it.

By Mr. Edgar:

Q. What did you do with the proceeds of the notes?—A. I discounted them.
Q. And gave him the cash?—A. Yes.
Q. And they were paid in due course?—A. Yes.

Mr. Ludovic Brunet, Clerk of the Peace, Quebec, sworn.

By Mr. Stuart:

Q. You are Clerk of the Peace for the District of Quebec. As such you are custodian of the note filed with you on an information laid against O. E. Murphy and Robert H. McGreevy for conspiracy to defraud?—A. Yes.
Q This note is for $400,000, is it not?—A. Yes.
Q. And supposed to be made by Michael Connolly?—A. Yes.
Q. Have you that note with you?—A. I have.
Q. Will you produce it to the Committee, and leave it with the Committee?—A. I will produce it only on the order of the Committee, because there is a criminal suit pending in Quebec. I cannot part definitely with it. Note produced and marked (Exhibit "D 10.")
Q. On whose charge were Robert H. McGreevy and Murphy arrested?—A. On Michael Connolly's.
Q. His was the only deposition that was made?—A. Yes.

The Committee then adjourned.

HOUSE OF COMMONS, MONDAY, 6th July, 1891.

The Committee met at 10.30 a.m.; Mr. Kirkpatrick in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. O. E. MURPHY recalled and his cross-examination resumed.

WITNESS—Mr. Chairman, on Saturday, while under examination, I forgot to mention my private banking account in the Bank of British North America. I immediately telegraphed for it, and the Chairman can read the telegram.

THE CHAIRMAN—This is a telegram from O. E. Murphy, sent to Peter Murphy, 81 Esplanade, Quebec: "Search for British North American Bank-book. If not in the house call at the bank; it might be there. Send any other bank-book you can find, also account books O. E. Murphy," dated 5th July, 1891.

WITNESS—There was another matter, with respect to the money for the South Wall contract, that probably is necessary to mention, and during the discussion about the item of concrete, I described it as 6 in one of the paragraphs here, I do not know how that was, but I suppose on looking over the schedule my finger slipped on the item below. There is another matter I would like to call attention to. I see in a morning paper mention about a sum of $7,500 that there is a no account for it in my bank book. That I think is a cheque I sent to the Public Works Department with a tender, and it was returned; that is my construction of it.

By Mr. Osler:

Q. Where is your little red bag, Mr. Murphy?—A. I have got it here.

Q. The bag with the contents is as we left it on Saturday, Mr. Murphy, is it not?—A. I must state here there is a very important letter I find is missing, a letter from Charles G. Davies, explaining how I was brought to Mr. McGreevy's house. That is a very important one to me.

Q. Is the bag otherwise as you left it?—A. I cannot tell.

Q. Have you taken anything out of it?—A. No; unless something of no avail. I put them all there.

Q. What do you find missing?—A. There was one letter from Charles G. Davies.

Q. To whom?—A. To me, explaining how he brought me to Mr. McGreevy's house.

Q. Was it in the bag when you delivered it to Mr. Todd?—A. To the best of my opinion—yes.

Q. When did you see the letter before?—A. When I put these books into the bag

By Mr. Mulock:

Q. Mr. Todd, who has had access to the bag?—A. No person to my knowledge I put it into a cupboard with a safety lock, and it has been there ever since, till Mr. Murphy got it this morning.

Q. Then the bag was delivered out by you this morning?—A. Not by me, but by Mr. Panet, my assistant. Mr. Murphy asked me to take care of the bag for him. He did not put it in my possession as Clerk of the Committee, but merely for his own convenience, and I put it in the cupboard to take care of it.

By Mr. Mills (Bothwell):

Q. At what time?—A. After the adjournment of the Committee.

By Mr. Mulock:

Q. How is it the document is missing?—A. I do not know.

By Mr. Osler:

Q. The lump sum contract, Mr. Murphy, for the Graving Dock, which you spoke of at pages 114 and 115 of the evidence, there is a little confusion. In the arrangement you say that was ultimately made, was the $10,000 to be added to the $43,980?—A. I believe so.

Q. So that the contractors would receive on that basis $53,980?—A. Oh, no.

Q. But they agreed to reduce it to $50,000?—A. They agreed to take $50,000.

Q. And the $50,000 then included the ten?—A. Yes; so I understand it.

Q. That is the way you understood it?—A. Yes.

Q. Well then, the fifty thousand, including the ten, twenty-two thousand you say was paid improperly. Is that as I understand your evidence? It does not very clear as given?—A. I agreed to give all over fifty thousand.

Q. You agreed to give all over fifty thousand? Well you see the figures do not fit. The tender was sixty-four thousand, the payment, if you are correct, was twenty-two thousand, which would leave forty-two thousand as the amount to be received by the contractors, when Hume's statement showed the cost to be $53,980. Now, have you any explanation for that?—A. No; I cannot give the details of these things; I am simply giving you the bulk sums.

Q. But you see there is a discrepancy. You see that the contractors should have got on Hume's estimate $53,980; whereas, if your accountant is correct, the contractors only got $42,000?—A. I cannot go into details of these things.

Q. But you have gone into details in chief, you know, and I want to bring the effect of your details before you, to see if you have any explanation.—A. No.

Q. Does it not appear on these figures that, if your story is true, the firm in which you were interested got only $42,000, for that for which they should have got $53,980?—A. That was all understood at the time; I cannot give any more explanation.

Q. Do you concur in what I state, that apparently the contractors were getting a great deal less than Mr. Hume's estimate of the cost?—A. We did not follow Hume's estimate strictly.

Q. But you based it on Hume's estimate. Hume's estimate was got for the purpose of showing you what you should tender for?—A. I cannot give any other explanation except what I have given.

Q. You see, an explanation is wanted. You started on a fair basis of work with Mr. Hume's estimate.—A. I would not say it was a fair basis.

Q. But that is what you said. You asked Hume to figure it. At page 114 you said:—"These figures made out in pencil, mark are by our engineer, Mr. Hume. This is the statement of what it would cost, in pencil made out by our engineer, as a guide, and which I showed Mr. McGreevy at the time." You were asked if that was Mr. Hume's handwriting, and you said it was, and "the total is $43,983." Then, you authorized Thomas McGreevy to accept $50,000 for the work, and that was independent of the $10,000?—A. I cannot give any other answer than what I have given.

Q. Then, apparently, if you paid out the $22,000, and if Hume's figures were fair, you were making a loss of the difference? That is apparent, isn't it?—A. That may be.

Q. These are the notes. Look over them, and see whether they are the notes that covered the $22,000 in question?—A. I believe they are.

Q. You know they are, don't you?—I believe they are.

Q. Now, will you look over these notes, and tell me whether they have apparently been discounted or put through any bank?—A. That I do not know. I paid them at different places. There is no bank stamp upon them.

Q. None of the ordinary marks which enable you to say whether a note has been in the bank either for discount or for collection?—A. There do not appear to be.

Q. Well, then, the first note of the series, being one for $2,000, dated 2nd June, 1884, was paid by a cheque drawn by you, I think. The first note was drawn to the

order of Michael, and endorsed by Michael, the endorsation being stricken out in red ink. Is that the cheque ?—A. These are the 1st of May notes you are handing me.

Q. No; it is the cheque of August 4th, from bundle "D 8"?—A. I cannot tell. I gave so many cheques it is impossible to tell.

Q. Look at the date ?—A. I see it.

Q. And the amount and the person to whom it is payable, and tell me whether you believe that to be the cheque? We find no other cheque.—A. I cannot tell.

Q. In whose handwriting is the body of the cheque ?—A. It is made out by me.

Q. Isn't that Robert McGreevy's handwriting in the body, and the signature yours ?—A. I think not.

Q. You think it is all your own handwriting ?—A. To the best of my knowledge and belief, it is not Robert McGreevy's.

Q. Is it yours?—A. I think it is.

Q. Have you any doubt about it?—A. To the best of my knowledge, it is.

Q. The cheque is made payable to James Macnider or order, and endorsed by James Macnider & Co. for credit at Quebec Bank. That is the cheque of the date given in Exhibit "D 8." That is the cheque we say corresponds with the first note. Now, will you tell me whether the mark "due 5th August" is not Mr. Macnider's handwriting on the $2,000 note—the two months note of 2nd June?—A. I think it is all in my writing.

Q. The due date, I mean ?—A. That I cannot tell.

Q. Who is Mr. Macnider ?—A. He is a broker in Peter street, Quebec.

Q. A stockbroker or banker ?—A. He does a general banking business.

Q. Did you do any stockbroking with him ?—A. Yes.

Q. You bought stocks ?—A. Yes.

Q. And sold stocks through him?—A. Yes.

Q. Do you know whether Robert McGreevy did so also ?—A. I have no knowledge of my own.

Q. Did you know it from Robert McGreevy ?—A. No.

Q. Now, look at the second of this series of notes, being one of Exhibit "X7," dated the 2nd June, three months for $5,000. You see that is made by yourself and endorsed by yourself ?—A. Yes.

Q. And marked "paid" by yourself?—A. Yes.

Q. There is no other person apparently who had to do with that notes, except yourself?—A. That is one of the notes I described.

Q. Answer the questions, please. Is there any other name or any other handwriting on that note except your own ?—A. No.

Q. No banker's marks ?—A. Yes; there is a banker's mark at the bottom.

Q. The due date ?—A. Yes.

Q. The due date appears in some other person's handwriting?—A. Yes.

Q. You do not know whether it is Mr. Macnider's or not?—A. No.

Q. How was that note paid ?—A. By cash, I believe.

Q. Cash. How drawn ?—A. I cannot answer these questions. This——

Q. Look at the cheque I now place in your hands. One of the cheques, Exhibit "D8." dated 4th September, and paid by the bank on the 5th September—the due date of the note—and tell me if that is not the cheque which apparently paid that note ?—A. That I cannot tell.

Q. Does it look like it ?—A. I do not know; you will have to get the dates of the notes.

Q. That is the date. Paid on the same date, drawn by yourself, is it not?—A. No, sir.

Q. Not drawn by yourself?—A. It is drawn by myself or bearer, and I state this——

Q. It is drawn by yourself or bearer, signed Larkin, Connolly & Co., per O.E.M., and endorsed for credit at the Quebec Bank, is.it not? Paid by the Union Bank, on the 5th; is not that right?—A. It looks so.

Mr. MILLS—Is that the second note?

Mr. OSLER—This is the second of the series of notes running 2, 3, 4, 5 and 6 months. I am speaking now of the second note of the series, and showing how it was paid. (To witness): You see that as far as that transaction is concerned, presuming that cheque to be the one that obtained the funds to pay the note, you are the only party concerned in the drawing of the money?—A. Yes. (After a pause.) I answered yes, but there are doubts I may have given it to some person who came for the money. I correct my answer.

Q. You do not suggest who came for the money?—A. No.

Q. If a person had probably come for the money you would have drawn a cheque to their order?—A. Yes; on the return of the note.

Q. But handwriting on the back of the note marked "paid" is in your handwriting?—A. I believe so.

Q. And the cheque, if this be the cheque, is entirely in your handwriting. (No answer.)

Q. Now the third note of the series, which is one at four months—it is made by you and endorsed?—A. By Nicholas K. Connolly.

Q. And marked "paid" in your handwriting, is it not?—A. Yes.

Q. That is for $4,000, is it not?—A. No; $5,000.

Q. And it is in the same handwriting, with the exception of the due date, October 5th, which is in another handwriting?—A. I cannot say whose handwriting that is.

Q. Now, had you a power of attorney from Nicholas K. Connolly to make paper for him—to endorse cheques, to make cheques, &c.?—A. We——

Q. Had you any power of attorney from Nicholas K. Connolly? Answer my question specifically?—A. That requires——

Q. Answer me—yea or nay?—A. None of us had powers of attorney. Nicholas Connolly had none; Michael Connolly had none; I had none; but there was an agreement between us.

Q. Had you power to use his name?—A. As long as I put my initials under it, and he did so with mine.

Q. Look at that cheque, which is one of Exhibit "D 8," dated 24th September. You see how it is drawn?—A. Yes.

Q. It is drawn by you for the firm of Larkin, Connolly & Co., with your initials, and is endorsed N. K. Connolly, per O. E. M.?—A. To retire Connolly's note.

Q. Do you know what that cheque was given for?—A. I believe it was to retire one of these notes.

Q. To retire the note due about that time. Can you find any other cheque which pays the note due on the 5th October; we cannot?—A. I cannot go into these details.

Q. I got to trouble you with a few details. It is the only way to get at the truth?—A. I am trying to tell that. This cheque, I think, is to retire that note.

Q. Then, sir, the cheque is drawn by you and is endorsed by you in Nicholas Connolly's name; it has not apparently been through the bank, and it is marked "paid" in your handwriting. That is the transaction, evidently?—A. The note was endorsed by Nicholas Connolly in his own handwriting; no doubt he has been absent from Quebec when it was drawn.

Q. You cannot say he was absent?—A. To the best of my knowledge and belief, he was.

Q. Well then, sir, if he was absent, where did you draw the cheque, the note not being yet due? Have you any explanation to offer: the note is not due until the 5th of October, yet the cheque is drawn on the 24th of September?—A. I have some explanation. Mr. McGreevy who would come to me when money was wanted, when he knew we would have it, and the money was in the bank, and I would give it to him and Robert, you know.

Q. You spoke of Mr. Robert or Mr. Thomas?—A. Mr. Robert, who would come when his brother wanted it.

Q. Well, that is the way in which the third of that series is paid. The fourth is a note for $4,000 at five months, the same date, made by yourself and endorsed by Michael Connolly. Now, was Michael away, too, for apparently that has been paid by the cheque bearing the due date of that note, endorsed in the same way by you for Michael Connolly ?—A. I suppose he was away.

Q. You suppose he was away, and that is the only reason where we find your endorsement in that way ?—A. That is the only one.

Q. The note is endorsed Michael personally, and does not appear to have been discounted, and is marked "paid" across the face of it in your handwriting. The note is marked paid on the face of it is in your handwriting, is it not ?—A. Yes.

Q. Now, the fifth note is at six months, 2nd June, $6,000 made by the firm of Larkin, Connolly & Co., per O. E. M., and endorsed by Mr. Larkin, and is that an endorsement of the way in which that note was paid in your handwriting ?—A. This was——

Q. Is that in your handwriting—that is the first question ?—A. Yes.

Q. That is all in your handwriting. Then the endorsement, as follows, cash $2,000, one note $2,000 four months, one note $2,000 five months, that is the way in which it was paid ?—A. Yes.

Q. Then was this cash, $2,000, paid through you or by you ?—A. That I cannot tell.

Q. Now, I am told that inquiry into the books does not show that the note was paid in that way. Have you any recollections apart from your endorsement as to how it was paid ?—A. No; unless making two notes.

Q. But have you any memory of how it was paid ?—A. I think by renewal of two notes, but I am not positive; that is as near as I can come to it.

Q. The endorsement is in whose handwriting ?—A. The note is endorsed by Patrick Larkin.

Q. Yes; the note is endorsed by Patrick Larkin, endorsed by the payee, and it has this note on it as to the way in which it was settled. Now, in whose handwriting is the making and endorsement of the cheque, 1st May, 1885 ?—A. The handwriting is mine and the endorsement is mine.

Q. Do you know how the proceeds of that cheque for $3,000, of the 1st of May, 1885, which is among the bundles of cheques marked "D-8" were applied ?—A. I cannot tell unless I had the blotter here.

Q. Well, can you give any information with reference to the application of that cheque ?—A. That cheque may go to pay debts of the company, may go to pay the pay-rolls, and different things. The cheques endorsed that way were always used for the company, and I had to account for it, therefore, I would have to see the blotter to explain these things.

Q. I am informed, Mr. Murphy, that there is no trace of any cheque for the payment of the endorsement, cash $2,000 ?

By Mr. Edgar—In the blotter ?

Mr. OSLER—In any books of the firm. And I am told there is no trace of the $2,000 notes. Were there notes or payments that would not appear in the firm's books ?—A. That is to be explained by the book-keeper and the blotter.

Q. Well, I am supposing there is no record in the firm's book which corresponds with your endorsement as to how that note was paid. Would you have any account for it ?—A. I would like to see the books first.

Q. Assuming my statement to be correct ?—A. We will have no presuming about it; I want to see the books.

Q. You want to see the books, and you cannot answer without seeing the books ?—A. No.

Q. You won't take any assumption ?—A. No.

Q. Or answer any hypothetical question ?—A. No.

Q. Well, did you ever draw your own cheques for instance ?—A. I may have.

Q. Have you nothing in your own mind whether that was your own cheque or not ?—A. I know nothing about it.

Q. Apparently, then, all these series of notes were paid or arranged through you?—A. I believe so.

Q. And they were put in by you as vouchers in the audit?—A. Yes.

Q. Have you any entry in your diary with reference to any of these notes?—A. I have to see the blotter before I can go into details about the notes.

Q. Have you any entry in your diary?—A. I do not know.

Q. Will you look? I give you the maturing dates as 5th December, 1884; August, 1884; October, 1884; September, 1884; and November, 1884. Try the $6,000, because that is the one which we say cannot be traced. Try the 5th of December, and see if you have any reference to a payment on that date?—A. I may say that there is an entry on the blotter. They do not appear on my petty cash book.

Q. Attend to the diary first. Don't run away from the question. Take the 5th of December.—A. No; I do not see any.

Q. Look four months after. That will be May, 1885, and June, 1885, and see if you have any entries. Look at 1st May.—A. What is the amount?

Q. $2,000.—A. I do not see any.

Q. Look in the same day, April, 1885—say 1st April, 1885. The amount is $2,000.—A. These amounts would not appear on my petty cash account.

Q. Do you find any entry on the date given?—A. No.

Q. Look at the earlier days of May, 1885, and say whether you find an entry?—A. No.

Q. 1st December, 1884? Mr. Geoffrion thinks it is fair to refer you to that date in your diary.—A. What is the amount?

Q. $2,000.—A. Yes.

Q. What is the entry?—A. "Note $6,000, cash paid on $2,000."

Q. We have that on the 1st December. Now, I tell you that as a matter of search I am informed there is no firm cheque for that. Now, this is apparently adopted as your own payment. Let us see if you can produce a cheque for that $2,000, or was it a payment from the wads?—A. Show me the blotter and it will account for all these cheques. My cash account here is all astray, and all I want is these books.

Q. The entry you say will be down in the blotter. Does that entry in your book show a payment by you independently of the firm?—A. I was acting for the firm.

Q. Does it show a payment by you personally? What was the position of that book? Does that book contain firm payments, or payments out of your own cash?—A. Payments out of my own cash. The cheque may be for petty cash account, three, four or five thousand. I would pay so much and turn in the balance.

Q. That is, you would pay it out of your pocket?—A. No.

Q. How then?—A. On account of the company.

Q. You say you would draw a large sum, pay it out and give the entry to protect yourself. Would you make the payment yourself by cheque?—A. I cannot account for these things now. At this time I think our Company was very short of money, and I may have had money myself and paid it out on behalf of the Company.

Q. It looks like it, doesn't it?—A. I would then turn it in to the book-keeper and would account for it afterward.

Q. Is that entitled to be received as anything more than a suggestion?—A. I am not positive of these things.

Q. Is it probable you paid it yourself?—A. I do not want probabilities, I want this blotter which will explain all this.

Q. When would such an entry as this be transferred to the cash book of the firm?—A. The first or second of every month. Every month I made the monthly accounts into the firm.

Q. Blotter or no blotter it should go into the cash book of the firm next month? A. Yes.

Q. Supposing it is not there, have you any explanation?—A. This is the return for the month.

Q. This is your return for the month ?—A. Yes, it would be the end of the year.

Q. This would be the return you made to the book-keeper ?—A. Yes. I would then commence a new book.

Q. Now, Mr. Murphy, we had some little inquiry on Saturday with reference to this $7,000 that you said you paid out of the $25,000, or rather, you paid out $5,000 of the $25,000 which has reference to the dredging of the wet basin, and that you added $2,000 of your own. I want to know about that $7,000 a little more ?—A. Give me the statement.

Q. Never mind the statement. You told us on Saturday, I think, where you got the money.—A. I want to see my statement.

Q. Try it again without the statement. Use your memory. We will risk its not agreeing. Just make a venture as to where you got that money.—A. I am not positive. As near as I can tell I got it in the usual way.

Q. No, no. You told us the bank and you said how you got it.—A. I must have the cheque put in my hands again.

Q. I want to test your memory. A man who cannot trust his memory for a day cannot be trusted for a week or a year.—A. This is four years ago.

Q. What was your reply as to where you got that money ?—A. In the bank.

Q. What bank ?—A. I cannot say.

Q. It has gone from you ?—A. Doing so much business, I forget.

Q. Come down to the point and say where you got the money or not ?—A. I do not want you to put words into my mouth.

Q. I am not doing so. I would be very sorry to put words into your mouth. Where did you get the money?—A. At either the Union Bank or the Bank of British North America.

Q. Which bank do you say it was ?—A. I cannot say positively.

Q. Which bank do you think it was ?—A. I have no right to think.

Q. Where did you get the money, speaking generally ? What source did you draw from at the bank ? Did you draw immediately from your own account or from that of the firm ?—A. I cannot say just now.

Q. Have you no idea?—A. No.

Q. Your own account shows no cheque ?—A. That I cannot tell.

Q. Well, the cheques are here, and I would like you to look through them and tell me whether the cheque of that date is here. I wish you would look at these cheques, Mr. Murphy, commencing in January and going through February, and tell me whether you drew any of that money from your own account ? It won't take you long. There are only six cheques in January and five in February, and what I want to know is, did any part of that $7,000, which you state went for election purposes, come out of your own bank account ?—A. I cannot tell.

Q. Can you find a cheque ; you say you have produced them all ?—A. My bank book would show.

Q. Well, here is the bank book ; look at that, and see where the missing cheque is ?—A. What is the date ?

Q. The election was on the 22nd February, and you know when you commenced to pay out the money. Look in January and February ; I presume that the payments would be in January and February.—A. What is the date again ?

Q. The 22nd February is the date around which the payments revolve.—A. There is a cheque, $2,560.

Q. Well, look at the cheque.—A. It is an overdrawn account.

Q. What date is it ?—A. It is an overdrawn account of $25,000.

Q. What date, please ?—A. It has got no date, that would be 1888, I believe.

Q. We are at 1887, don't let us go ahead. Now look at your cheques and tell me whether there are any cheques which cover this large expenditure during election time of your own ?—A. I do not see any.

Q. Had you any other banking account but that of the Union Bank at that time ?—A. I cannot answer—the cheques will show. I sent for my bank of British

North America book which was mislaid somewhere. I telegraphed for it and I suppose I will have it here to-morrow.

Q. Apparently you have no entry, subject to correction, when you get your other book, to-morrow, which will account for the payment of that $7,000, out of your own funds?—A. I do not know. You have been fishing over my cheques and I do not know what is here.

Q. Well fish over them yourself and get them, sir, and answer me. There are British cheques here. They are I am told in sequence. There is no entry in the pass book of your British Bank cheques, are there?—A. Those are Union Bank cheques.

Q. Have you any cheques on the British or Union—give them?—A. I have produced the British cheques here.

Q. If you look at your British Bank cheques I think you will find your account with that Bank did not open until after this?—A. That I cannot tell.

Q. But I want you to tell. I do not want any doubt about the point.—A. You want to do impossibilities. I cannot do anything until my bank book comes here.

Q. When did you commence your account with the Bank of British North America?—A. That I cannot tell.

Q. Have you not commenced it within the last year?—A. No. I closed my account there over a year ago.

Q. And you cannot tell until you get your British Bank cheques?—A. And book.

Q. Whether you paid it out or not?—A. No.

Q. And your British Bank book when will it be here?—A. I suppose it will be here to-morrow. Here is a telegram I sent for it. I used all care to get it.

Q. Now do you remember when you drew the money from the British Bank?—A. I cannot tell at present.

Q. How did you get that $7,000. Have you any memory?—A. I really cannot explain that to go into details.

Q. Did you get it from the firm?—A. My impression is, I did.

Q. That you got cheques of the firm?—A. Cheques or money—I do not know how it is.

Q. Your impression is you got it in that way?—A. Yes.

Q. Now, Sir, is that the entry crediting you with that $7,000 in the firm's book? (Book produced.)—A. I do not know anything about it. I never looked at these books, and cannot tell what they are or say what is in them. I want the pass book of the bank. I would be better able to give the details. This is something that is ridiculous to be——

Q. There is a little something for you to find out there.—A. No.

Q. You do not want to find out.—A. I cannot account for anything in these books.

Q. Well, I tell you I am instructed that no cheque for that $7,000 was issued by the firm, but that you got credit for it.—A. No; you are mistaken.

Q. Well, did you get cheques or draw cheques from the firm?—A. Show me the bank book.

Q. I am asking the man who drew and got the money.—A. Show me the bank book.

Q. Cannot you remember?—A. In 1887, I think, Mr. Connolly was drawing these cheques, to the best of my ability.

Q. Can you remember, and will you swear, whether you got the firm's cheques or not for that money?—A. That is impossible for me to say at the present time, until I see the proper account.

Q. Then it stands this way, Mr. Murphy—you cannot tell me whether you paid it out yourself originally and got credit for the amount by the firm, or whether you got the money by cheques for the firm?—A. My dear Sir——

Q. Can you tell me? Answer my question.

Several members of the Committee: Let him answer the question.

Mr. Osler—I want you to answer my question.—A. I do not want you to bully me here. I have got rights here as well as you.

Q. You have rights, and one of your rights is to answer my question, and my question is, can you tell me whether you paid it out yourself or out of the firm's notes originally, and I do not want any speech about it?—A. I have got rights before this committee, just as well as you have.

Q. Certainly you have, and we will respect your rights fully, but one of your rights is to answer direct questions.

Q. Can you tell me whether it was paid out of your own fund or out of the firm's fund—as a matter of memory?—A. I cannot tell at present. These are details it is impossible for me to remember.

Q. Your answer is satisfactory. The book is before you.—A. This is nothing to go by.

Q. I propose now to leave further enquiry on this point until we get the books. I am merely testing your memory. I shall resume when you get the material.—A. I may state here that my partners all understood the whole transaction and were there when this $2,000 additional was added, and my books and account was audited and it was satisfactory.

Q. The position is this, as I am instructed: That you obtained simply a credit from the firm as for $7,000, paid out by you. That being my instruction, I am pressing you. If you presented this as something to be credited to you, then manifestly you did not get the firm's cheques?—A. The money did not come from Mr. McGreevy, that is certain.

Q. Do you know one Foley, the tailor?—A. Yes.

Q. I see that of this $7,000, that you claim to have paid out, you claim to have paid him $1,150. Is that true? Is your diary entry correct?—A. Yes, but this thing is going to get me into trouble and I refuse to answer that. I have no counsel here to protect me.

Mr. Daly—You have a dozen here.

Witness—I would like to have you as one.

Q. Answer the question. Do you know Foley?—A. I do.

Q. I find in your diary an entry accounting, or purporting to account, for the payment out of this $7,000, and I see against Foley, tailor, the sum $1,150. Does that mean that you paid out of this sum to Foley the tailor $1,150?—A. It does.

Q. And you did pay him?—A. Yes.

Q. When and where?—A. By order of Robert McGreevy.

Q. Where and when?—A. I cannot go into these details.

Q. Where did you pay it?—A. Quebec.

Q. What did you pay it in?—A. Bills.

Q. What size bills?—A. That I cannot tell.

Q. Where about did you pay it?—A. I believe as far as I can recollect he came to 124 Dalhousie Street—the office.

Q. And got the money there?—A. Yes.

Q. You are quite sure about that?—A. He came also on election day for $500 more in company with Herbert Carbery.

Q. Was this paid in one sum?—A. Two sums.

Q. What were the amounts of the two sums?—A. I would have to get my book.

Q. Look at your diary of 1887 in February.—A. That is the general result. I may give you another little book.

Q. Is this a book the Committee have not had yet?—A. It does not belong to the Committee.

Q. Does it belong to you?—A. It does.

Q. Does it contain an entry for 1887?—A. No.

Q. What paper are you looking at?—A. A paper in the handwriting of Robert McGreevy giving the names of different confidential workers for the election.

Q. The pushers.—A. Yes, as you may call them, the heelers. There is one item of $750——

Q. The question I am asking you is the number of payments made to Foley?—A. There is the way it was. I want that paper back for my own protection.

Q. You made the payments to Foley in two sums of $750 and $400?—A. As directed.

Q. Charles MacNamara—how much did you pay him and when?—A. It appears here $650.

Q. I have $670 in one of your accounts. Is that right?—A. Yes; $670. Mr. MacNamara returned me $35 not used.

Q. Where did you give him the money?—A. I may say that he always returned all that was left after an election day. He is the most honest worker I ever came across.

Q. Where did you give it to him?—A. 124 Dalhousie Street. But this is a question I want to ask if I am accountable for, if they should sue. I do not know what I am answering here. I will answer no more until I take counsel.

THE CHAIRMAN—It may not be fair to bring in names in the absence of these men.

MR. OSLER.—These absentees will be here and we will show that these moneys were not paid.

Q. Do you know Mr. Flynn?—A. I do.

Q. Pay him any money?—A. I gave him $250 to send four men to Chicago at the time Mr. Carbery was arrested for bribing voters. I met Mr. Flynn, I may say——

Q. Did you give him $250 with reference to this election?—A. I wont say on the election; but when my account was balanced up with Robert McGreevy. I would not say I gave this money for the elections.

Q. When did you give him the money?—A. The night the men had to leave for Chicago. I had to borrow some of this money. I ran around the St. Louis Hotel and raised it as best I could. He wanted $400.

Q. When did you give it?—A. The night the men had to leave for Chicago. I had to borrow some of this money. I went round to the St. Louis Hotel and raised it the best I could——

Q. I want to know where you paid him and when?—A. In my house.

Q. In what month, about?—A. I cannot tell; the records will show that.

Q. What records?—A. The records in the criminal proceedings. The men barely had time to catch the 10 o'clock train.

Q. That is very interesting, but quite uncalled for. Your account of the transaction, I think, for the $7,000, which is part of the eighth contract—the dredging of the wet basin and what is given at pages 117-118—is that there was an agreement to pay $25,000 on the dredging contract, at 35 cents for about 800,000 yards?—I believe so.

Q. That was the agreement?—A. Yes.

Q. Can you tell me how you came to pay not only the $25,000 but the $27,000, when the contract given was limited to the expenditure of $100,000 in money?—A. It was only limited for that year.

Q. And that was the only contract they got?—A. Oh! no.

Q. It was the only contract the Department would enter into. The contract for dredging for that season was limited to $100,000?—A. For that year.

Q. Without any warrant for you to go on?—A. We were satisfied it would go.

Q. And you were willing to pay your money on the risk?—A. Yes.

Q. And so although the bargain had not been completed you paid the money?—A. We were paid the money. We were satisfied we had good security for it in Robert's interest in the work.

Q. You say you made a bargain with Thomas McGreevy after this?—A. I did.

Q. Where?—A. In his own house.

Q. When?—A. It commenced in December and the conversation——

Q. Where did you make it first?—A. I am trying to tell you, if you will only have patience.

Q. I am trying; one needs to have patience.—A. In his own house in the month of December we commenced negotiations which were carried through until such time as we had the matter finished up.

Q. What I ask you, and what I want you to answer, is when the bargain was made. I am not asking you about any negotiations. I asked you when the bargain was concluded?—A. That I cannot tell. I had no knowledge of the day it was concluded.

Q. What day with reference to the execution of the contract—the contract is executed on the 23rd of May, 1887?—A. I do not know.

Q. How long before the contract was entered into?—A. That I cannot tell.

Q. Not within a month?—A. I cannot tell.

Q. Within a year?—A. Oh! yes, within a year.

Q. Well, get at it within a month and a year?—A. It is for you to get at it.

Q. No, you are giving evidence?—A. I have no month or year.

Q. I put you in mind of the fact that the contract was entered into on the 23rd of May, 1887. I want you to treat the matter not flippantly, but to get right down and think it out. How long before that was the bargain made?—A. I would have to see the written document.

Q. What document?—A. The contract.

Q. Presuming the contract to be of that date or there is no doubt about it or it is in the blue-book May 23rd, 1887, get at it the best way you can?—A. I do not know anything more about it.

Q. It was sometime before?—A. Before what.

Q. Before the contract was entered into?—A. What was.

Q. The bargain; that is what I am asking you about?—A. Oh, yes.

Q. You cannot tell me whether the interview you had with Mr. Thomas McGreevy was a month or a week prior?—A. The interview about what?

Q. The interview at which the bargain was made?—A. The bargain was made, I think if I can place that right, in January. I am not positive.

Q. The bargain was made in January of 1887?—A. As near as I can recollect.

Q. What brings that to your mind?—A. They had commenced the elections.

Q. Well go on.—A. Go on you.

Q. Go on. What brings that to your mind? Why did you say January—have you anything more to say than because the election had commenced?—A. That is for you to say.

Q. No, it is for you to say. I am asking you if you have anything more to say as to the date the bargain was made?—A. Not that I know of.

Q. Was it then made in January, 1887?—A. That I am not positive.

Q. Is that to the best of your knowledge?—A. It is to the best of my knowledge.

Q. Then that bargain was made in January, 1887, and it is the bargain which you have been telling us on which you paid the $7,000 and the $20,000?—A. I believe so.

Q. What was the first thing done after the bargin was made that you know of with reference to that work?—A. A call for money I believe.

Q. Now with reference to the residue of that $27,000 will you look at these four cheques (Cheques produced)? Look at the first cheque, February 4th, 1887, to N. K. Connolly, $5,000. Is that one of the cheques with reference to this transaction?—A. Oh I do not know.

Q. Can you say the same to the second cheque of February 4th, and do you know whether that had to do with that transaction?—A. I cannot tell from the cheques. I may state now the counsel told me a minute ago he had no cheques of the Bank of British North America—now he has plenty of them.

Q. Of yours—you are mistaken about that. These are the firm's cheques. It was your own cheques I was referring to. Do not go off at half-cock like that.—A. This I cannot tell, but most likely it may be.

Q. You see that both of these cheques of the 17th February, 1887, are endorsed by you.—A. Yes, I suppose I got the money.

Q. You suppose you got the money. Well, then, I am to understand that the whole of this money was paid before any arrangement whatever had been made by the Department or by the Commissioners with reference to the dredging?—A. Yes, I believe it is.

Q. Your statement is that on the agreement with Mr. Thomas McGreevy the money was handed out depending, as far as you were concerned—upon the future?—A. I believe so.

Q. Where did you obtain exhibit "M-5" page 118—where did you get that?—A. Quebec.

Q. Who from?—A. Mr. Connolly.

Q. Which Mr. Connolly?—A. I believe both were there, as near as I recollect.

Q. From whose possession did you get it?—A. That is more than I can answer. We were in the office together. I do not know which of them handed it to me.

Q. What did you do with it?—A. I handed it to Mr. McGreevy.

Q. Mr. Robert McGreevy?—A. I believe so.

Q. And whom did you get it from for production here?—A. From Robert McGreevy.

Q. When?—A. I do not know.

Q. How is it produced here and put in your hands?—A. I believe it was Mr. Robert, but that I am not positive. It was from Robert McGreevy I got it.

Q. And about when did you get it from Robert McGreevy?—A. That I cannot tell.

Q. You have no idea?—A. No.

Q. Then to whom did you pay the first $10,000 of the $20,000?—A. To Robert McGreevy.

Q. And the second?—A. To Thomas McGreevy.

Q. The first which you paid would be the cheques of February 4th if our theory is right—I do not ask you to say that is so, but would that be your recollection? Would there be a space between the 4th and the 17th in the payment? Would this correspond with your recollection?—A. I did not catch the question.

Q. Do you suppose there would be a lapse of thirteen days, or a fortnight or so between the two payments?—A. That I cannot tell; it is like a great many other things, I cannot give the details. I gave the amounts and when cheques were drawn, and that is the nearest I can give of it.

Q. But you have told us you know you paid the $10,000 to Robert before you gave the $10,000 to Thomas?—A. I believe so.

Q. Now, how did you get the money to pay Thomas?—A. Bills.

Q. Of the British Bank or Union?—A. I have to see the cheques; I cannot tell.

Q. Well, these are the cheques as I am instructed; these are the two cheques on which that money was procured, wherever it went; you see they are cheques endorsed by yourself on the 17th February, 1887. A. Where is the $10,000—I want before I identify any of those cheques any further to get the bank book, the pass book.

Q. I just ask you to give your recollection of the cheques as they are now.—A. It is impossible for me.

Q. It is impossible for you to do it?—A. Yes.

Q. Well, I am pointing out the two cheques here?—A. My recollection is it was a $10,000 cheque as far as I can remember.

Q. That went to Thomas?—A. That is my recollection.

The Committee then adjourned.

HOUSE OF COMMONS, TUESDAY, 7th July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. MARTIN P. CONNOLLY recalled.

By the Chairman:

Q. Mr. Connolly, did you go down to Quebec for the purpose of looking for those papers which you were requested by the Committee to search for?—A. I did.

Q. Did you return with any of them?—A. I did.

Q. Will you produce them?—A. Yes.

By Mr. Geoffrion:

Q. Are these all the papers you found in connection with the work?—A. All in connection with the enquiry.

Q. When you say all the papers in connection with this work, did you exercise your own judgment as to whether there were any other papers that referred to any works in Quebec Harbour?—A. Yes.

Q. Is that all the papers?—A. There were other papers that referred to the work, but from your statement, when I went down I did not bring up those books. They were the stone books, pay-roll books, and so forth.

Q. So you left behind the pay-roll?—A. The stone books, time books, and such things as that.

Q. What books do you file?—A. A petty cash book or blotter. I found that in the safe and thought it might probably be wanted. I also produce another cash book and another ledger.

Q. Did you find any bank pass books?—A. I did, sir.

By the Chairman:

Q. Where are they —A. There were some time books amongst those I brought.

Q. Where were they?—A. In the safe, in the same batch with the bank books.

Q. In the same batch. You saw them when they were in the safe?—A. Yes; I also produce a bank book of the firm Larkin, Connolly & Co., from July, 1879, to September, 1884.

By Mr. Edgar:

Q. What bank?—A. The Union Bank, sir. Also a bank book from October, 1884, up to April, 1887, inclusive.

Q. Union bank?—A. Yes, Union Bank. I also produce a bank book from May, 1887, to January, 1889. Also another from May, 1889, up to 1891.

By Mr. Geoffrion:

Q. And don't you find one from January to May, 1889?—A. This must be here, but they may not have any entries.

By the Chairman:

Q. Just look and see.—A. I find there are a few months missing. I also produce a Bank of British North America book from April, 1885, up to March, 1888, with regard to the Quebec work; a British North America bank book from January,

1885, up to November, 1887, with reference to the British Columbia Graving Dock work.

Q. Any more books or stubs ?—A. I produce a Bank of British North America stub book; also a stub book of the Union Bank, I think, but I am not positive, from 11th November, 1879, up to November, 1884; also, two Union Bank stub books, with some stubs marked and some of them not; also a number of notes issued and paid, from March, 1883, to 1st of May, 1885; also draft and acceptances paid prior to that time; also five parcels of Union Bank cheques; also another batch of cash books.

By Mr. Edgar :

Q. Those cheques—what period do they cover ?—A. 1878, 1879, 1880, 1881, 1882. That is all.

Q. What is that other book ?—A. Another petty cash book, that is of no interest. The date runs from 1879 and 1880 to 1883."

By the Chairman :

Q. Can you tell the Committee whether you left any papers that may be of interest behind ?—A. No, sir; I did not.

Q. There is none ?—A. Not to my knowledge.

Q. You took everything ?—A. Everything.

By Mr. Edgar :

Q. You took what you found, but was there anything missing which ought to be there ?—A. There were some British North America Bank stub books.

Q. Were missing ?—A. Yes.

Q. Are the cheques for that period here ?—A. The cheques are here.

By Mr. Geoffrion :

Q. Have you all the pass books of the British North America Bank ?—A. Yes: there is only one.

Q. Would that cover the whole period of the business transacted with that bank ?—A. Yes.

By Mr. Edgar :

Q. What about "the blotters or pass books"?—A. There are no blotters. The only blotter I know of or ever had is this book here—the petty cash book produced.

Q. Is that the only blotter ?—A. The only blotter I ever used.

By the Chairman :

Q. Those stubs and books of the British North America Bank that are missing—what period do they cover ?—A. 1887.

Q. And you say that you have got the cheques for that period ?—A. Yes, sir.

Q. And the bank book, too, for that period ?—A. Yes, sir, the bank book, too.

By Mr. Osler :

Q. Did you ever know of the existence of any blotter or book that would be called a blotter by Mr. Murphy, except those now produced ?—A. No, sir, I did not.

Q. Did you look for bank books or papers of Mr. Murphy ?—A. I did, sir.

Q. Were there any ?—A. None in the office.

Q. Do you ever remember having seen Mr. Murphy's bank book in the office of Larkin, Connolly & Co ?—A. Yes, sir.

Q. In later years ?—A. While he was a member of the firm.

Q. Did it remain after he ceased to be a member of the firm ?—A. It did not, sir.

Q. Do you know that positively ?—A. Well, I am as positive as I can be.

Q. He took every paper?—A. Yes, sir.

Q. Do you remember the occasion of his taking the papers? Did you help to sort them out at all?—A. No, sir; we moved our office I think that spring, from the Embankment to No. 120 Dalhousie street, and he had a lot of papers and books and things in the Embankment office which he moved next door to Mr. Golden's room. I saw them there.

Q. Then, in this office where you got these papers and books, do you remember ever having seen Mr. Murphy's bank book or any of his papers?—A. I saw some of his papers; I don't recollect seeing the bank book.

Q. But you were satisfied they were all removed and he got them?—A. I remember him taking all the papers he had in his drawer in the safe. I was in the office at the time.

By the Chairman:

Q. You were asked to go to the Union Bank?—A. Yes; and ask for Mr. Murphy's pass book over the earlier period—his pass book that he had with the bank. I went there on Saturday and the Ledger keeper told me he could not find it, but would look for it. I called on Monday morning, and he said he was positive it was not there.

Mr. A. P. BRADLEY, Secretary of the Department of Railways and Canals, sworn.

By Mr. Geoffrion:

Q. Did you bring with you the papers that were asked for by the Committee in connection with the "Admiral"?—A. I brought the Order in Council in connection with the contract of the "Admiral" for 1883, for five years. It is as follows:

(Exhibit "E 10.")

CERTIFIED COPY *of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council on the 28th May,* 1883.

"On a Joint Memorandum from the Postmaster General and the Minister of Railways and Canals, dated 5th May, 1883, submitting that the arrangements made last year for the maintenance of the Steam Service between Campbellton and Gaspé, having terminated with the close of the season of navigation, it has become necessary to enter into fresh contract therefor.

"The Ministers represent that an offer has been received from Mr. Julian Chabot, formerly manager of the St. Lawrence Steam Navigation Company, dated 16th March, 1883, by which he undertakes to perform the service, in accordance with the requirements of last year, for the sum of $12,500 a year for a period of five years, placing on the route the side-wheel steamer "Admiral;" that the steamer in question has been duly examined by the Dominion Inspector of Hulls, who reports, under date 21st of March last, that she is fit to carry passengers and freight to and from the different ports on the Baie des Chaleurs route.

"The Ministers recommend that authority be given for entering into contract with Mr. Chabot for the services of the vessel named; such contract to be for a term of five years, at the rate of $12,500 a year, the sum paid last year, it being stipulated that the vessel shall commence running immediately upon the opening of navigation regularly to its close, failure arising from any cause other than stress of weather to make her trips regularly to entail a penalty of say $220 for each round trip omitted, and a penalty of $110 for each half trip omitted; further, that in addition to the Ports of Campbellton and Gaspé, the said vessel shall call at such intermediate ports as may be indicated by the Minister of Railways and Canals.

"The Committee concur in the foregoing recommendations and submit the same for Your Excellency's approval.

(Signed) "JOHN J. McGEE.

"The Honourable
"The Minister of Railways and Canals."

Q. Was there any contract, or was it acted on under the Order in Council?—A. There was a contract.

Q. Where is it?—A. It is here. This is it:

(Exhibit " F 10.")

AN AGREEMENT made and entered into this seventh day of November, in the year of our Lord one thousand eight hundred and eighty-three;

" Between Her Majesty Queen Victoria, represented in this behalf by the Honourable the acting Minister of Railways and Canals for Canada, of the one part, and Mr. Julian Chabot, of the town of Lévis, in the Province of Quebec, steamboat owner, of the other part.

" This agreement provides as follows:

First.—The said Julian Chabot agrees to place his steamer the " Admiral " on the route between Campbellton and Gaspé, to run in connection with the Intercolonial Railway for the period of five years commencing at the earliest opening of navigation in the year of 1883 and in each of the four following years, and continuing the whole season in each of said years, without interruption and until navigation is actually closed in each year, respectively by the freezing over the river at Campbellton.

Second.—The said Julian Chabot agrees that the said side-wheel steamer " Admiral " aforesaid shall be provided with a proper and sufficient crew and with sufficient boats and life-saving apparatus, and that she will in all respects conform to all the legal requirements. She will also be maintained during the whole term of this contract in the same state of efficiency.

Third.—The steamer shall make two round trips per week leaving either end at such day and hour as may from time to time be fixed by the said Minister of Railways and Canals or his successors in office, and she shall call at the following places, viz.: Dalhousie, Carleton, New Richmond, Paspebiac, Port Daniel, Newport, Little Pabos and Percé, and such other place or places on the north side of the Baie des Chaleurs as the said Minister or his successors in office may from time to time direct.

Fourth.—The steamer shall carry all mails and the officer in charge of them free of charge, landing and receiving the mails on the shore by her boats at such places as she cannot come alongside a wharf or where there is no wharf.

Fifth.—The steamer shall have free of charge the use of the railway wharf at Campbellton, but the Railway Department reserves the right to charge wharfage and storage on all local freight landed and embarked at the said railway wharf.

Sixth.—The railway will deliver and receive all freight at the railway wharf at Campbellton in cars. The said Julian Chabot, must at his own expense provide all the labour necessary at the wharf, and must unload the freight from the cars into the store on the wharf and load it on board the steamer and must also unload the freight from the steamer and put it into the store and into the cars.

Seventh.—The said Julian Chabot shall be at the expense of transferring the mails and passengers and baggage between the Campbellton passenger station and the Railway wharf, and the vehicles used for these purposes will be subject to the approval of the said Minister or his successors in office.

Eighth.—The rates for passengers and for freight shall be subject to the approval of the said Minister or his successors in office and in the case of through rates the divisions shall be such as may be settled by the said Minister or his successors in office.

Ninth.—The said Julian Chabot shall provide at his own expense the necessary agents at the different points on the route.

Tenth.—The said Julian Chabot shall be responsible for all railway freight, back charges and other expenses due upon any freight or baggage transferred to the steamer and the full amount shall be paid over to the railway without deduction or abatement of any kind.

Eleventh.—The accounts between the railway and the steamer shall be settled every week and the balance due paid over in cash.

Twelfth.—The said Julian Chabot shall settle in a just and equitable manner any claim which may arise on account of injury to passengers or of loss of, or of damage or delay to freight while in transit by the steamer or in the hands of his agents.

Thirteenth.—If coal or other stores or labour is furnished to the steamer by the railway, the charges for the same must be paid weekly.

Fourteenth.—The said Julian Chabot shall pay one-half the costs of advertising the route.

Fifteenth.—In consideration of the foregoing and provided the said Julian Chabot perform the requirements of this contract, Her Majesty will pay to the said Julian Chabot for each of the seasons of 1883, 1884, 1885, 1886 and 1887, the annual subsidy or sum of twelve thousand five hundred dollars. But Her Majesty shall not be bound to pay any portion of the said subsidy, unless the service for the period then expired has been performed to the satisfaction of the said Minister or his successors in office.

Sixteenth.—The Government shall have the right to deduct from the said subsidy any balance due to the railway for freight or back charges or for coal or other stores or for labour furnished or for damages to passengers or animals or goods while in transit in the steamer.

Seventeenth.—The said Julian Chabot shall conform to such orders and regulations as may be made from time to time by the said Minister of Railways and Canals or his successors in office.

Eighteenth.—Should the steamer fail at any time during the term of the contract to meet all or any of the foregoing requirements or should the said Julian Chabot fail to perform all the stipulations herein contained or any of them, the said Minister or his successors in office, shall have the right to terminate the contract, and all the subsidy then due shall be forfeited, and the said Minister of Railways and Canals or his successors in office, shall be the sole and final judge of the performance or non-performance by the said Julian Chabot, of the stipulations, conditions and agreements herein contained.

In witness whereof the said Julian Chabot hath hereto set his hand and seal and these presents have been signed and sealed by the said Minister and countersigned by the Secretary of the Department of Railways and Canals, on behalf of Her Majesty.

JULIAN CHABOT.

Signed, sealed and delivered in the presence of JOHN W. WOOLSELY.

J. H. POPE,
Minister of Railways and Canals.

Signed and sealed by the said Minister and Secretary of Railways and Canals, in the presence of H. A. FISSIAULT.

A. P. BRADLEY,
Secretary.

Q. Is that all the papers you have in this connection?—A. That is all I have.

Q. Was there any correspondence in connection with that in the Department?—A. No more than sending it for signature.

Mr. O. E. MURPHY recalled, and his cross-examination continued.

By Mr. Osler:

Q. I was asking you questions yesterday with respect to the payment of that $7,000. There was only one payment to Flynn of $250?—A. That I cannot tell.

Q. Do you know of any other than the one?—A. I made so many payments in connection with that case that it is impossible for me to recollect.

Q. Was there any more than one $250 paid to Flynn in reference to that election?—A. My impression is there were.

Q. Where did you get the list which you entered in your book? Where did you get that from?—A. That is a little memorandum I had after the election—after I settled up.

Q. And the memoranda you had were destroyed?—A. There was little slips.

Q. Did you enter ever off the slips?—A. No.

Q. Why did you pick the one and exclude the other?—A. They were simply destroyed after I settled up with Mr. McGreevy.

Q. You did pay Flynn $250, and that is properly chargeable to the $7,000?—A. That I cannot recollect.

Q. That we have in your book. Is your book taken as correct?—A. Presumably the amount is. Take, for instance, the first. This gentleman would take a man with him.

Q. Take the specific item of the payment to Flynn, entered in your handwriting. Is that correct? Have you any doubt about your own entry?—A. These were made long after.

Q. Are they correct?—A. I cannot recollect.

Q. You cannot tell me whether your book is correct or not?—A. It is election money.

Q. It is the entry of the election money?—A. That is my answer.

Q. Is that entry correct?—A. That is my answer.

Q. Is it correct as written in your book, or do you throw a doubt on your own book?—A. There is a doubt. I cannot be held accountable for these things.

Q. Can you be held accountable for this entry?—A. I paid large amounts that are not in that book at all.

Q. But are the entries of specific items in this book to be taken as correct?—A. As far as I know, they are.

Q. And they are correctly chargeable to that $7,000?—A. (No answer.)

Q. Will you answer that? Why do you hesitate?—A. To the best of my opinion they are. I am not positive.

Q. You are not positive?—A. No.

Q. Then I understand you that everything in that account about how the $7,000 was paid you are not positive about?—A. It is there.

Q. But is this the way you accounted for the $7,000?—A. No; I am accounting for $2,000.

Q. No; you are accounting for $7,000 there.—A. This is so long after.

Q. Well, yesterday you looked at another little slip that you had in your pocket book. Look at that again?—A. That is a private matter, and I refuse to give it up.

Q. Look at it.—A. I refuse to look at it.

Q. But it helped you yesterday?—A. Yes; it did.

Q. Why did you look at it—to help you?—A. Yes.

Q. Look at it again.—A. It helped my memory in reference to Mr. Foley.

Q. See if it helps your memory with reference to Mr. Flynn.—A. I gave Mr. Foley $750——

Q. Never mind that. We are on Flynn. How much did you pay Flynn according to that statement?—A. (Referring to the slip in his pocket book.) According to this statement he would have $300.

Q. A $250 item and—?—A. Yes; and a $50.

Q. Is that $250 chargeable to this $7,000?—A. I believe it is.

Q. Now look at the entry in your diary of 1887, Exhibit "S 9," and tell me whether the entry on 2nd of March is not in your handwriting?—A. Yes.

Q. And the cross entry there?—A. Yes.

Q. Is that the same Flynn referred to?—A. Let me see that again.

Q. You have no doubt about that, have you? Is it the same Flynn?—A. There are several Flynns.

Q. Can you suggest another?—A. Flynn of Battina.

Q. Can you suggest another Flynn to whom you paid $300?—A. Not to my recollection.

Q. This is the entry :—" Wednesday, 2nd March, Flynn, 1887, Robert McGreevy, $250. October 10, paid bets, $110. March 3, McPherson, $36. Total, $396. Added, $32—$428." Across the face of that is marked: " Paid, 12th March, 1887." Now sir, on your oath, is not that the same $250 you are carrying into this $7,000 account?—A. That I am not positive.

Q. Can you suggest that it is anything else?—A. That I do not know.

Q. You see manifestly the $250 that you paid Flynn, which you are bringing into this amount, making up your $7,000, you charge to Robert McGreevy, and have been paid for it?—A. It is a long time ago——

Q. It is not so long ago. I want you to test your memory. A great many things are depending on it.—A. The Macpherson thing is on my memory.

Q. Never mind the Macpherson thing. We are talking about Flynn. Will you swear that this $250 was not carried into the $7,000 and charged to Robert McGreevy, and which has been paid?—A. I do not know.

Q. Will you tell me what it is?—A. As far as I recollect—I won't be positive but I think, it is to send the men to Chicago.

Q. You told us yesterday about the men going to Chicago. Here is Flynn's entry for $250 and $50, and here you have that entry marked off as " paid." On your oath, have you not brought that $250 into the debit on account of that $7,000?—A. I believe not.

Q. Why not?—A. That is my answer to it.

Q. Why do you believe? Did you pay Flynn $250?—A. Previous to this?

Q. During the elections?—A. I think so.

Q. You think you paid Flynn $250 twice?—A. I believe so.

Q. The same Flynn?—A. I believe so.

Q. That is your way out of it?—A. That is my way—that is my answer.

Q. And you think Robert McGreevy paid you back the one $250, and you charged the other $250 into the election account?—A. I think that is the way of it.

Q. I want to see that private memorandum which you produced yesterday from your pocket book, to see if it will throw any more light on this?

(Witness produces paper.)

Q. Do you find a second $250 to Flynn on that private memorandum?—A. I do.

Q. I want to see it (witness hands it over). I see it says " Flynn $50; Flynn $250." Where do you find the other $250?—A. It is not on that slip.

Q. Oh, I see. There is only one Flynn $250 there. I asked you whether there were two entries against Flynn?—A. This would be paid on election day—that slip.

Q. That will do. Now on the matter of the Esquimalt works, I want to ask you a few questions. Where was it you saw Sir Hector first?—A. In his house at Quebec.

Q. What month?—A. During the summer, I think.

Q. What year?—A. 1884, I believe.

Q. Well, do you know?—A. That is my recollection.

Q. You have a recollection, have you? That enables you to state the date. You were not able to state it before?—A. That is my recollection of it.

Q. Your recollection of it is, it was the summer of 1884?—A. I imagine so.

Q. Where did it take place?—A. In his office or parlor in Quebec.

Q. You called upon him?—A. I did.

Q. Upon the matter?—Yes, sir.

Q. How long after the interview was the matter taken up? What was the next step?—A. How taken up?

Q. What was the next step in the matter after you had seen Sir Hector?—A. That is more than I can recollect.

Q. What was the sequence of events? You first saw him—what next happened with reference to that?—A. I do not know what you mean by the question.

Q. When did you next hear about the Esquimalt contract—what was the next matter?—A. When it was advertised.

Q. Was it between the first and second advertising that you saw Sir Hector ? A. Yes.

Q. Was that the first occasion you had seen Sir Hector upon contract matters?—A. I had met Sir Hector on our works several times.

Q. But was it the first occasion of your having a conversation with him in reference to the procuring of contracts ?—A. I do not know, as I met Sir Hector so often.

Q. Then, as I understand your statement, you made a direct offer of money or price for the contract ?—A. I did.

Q. That is your statement—at so much per cent. ?—A. Yes.

Q. How much per cent. ?—A. 25 per cent. interest in the contract.

Q. That was your offer—what you called to do ?—A. That is what I called a quarter interest in the contract.

Q. You called to offer that on the occasion of your visit; you went there with that intention ?—A. I might have gone on other business, but as far as I recollect.

Q. You went there with the intention of offering a quarter interest ?

Mr. LANGELIER—He does not say that, but that he may have gone for other business.—A. I may have gone on other business.

Q. But you think that was what took you there ?—A. I won't say it took me specially there. The question came up.

Q. Can you remember any other business that took you there ?—A. I might go and see him on business in connection with the harbour works.

Q. But did you ?—A. That I am not positive.

Q. But you think you went specially for that object ?—A. I won't say specially.

Q. But that was your impression, was it ? You went to see him about harbour works on that occasion in 1884 ?—A. A great deal of work about the dredging and the Levis Graving Dock.

Q. Can you remember anything special about harbour works coming up, or was this a special visit with regard to a special matter ?—A. It is a long time ago. It is impossible for me to recollect everything that came up in that way.

Q. Very well ; we will leave it there. Now, you produce here a letter from Mr. Perley to Mr. Thomas McGreevy, a letter dated September, and marked Exhibit "R 6." Where did you first see that ?—A. What letter is that ?

Q. It is the one letter produced from Mr. Perley to Mr. Thomas McGreevy, marked "private." Where did you first see that letter ?—A. Let me see the letter, please. (Examines the letter.) I saw it with Robert McGreevy.

Q. When ?—A. That I cannot tell.

Q. Was it shortly after this date ?—A. I don't recollect ; I made no note of it.

Q. Did you ever see it in anybody else's hands than Robert McGreevy's until the occasion of this enquiry ?—A. I think not.

Q. Did you see it more than once in Robert McGreevy's hands ?—A. That I do not recollect.

Q. In whose hands did you see it last prior to its being produced in court here ? Robert McGreevy's ?—A. I don't know I saw it in anybody's hands.

Q. Where, then, did you see it last, prior to this enquiry ?—A. Before this Committee ?

Q. Before that.—A. I don't know.

Q. Then you were to make up, as I understand, to Robert McGreevy, the difference between 25 and 20 per cent. in the Esquimalt work ?—A. I believe it was to Thomas I made that.

Q. Well, what you swore to was : " Robert was to have 25 per cent. I made up the difference ? "—A. It was Robert represented those people and of course I——

Q. Who did you deal with ?—A. Both of them—Robert and Thomas.

Q. Did you make up the difference ?—A. I think so.

Q. When did you make it up ?—A. As occasion required.

Q. What amount of money have you paid on the basis of that agreement that you were to make up that difference between 25 and 20 per cent. ?—A. I cannot recollect just now.

Q. Can you put your finger upon any payment you made implementing that agreement?—A. These things are so far back——

Q. You have been swearing to a whole lot of things far back. Now, sir, can you put your finger upon any payment you made carrying on that agreement?—A. Things, and dates, and particulars, I cannot recollect. There has been so many payments made.

Q. Well, you would remember, at all events, about how much that difference came to?—A. No.

Q. You cannot remember from five to fifty thousand dollars?—A. I never figured it up.

Q. Was it ever figured between you?—A. That I do not know.

Q. Was the agreement ever lived up to?—A. I think we more than lived up to it.

Q. You think you more than lived up to it. Well, then, as a matter of fact, in your various settlements with Robert McGreevy, and we have many of them in these little books, was anything ever taken in account of giving him the difference between 20 and 25 per cent.?—A. I think the details of statements was——

Q. Answer my question.—A. My partner?

Q. Yes.—A. No.

Q. Then you can give the Committee no information; you can point to no payment?—A. More than what I gave them.

Q. You can point to no payment, you can show no voucher with reference to that agreement?—A. I would have no voucher myself, personally.

Q. What was your interest in the Esquimalt matter?—A. 30 per cent.

Q. Well, then, were you reducing your interest to 15 and giving Robert 30?—A. I did not give Robert 30.

Q. 25?—A. He did not get 25; he got 20.

Q. Then the agreement was never carried out?—A. It was more than carried out.

Q. The agreement to give him 25?—A. He got a lot of cash afterwards.

Q. Where—on that agreement?—A. The books will show.

Q. The books will show what he got from Larkin, Connolly & Co., not what he got by private arrangement from you. Have you any cheques showing how you squared that account?—A. I was dealing for the firm of Larkin, Connolly & Co., not for myself.

Q. You were dealing for the firm of Larkin, Connolly & Co., not for yourself. But you stated you would make up that difference.—A. I was talking then for the firm.

Q. So that the company bargaining that Robert should get 20 per cent., you bargaining for the company, agreed he should get 25 per cent., and that is how you put it before you would make up the difference. Do I understand, that while you bargained for that, you made the company make up the difference?—A. I think the agreements are made——

Q. Don't go that way; answer the question.—A. I am answering to the best of my ability.

Q. Can you answer me?—A. Oh, I did not make the company; the company agreed to what arrangements I made.

Q. Through you?—A. Yes.

Q. Who else agreed to that?—A. The balance of the firm.

Q. Where and when?—A. It was divided in fifths.

Q. What I am asking about is the agreement by which Robert was to get 25 per cent. and not 20?—A. This is a question, it is impossible for me to answer.

Q. Those are questions you have answered in chief. You have made a statement in chief; there was an agreement by which they were to divide in fifths. Did you personally agree to make that 25 per cent.? Have you any answer or explanation to make? At page 176 I find:—

"Q. Did you come to any understanding about that? How did you arrange it?—A. Robert was to have 25 per cent., and no money paid, and I was very anxious to give Michael Connolly a fifth. I talked the matter over with both Mr. Thomas McGreevy and Robert, and showed what an interest I had taken in Mr. Michael

Connolly. I told him that if he would take one-fifth instead of a quarter I would make it up in money in some other way, and they both agreed to it being done in some other way. That is how Robert came to have one-fifth instead of 25 per cent. Q. They both agreed to that?—A. Yes."

A. That is correct.

Q. You also said:—"Q. Had you occasion to make it up later?—A. Yes." My question is, did you ever make it up to Robert?—A. I was talking then to Thomas McGreevy.

Q. Did you ever make it up to Robert?—A. I was talking then to Thomas McGreevy, with whom I made this arrangement.

Q. You said: "I talked the matter over with both Mr. Thomas McGreevy and Robert." Now, did you ever make it up to Robert? Can you answer the question? —A. It was made up to Thomas and not Robert.

Q. When?—A. Immediately after we signed the contract, I think. There was $5,000 paid, but we did not keep a run. These things it is impossible for me to remember, as it was a verbal agreement.

Q. You say it was made up to Thomas immediately after the contract, and that you paid him immediately after the contract $5,000. Did you pay it or did the firm? —A. The firm. I am speaking now on behalf of the firm.

Q. It does not appear, as far as my information goes, that there is any such charge about the date of the contract. Can you take the books—we have the blotter now—and point out where that $5,000, was paid?—A. I have not looked over it; but my impression——

Q. Never mind your impression. We have the blotter now. Let us have the bank book and cheques. Now point out to me that $5,000.—A. We had no money for the company. We were short, and my impression is of my having paid part of it in money and part in note; but the details I would be hardly able to get into, as I was dealing with Robert. I think the money was paid in that way, but I am not positive.

Q. Who was it paid to?—A. That I do not recollect.

Q. But you swear that the money was paid?—A.—I consider a note given as money paid.

Q. Certainly, when the note is paid. But I am putting you in mind of the fact that you have sworn specifically to a $5,000 payment at the time the contract was executed. Granted that it may be in the shape of a note, I want you to put your finger on that payment. You were managing the finances of the firm at that time. Where was that $5,000 paid; for as far as our search of the books is concerned there does not appear to have been any such payment made?—A. I think it will be found after a proper examination.

Q. Where would it be found?—A. That is for the book-keeper to say.

Q. Where did you get the money?—A. In the bank, and gave the note. I think it was part note and part money.

Q. How much money and how much note?—A. I do not think you would know if you had been there at the time.

Q. You are answering. I do not think I would have had anything to do with the transaction. I hope not.

Q. How much note do you think?—A. I cannot tell.

Q. How much cash?—A. I cannot tell.

Q. Where would the note be payable—because we do not find any note and we do not find any cheque?—A. The notes given in that class of work would be made payable at the office to bearer, and not at any bank.

Q. Would you have given your private cheque at all in that matter?—A. I would, if the company had not the money.

Q. How soon after the execution of the contract would the $5,000 have been paid?—A. That I cannot recollect.

Q. About how soon?—A. That I cannot tell.

Q. Have no idea?—A. No.

Q. The contract is dated 8th November, 1884. Why I am asking is, your recollection is that there does not appear to be any written record, and if there is no written record it depends entirely on your memory that there was a payment. I do not find any cheques of your own, nor do I find any notes of the firm or cheques of the firm. That is the importance of your giving details.—A. Those who received the money ought to be better able to answer it than me.

Q. Who did you pay the money to?—A. I cannot tell now whether it was Thomas or Robert.

Q. You cannot tell whether it was a note or whether it was cash?—A. My best recollection is that it was both part cash and part note.

Q. So there ought to be a cheque to show the cash and the note, and should be forthcoming somewhere?—A. Sometimes when I paid cash there would be no cheque. I always kept quite a large amount of cash in the safe for use every day. I would have to have cash on hand.

Q. You have mentioned that with reference to Esquimalt the total payment was, how much?—A. That I cannot answer now. The book-keeper should.

Q. How much did you say in your examination-in-chief?—A. What do you mean?

Q. How much did you say?—A. I said nothing. What is the amount?

Q. You do not know, apart from the memorandum, how much was paid?—A. Do you ask me how much I received as a private member?

Q. No, no. How much was paid in an irregular way with reference to that Esquimalt contract?—A. That is impossible for me to say, as Mr. Connolly paid some of it in British Columbia.

Q. It has been referred to; it has been sworn to, I think, by you (Mr. Geoffrion will correct me if I am wrong) at $35,000, being the amount of the audit?—A. The audit sheet at Quebec——

Q. Here it is at page 178 of the evidence, Exhibit "E 7." You produced that memorandum?—A. I am not accountable for that memorandum.

Q. You are not accountable for that memorandum, but you produced it here. That is part of your case and this is the document which you say was given you.

Mr. GEOFFRION—I think my learned friend makes a mistake. I produced it.

Q. That is the document which you produced?—A. It was the document handed to me by the book-keeper.

Q. At your request?—A. I am not accountable for its correctness.

Q. Was this document handed to you?—A. I have asked Mr. Connolly for a statement of all the moneys paid to both the McGreevys and friends, and he gave me this amongst others.

Q. Will you read it?—A. It reads as follows: Esquimalt Dock, August, 1885, $4,000; February, 1886, $3,000; April, 1886, $1,000; June, 1886, $3,000; March, 1887, $17,000; March, 1887, Three Rivers, $5,000; March 1888, $2,000—Total $35,000.

Q. That memorandum is produced by you, and that is the memorandum on which one of the audit was based was it not?—A. That is for the auditors to say.

Q. Now, do you know anything of that payment of the $35,000, or any items of it yourself?—A. I cannot recollect at this time; I cannot give the details.

Q. Did you make any of these payments?—A. I may have.

Q. Can you say whether you did or did not?—A. I think I did.

Q. To what extent did you make the payments?—A. I cannot state at the present time.

Q. Have you any means of telling?—A. No.

Q. You have nothing in your diaries—will the blotter tell you?—A. That is for the book-keeper to say.

Q. You said yesterday the blotter would help you. Will it help you to say, when I produce it here?—A. I would have to get an expert book-keeper to look over it for me.

Q. Books and figures are no use. I want you to depend on your memory altogether?—A. I depend on the book-keeper—on the correctness of the auditors.

Q. Well, then, are you able to say specifically as to the payment of any sum to any person forming part of that $35,000?—A. I would be, if I had the dates.

Q. Are you now able to swear—not to qualify yourself by examination and then swear—are you now able to swear to the specific payment of any sum which is included in that $35,000?—A. There are some there that Mr. Larkin's letter referred to, but I cannot tell you the date.

Q. I am speaking of payment by yourself.—A. That would be by yourself.

Q. Mr. Larkin's letter would put you in mind of the sum?—A. Yes.

Q. And enable you to recollect the transaction, supposing Mr. Larkin's letter was correct? Is there anything else that you can swear to?—A. To give precise dates and amounts, I cannot mention them.

Q. Can you swear that you paid any person any part of that $35,000, as a matter of your memory?—A. I cannot go into details.

Q. I am not asking for details. Can you swear to any single payment connected with that $35,000?—A. I cannot give dates.

Q. You cannot give dates; you cannot give amounts; you cannot mention persons?—A. Oh yes. I paid part of it to both McGreevys.

Q. How much?—A. I cannot tell, but I paid to both of them.

Q. Can you swear to any specific payment to Thomas?—A. To the best of my recollection the $5,000, as stated, we sent here. We were asked for money by Thomas, but we refused. We met in this Parliament building, I believe in Sir Hector's office, and we came away. I had no money in the company at that time; that is how it was not paid here, but I cannot tell from present recollection.

Q. You cannot say where it was paid, when it was paid or how it was paid?—A. I may have sent it here direct, or I may have given it to Robert to bring here, or—it was paid to him, but I cannot recollect.

Q. You have just a floating idea that the money was paid and that is all?—A. I only want to keep a floating idea of all such accounts.

Q. I dare say. That is all you can tell, about the Esquimalt payments? Have you any vouchers for any payments?—A. I never kept any vouchers or receipts for payments of that kind.

Q. Did you make any entries in your little books?—A. There may be some, but I do not recollect.

Q. Have you any entries in your little books showing payments to Thomas McGreevy?—A. I believe there is an entry there.

Q. One entry for $1,000?—A. There may be more for aught I know.

Q. There is one entry for $1,000, and there is one entry of "Paid Thomas for Robert, $5,000"?—A. I do not think you will get at it that way. I would like to see them.

Q. We will show them to you right in the little books, "July 21st, Thomas McGreevy, $1,000." We had that entry already.

Mr. DAVIES—What year is that?

Mr. OSLER—1887. (To witness). On the 26th January, 1889, is the only other place that we find Thomas McGreevy's name, "Gave $5,000 to Thomas McGreevy for Robert in one hundred dollar bills; O. E. M." Do you find that?—A. That is correct.

Q. Now, Mr. Murphy, these books have been gone through and I am informed that there is not any other entry showing the payment to Thomas McGreevy in them except those two. Now, I want you to say whether that is so or not?—A. I do not know that there is.

Q. You do not know that there is?—A. I have no objection; I may tell you that came——

Q. Well, I am asking whether that is so or not?—A. This is correct. I will read it and explain the whole thing. "Received from L. C. & Co. ten thousand in Banque du Peuple bills, gave five thousand to Thomas McGreevy for Robert in

one hundred dollar bill and fifties O. E. M." I got the money this way: Mr. Martin Connolly went to the bank, I suppose the Union Bank, and drew the ten thousand. Five of it I was ordered by Robert to give to his brother and the other five to pay a note in the Bank Nationale. I was to keep the other five thousand myself till the note came due and pay the note. There was a wrangle between the two brothers and Mr. Thomas tried to get that five thousand from me and I refused. I agreed with Robert to keep it and pay the note which I did.

By Mr. Kirkpatrick :

Q. What date was that ?—A. January 26th, 1887. That is the explanation for that ten thousand.

Q. Well, then, are you satisfied in a general way looking through these books, subject to your right to go over and correct it afterwards that there are no other entries charging Thomas ?—A. I do not know that there is.

Q. You do not know there is. You can of course go over these books and correct that answer if you want to, afterwards ?—A. That is there, only under the conditions on which I received it.

Q. Did you get the cheque represented by that $5,000 ?—A. What five thousand ?

Q. The cheque representing five thousand dollars. What was it a ten thousand cheque ?—A. I just read ?

Q. Yes.—A. I received it in cash.

Q. On a ten thousand cheque ?—A. I do not know what the cheque was, I did not see the cheque at all.

Q. Nor did you have a cheque book account ?—A. That I don't know I never received it.

Q. Now you have no entry in these books showing any payment to Thomas subject to that correction ? Have you any entry in the books showing the payment to, for instance, Sir Hector Langevin that you have sworn to ?—A. Entries in the books about Sir Hector ?

Q. Yes.—A. I do not think there is.

Q. Will you swear there is not ?—A. No.

Q. Will you look ?—A. That is I have——

Q. I want you to look over that.—A. What book would I look in ?

Q. Don't you know when you paid it ?—A. No.

Q. Have you not any idea where you ought to look ?—No.

Q. You don't know the diary or year when you ought to look for it, do you ?—A. I. don't recollect when I paid Sir Hector. I wanted——

Q. No, but try and recollect the year.—A. Give me the amounts and the year. I will look for it.

Q. Oh, but the amount is given there, you ought to know about it.—A. It will take a me long time to go over these things.

Q. It is an important item ; I don't care how long it takes. Go to work, sir, and search and tell me.—A. I will require at least a couple of days.

Q. Oh no, you won't.—A. Oh yes.

Q. Oh no, let me help you by undoing the band. Now, then, take out your book.—A. I certainly must get time.

Q. Now which year will you search first ; just consider ?—A. That I will have to ask the Committee to give me time.

Q. But consider the year. If you will take the year we will help you.—A. The year would be 1886 or 1887. I cannot recollect.

Q. One of those two years ?—A. I think so.

Q. We get down so far, I see. Now, here is 1887 not very many pages you know, and here is 1886. Now you see it is simply a little job.—A. (After looking through the books) I don't see anything in the books.

Q. Try 1886.—A. There is a donation here. It is marked "donation". It would be in October. It would be between the 26th and 28th, a donation of $3,000. If you look on the blotter it will give you an explanation of that. I have marked it

donation. On October 2nd there is $5,000 to Robert H. McGreevy. Whether that is for himself or not I cannot tell. He has drawn, I believe on the same day, $2,000; but no notice of what it is for or anything alse. There is on the same page and marked "P. Valin, donation, $150". That is given to charities. There is a donation on November 2nd of $50. Probably this is what counsel want: I bought some colly wine and we divided it among the members and one small cask went to Sir Hector's house.

Q. Do not get off the track. I want to know if there is any entry there for the $10,000. Do you find any entry?—A. No.

Q. Do you find in the book entries of donations which would be perhaps political payments. You have already mentioned some as you went along.—A. Yes.

Q. So while you find entries of $2,000, $100, $200 and $250 there is no entry as to $10,000?—A. No.

Q. Either in 1886 or 1887?—A. No.

Q. But you selected those two years?—A. Yes.

Q. Now you have entered in that diary from time to time your various special transactions—your settlements with Robert McGreevy—and you entered in these diaries items down as low as $3?—A. Yes.

Q. And I notice that here and there your games of draw poker are noticed?—A. Certainly.

Q. Both your losings and winnings are entered?—A. Yes.

Q. You made entries like that just about the time you were getting up the document: "April 20th—Visited Mr. Tarte at house and in evening played draw poker at my house and won $3 from Robert McGreevy?"—A. I generally got my milk from Mr. Tarte. That may account for it.

Q. We have the scope of these diaries, showing all your entries. We have these diaries showing from time to time your settlements with Robert McGreevy?—A. Yes.

Q. We have these diaries from time to time showing your payments to Thomas McGreevy, but we have no entry with reference to $10,000 you have sworn to; nor have we entries of other sums paid to Thomas McGreevy. Now, tell me, how many payments did you make to Thomas McGreevy altogether, personally?—A. I made several small payments for elections.

Q. How many payments did you make personally to Thomas McGreevy?—A. That is beyond my recollection just at present.

Q. How many can you swear to now? Take your time and think.—A. There are those two that I could swear to.

Q. Those two that are entered. Can you swear to any others?—A. Not without looking over some of the other books.

Q. Presuming, subject to your correction, that there are no other entries showing payments to Thomas McGreevy, can you swear to any others?—A. In the election of 1882 he asked me for $500, which I was going into his office to give him when I met his man outside, who said "I know what you are coming for; I will take it."

Q. Any more sums you could swear to?—A. I gave him on one occasion $250 in his house.

Q. For election purposes?—A. I believe so.

Q. Go on. When was that?—A. I cannot tell.

Q. What year?—A. It is in one of those books.

Q. What year would it be in about?—A. I cannot tell now.

Q. Can you give me any thing more?—A. That $10,000 that I gave him on the dredging contract. There is no entry in my book about that.

Q. Which dredging contract was that?—A. The contract for thirty-five cents per yard.

Q. The contract of 1887. Where did you pay that?—A. In his house.

Q. Any voucher?—A. No.

Q. Any entry?—A. No.

Q. About what date?—A. Previous to the election of 1887.

Q. Any other payments to Thomas McGreevy? Was that last one in cash or by cheque?—A. Cash.

Q. Where did you get the cash?—A. In the bank.

Q. Was it all in one payment?—A. To my recollection it was all in one payment; but I would not be positive about that. I made so many payments it is impossible for me to recollect.

Q. Do not go into generalities, we have had enough of those in chief. About what time would that be? What election was it for?—A. I do not know it was for any election. It was previous to the election of 1887.

Q. Shortly previous to the election of 1887?—A. I think it was.

Q. Have you any entry in the firm's books about it?—A. That I do not think there is, unless I see the papers I could not say.

Q. Then the payments stand on your unaided word?—A. No.

Q. On what else?—A. Mr. Connolly was there. He either drew the cheque or endorsed it.

Q. I am speaking of the payment to Thomas McGreevy—the act of payment?—A. The $10,000.?

Q. Does it stand on your unaided word?—A. No.

Q. What else?—A. Mr. Robert McGreevy came and told me his brother wanted $10,000, and I went to see Mr. Connolly and either one of us drew the cheque or cheques. I was going to give the money to Robert and he asked me to give it to his brother.

Q. So still the act of payment stands on your unaided word?—A. My impression is that Robert was in the house when I paid him, but I will not be positive. That is the recollection I have.

Q. Was he present when the payment was made; did he see it done?—A. To the best of my recollection he was, but I wont swear positive. It was simply this way. The money was in an envelope and I made a remark, handing it to Mr. McGreevy, and we commenced a conversation about something else.

Q. Then what other moneys have you paid to Thomas McGreevy?—A. I cannot recollect all these things.

Q. Can you recollect the payment of any other sum? We have $500, $250, $10,000. We have an entry of $1,000, and an entry of $5,000?—A. I do not think there is a man in the room could answer that.

Q. I am not asking any other man in the room. I want to know were there any other payments to Thomas McGreevy?—A. I am giving an answer to the best of my recollection.

Q. Were there any other payments to Thomas McGreevy?—A. That is all I can tell.

Q. Were there any other payments?—A. You must not ask impossibilities.

Q. Answer my question. Can you tell me whether there were any other payments?—A. I cannot.

Q. You say you paid Sir Hector $10,000—in his house?—A. Yes.

Q. Can you remember the season of the year?—A. No.

Q. You do not know whether it was midsummer or midwinter?—A. I have no recollection.

Q. The occasion has gone from you? You cannot bring the circumstances to mind to enable you to fix the date?—A. No.

Q. It is gone from you altogether? Well, where did you get the money?—A. In the bank.

Q. What bank?—A. We were dealing this——

Q. What bank?—A. I cannot tell which of the two banks it was.

Q. You have no idea which of the two banks?—A. I do not recollect at the present time. I have——

Q. Do you or do you not recollect?

Mr. LAVERGNE—Why should not the witness be allowed to finish his answer? Counsel stops him short.

Mr. OSLER—I want a direct answer to my question.

A. I gave the answer to the best of my recollection and knowledge. I have no recollection. It was either the Bank of British North America or the Union Bank.

Q. You do not know which?—A. You have my answer.

Q. Have you any idea which—which would you think?—A. I cannot tell from my present recollection.

Q. It would be impossible to tell? Have you any opinion on the subject?—A. I cannot state exactly.

Q. Have you any opinion on the subject?—No.

Q. At page 186 of the printed evidence, question at the bottom of the page—"Do you know on what bank they were?—A. To the best of my opinion they were on the Bank of British North America." Was your recollection better the other day than it is to-day?—A. No.

Q. Now, what time of day was it, or night?—A. As far as I can recollect that, I think it was the day time—I think on both occasions.

Q. Did you pay it twice?—A. Yes.

Q. There were two occasions when you paid it, were there?—Yes.

Q. Now, sir, what cheques would help you? Was it your own cheque or the firm's cheque?—A. That I cannot tell.

Q. You cannot tell whether it was your own account or the firm's account?—A. It was on the firm's account that I paid it.

Q. But which account did you draw from? From your bank account or the firm's bank account for the immediate money?—A. I think it would be the firm's bank account.

Q. Did you draw the cheques?—A. That I cannot tell.

Q. What is your view; what is your opinion?—A. It is impossible—there were so many cheques; I may or may not have drawn it.

Q. You cannot aid me in the date by a reference to the cheques at all?—A. No; I do not think I can at present.

Q. To whose order were those cheques drawn?—Can you tell that? Is it all gone from you?—A. That I do not know. We have been in the habit of drawing cheques.

Q. I want the answer to the specific question. Do you know to whose order those cheques were drawn?—A. Sometimes I would draw cheques to Mr. Connolly's order.

Q. That is not the answer?—A. That is my answer.

Q. I asked you do you know to whose orders those cheques were drawn? I want a specific answer?—A. I do not recollect; it may be to mine. It might, but it may be to Mr. Connolly's. There were so many cheques drawn; so many transactions of this kind, it is impossible to say.

Q. At page 185, two-thirds down, we read:—"You drew these two amounts by cheques to the order of Nicholas Connolly?—A. Yes, I signed the name of Larkin Connolly & Co. to the cheques, and I believe Nicholas Connolly endorsed each of them."

A. I thought so, I drew the money and paid it.

Q. What sized bills were they?—A. To the best of my recollection they were hundred dollar bills. Sometimes I asked for bills and the bank would not have them.

Q. But on this specific occasion do you remember? Can you distinguish between this time and another as to what sized bills you got?—A. I was drawing a cheque for one of these parties and I asked for hundred dollar bills in the bank.

Q. On this occasion?—A. I wont on this. I got twenties and fifties. The same thing occurred with me in different banks.

Q. I am asking you to answer a specific question. Can you recollect the transaction of getting bills on this occasion from the bank, and if so the sizes of the bills?—A. I cannot tell.

Q. Is it gone from you?—A. Yes.

Q. You cannot distinguish between that and any other transaction?—A. Any other transactions of that kind.

Q. On page 187 you are asked the question "Large bills?"—A. I asked for hundred dollar bills and they did not have them convenient and I think I got fifties and twenties. Is that correct?—A. I am not positive.

Q. You are not positive. It is a pity you were positive the last time that is all. Do you know whether that item comes in the audit and can you put your finger on it?—A. I don't know. I never looked over the books to see.

Q. You never looked over the books to see. You don't know where it comes in in any memorandum that you have?—A. No, unless what was handed to me by Martin Connolly.

Q. Can you identify the payment at all in the statement? Can you pick it out in the statement that Martin P. Connolly gave you?—A. When the money was ordered it was to be charged to the graving dock at Levis?

Q. Yes?—A. I presume that is the item it is charged to.

Q. If we could find then an item charged to the graving dock in which the cheque was drawn by you and endorsed by Nicholas Connolly in 1886 or 1887 that would be the item would it not?—A. I don't say whether the cheques was drawn by me or Nicholas. I have no recollection how it was drawn.

Q. You said so one day and you don't say so to-day. You answered before "yes; I signed the name of Larkin, Connolly & Co. to the cheque and I believe Nicholas Connolly endorsed each of them"—A. I have no recollection of it now.

Q. Can you point out at all where that ten thousand comes in in the books in any way?—A. I have no recollection beyond the report I received and instructions given.

Q. Look at Exhibit H 9? Have you ever seen that cheque before?—A. (Looking at cheque) I may.

Q. Do you know anything about that cheque, or the cheque of November 21st. —A. I handled so many of these, it is impossible for me to recognize them.

Q. You cannot recognize them at all? Now these are cheques in Martin Connolly's handwriting who signs for the firm?—A. That appears in Nicholas Connolly's signature.

Q. And who signed for the firm in the one of the British North America Bank of 21st of November?—A. That is also the same signature.

Q. Are you able to state whether this ten thousand appears?—A. No.

Q. In any accounts or vouchers?—A. Other than the places it was agreed to be put at that time I never looked at the books to see.

By Mr. Davies:

Q. Agreed by whom?—A. Mr. Nicholas Connolly and myself.

By Mr. Osler:

Q. You of course were interested in seeing that ten thousand come properly in to the audit were you?—A. No I took it for granted, every thing was correct.

Q. And did not make any enquiry?—A. No enquiry.

Q. As to these two cheques your former answer was "I know nothing about them" and that is substantially your answer now. You know nothing about them you say even if these cheques were put in your hand?—A. I have no recollection of them.

Q. You would be unable to turn to any document here, and trace me out this ten thousand dollars?—A. I am unable to I know. It has been a blank in my mind and I wanted it to remain so. I drew the money out of the bank and paid it.

Q. And you wanted it to remain so?—A. Yes.

Q. And you would never be able to trace or put your finger on a place in the firm's books where that ten thousand came in?—A. I have no recollection, I never looked at the books to see.

Q. You would not be able by referring to any book or memorandum?—A. There has been so many changes.

Q. Are you able to point out any memorandum or aid the committee in any way about that ten thousand?—A. I have no recollection myself where or how it has been entered on the books.

Q. Was it in any memoranda?—A. No, I have no memoranda or never kept any.

Q. You could not point it out in any memorandum you got from the book-keeper?—A. Other than it was supposed to be in the graving dock.

Q. Are you sure that item in the graving dock memoranda is this ten thousand?—A. No.

Q. You would not make that statement at all?—A. I don't know where they charged it or how they transferred it.

Q. Or anything else?—A. Yes.

Q. There is a question on page 184 a little below the middle "Will you look at exhibit L 5" printed at page 116 and explain to the committee the ten thousand dollars"? You answered "the item of $10,000 I gave to Sir Hector myself?"—A. That is correct so far as I gave the money. Let me see that item please, excuse me? (Looks at the item) This is a statement that is marked ten thousand, and where I drew money and paid it it was to be charged to this account. I drew the amount on two occasions and paid it but whether the book-keeper has credited it to this graving dock or any other account or made any transfers I have no knowledge. I agreed with Mr. Connolly.

Q. You were asked before in chief: "Can you tell me the year the payment was made?—A. My cheques would show." Do you have your cheques here? Supplement that answer by pointing out the cheques. You have the cheques.

Mr. Geoffrion objected to the question.

Q. The question on page 126 was: "Can you tell us the year it was made?—A. My cheques would show. Q. I have not got the cheques. You cannot say the year?—A. No I cannot say the year." You produced those cheques afterward and my learned friend suggests you may not have all your cheques here. You have already told us you believe you had all your cheques here. That is true.—A. As far as I know.

Q. And you have your bank book here to show whether any cheques are missing?—A. I do not think there are any cheques missing.

Q. Then, sir, I ask you to make good your answer: "I have my cheques here; the cheques will show." That was a specific statement to the Committee that there were cheques you knew of that would identify this transaction. I want you to produce the cheques.—A. I cannot identify the cheques. It is impossible. I have so many transactions of the kind, it is impossible.

Q. Can you make this answer good? Can you fulfil your offer to the Committee that the cheques would show?—A. It is impossible for me now to recognize cheques so long given.

Q. Is this answer correct as you made it: "My cheques would show. Q. I have not got the cheques. You cannot say the year?—A. No; I cannot say the year." You swore afterward that they were the cheques of the firm; but there you say the cheques would show.—A. I stated this to the best of my recollection and belief. I have no reason to change my opinion.

Q. There are no firm cheques which will correspond to that payment. Now I make that statement, and suppose it is correct, would it be your own cheques?—A. I do not know which cheques it would be. I went to the bank, and drew the money and paid it.

Q. Would it be your cheques if it was not the firm's cheques?—A. I think it is the firm's cheques.

Q. You are not sure; if not, then would it be yours. Is that so?—A. I believe the money was drawn by the firm's cheques.

Q. If nobody can find such an item in the firm accounts, would it be your cheques?—A. There must be an account of it in the books. It was perfectly understood between Mr. Larkin and——

Q. I am asking you, supposing we cannot find and we are not able to satisfy the Committee that there is any such payment in the firm's books. Assuming that, would you say you were mistaken in the payment or you got the money on your own cheques?—A. The payment was made and there must be an entry on the books some place.

Q. And it must be made by the firm?—A. Yes; or the book-keeper. The auditors went through the whole thing and had an examination, and stated where and how they would place it. It is a matter that was thoroughly talked about and an explanation given.

Q. It was a matter of discussion?—A. At the time of the audit, I believe.

Q. A matter of objection?—A. No objection.

Q. Why discussion?—A. To say what account it should be charged to.

Q. Now passing to another subject in the meantime. Do you remember the sewer in the South-wall contract?—A. Yes.

Q. There were some changes connected with the works there?—A. Yes.

Q. And you told us that Mr. Thomas McGreevy interested himself in getting those changes made?—A. I believe so.

Q. Had you conversations with him about the changes?—A. I had.

Q. Did you urge the changes?—Were they beneficial to the firm? Did you urge them? Answer please.—A. I think so.

Q. Are you doubtful about it?—A. I think the firm urged the changes.

Q. Did you urge the changes; did you take part in it?—A. I believe so.

Q. And did you go to Mr. McGreevy in the matter (no answer).

Q. You can answer me surely?—A. I think so.

Q. And you invited him to help you in the matter? At page 223, I read;—"And you invited him to help you in that demand? A. I did." Is that correct?—A. I believe so.

Q. Well did you go to Mr. McGreevy with reference to the change in the datum line from which the sewer was to be built or the level of the sewer in the wall?—A. I am not positive whether it was Robert or myself.

Q. Well I want you to swear to details or take back what you have said already about that transaction?—A. What is the question.

Q. Did you see Thomas McGreevy in reference to the change in the sewer?—A. I believe I did.

Q. What was that change? To identify it?—A. It was a lift from the bottom in the datum.

Q. How much?—A. Near three feet

Q. Two feet nine?—A. Somewhere about there or three feet.

Q. Was the change beneficial to the contractors?—A. Yes.

Q. And you believe you went to Thomas McGreevy about it to get that change made?—A. I think so.

Q. Will you swear so?—A. To the best of my knowledge.

Q. You knew it was being done and it was beneficial to the firm that it should be done?—A. Yes.

Q. There was only one change I think in the level?—A. And from brick to stone.

Q. There were other changes, but I am speaking of the change in the level of the sewer? Were there any other changes in the sewer or was there just the one?—A. I think there was two.

Q. What were the two?—A. The change from the bottom, raising it three feet, and using stone instead of brick.

Q. Yes, but the change from the bottom of 3 feet, is what you have spoken of as having seen Mr. McGreevy about?—A. Yes. I talked to him about the stone also.

Q. Just so. Is that your entry on the last page in your diary of 1889 (handing book to witness). Is that in your handwriting?—A. I——

Q. Is that in your handwriting?—A. That is——

Q. Is that in your handwriting? Answer the question, man.—A. I won't answer that.

Q. Answer that question straight? Have you any doubt about it?—A. I——

Q. No explanation now, is that your handwriting?—A. I——

Q. Answer the question. Look at it again, is it your handwriting? Take your eye-glass to it.—A. It may be.

Q. Is it?—A. It may.

Q. Answer the question. Is this your handwriting?—A. Yes.

Q. Now I will read it. On the last page in your diary for 1889, this entry appears in your handwriting, "South Wall sewer has been raised from the original plans and specifications, without my permission, 2 feet 9 inches." Explain it as you like, sir.—A. The explanation is this—That I went to see Mr. McGreevy about this thing and the sewer was raised. I was ordered to sign a bill, and although I was ordered to sign a paper I was not consulted at the time how much it had been raised in the alteration.

Q. How often used you to settle with Robert McGreevy?—A. About every month.

Q. What account had you; how did you come to settle with him; what had you before you?—A. These little pass books.

Q. Only the little pass books?—A. Sometimes a slip of paper.

Q. I would like to get the material upon which you settled with Robert McGreevy upon the 16th February, 1889. I have got the entry of the settlement, now I want the material on which the settlement was made, whether from his account or from your account. How did it come about? You will find it on the last page of the book, I think. (Witness searches unsuccessfully.)

Q. Well, take the settlement of the 3rd December, 1889. I want to see where those figures came from. You settled up with Robert McGreevy then, the amount due you being $1,410. "December 3rd, 1889, settled up with R. H. McGreevy, amount due him, $1,410. This settlement is up to the 1st December, 1889, of all accounts."—A. Yes.

Q. I want to know whether you can give me the material from which that balance was struck?—A. It would be sometimes he would borrow my cheque, and give me a cheque dated ahead, and it may be the sale of some stock.

Q. Yes, but where would they appear when you sat down and arrived at the balance?—A. We would have slips of paper between us.

Q. No books of accounts?—A. No books on my side.

Q. Had he books on his side?—A. I believe so.

Q. Did he bring in accounts, apparently from the books?—A. He would bring the statement to me.

Q. Here are two settlements in 1890. March 18th, 1890, settled up with Robert H. McGreevy. Got his cheque for $298.76. Then March 7th "settled with Robert H. McGreevy, got two cheques of $5,000." Tell me what those two cheques are for?—A. What date is that?

Q. 7th of March.—A. That is an account they owed me, I think.

Q. The two $5,000 cheques?—A. Yes.

Q. You were giving Robert two cheques for $5,000 on 7th of March, 1890, and you cannot tell me what it was for?—A. It may be in payment of those notes.

Q. We don't want to deal in that kind of thing. You know or you don't know. —A. I believe that was the payment of the notes. When Robert McGreevy and myself sold out I received a large amount in notes and I may have given them when the notes came due as his share.

Q. Oh no?—A. Oh yes.

Q. No, because if you look at the entry on 21st May, 1889, you will find the entry of how you settled for this share specifically?—A. What date?

Q. 21st of May, 1889 ?—A. I cannot give any other explanation than is here.

Q. Then, sir, you are in this position as to your memory, that as recently as 7th of March, 1890, you got two cheques for $5,000 from Robert McGreevy, and you cannot tell what they were for ?—A. I think they were for paying ——

Q. I am not asking you about thinking.—A. To the best of my belief it was for paying Richelieu stock.

Q. Apparently that settlement would be some money he owed you ?—A. I might pay for the stock, I don't think he would owe me any other way. I think this is a stock transaction.

Q. You think this is a stock transaction making two even cheques for $5,000 ?—A. I believe so.

Q. Stock transactions do not generally work out even money. That is your best explanation ?—A. Yes.

Q. You quite see that they do not refer to your settlement that you spoke of first ?—A. The notes ?

Q. These two cheques ?—A. They may, as I would not pay him the money without the notes came due. It may refer to that.

Q. But your payments to him were of cheques of 21st May and of 23rd June. Look at your diary ?—A. It is the only explanation I can give. I believe it was a stock transaction.

Q. You give it for what it may be worth ?—A. Yes.

Q. Now you look in your diary of 1885 on 28th April you find an entry. "N. K. Connolly, B. C. $1,000." Do you ?—A. Yes.

Q. 28th July, Robert H. McGreevy, $2,000 do you find that all right ?—A. Yes.

Q. 8th September, Robert McGreevy, $1,000 ?—A. Yes.

Q. 6th November ?—A. This is moneys—

Q. Wait a minute. Now, 16th November, $10,000 do you see that there ?—A. Yes.

Q. Robert McGreevy, $10,000 ?—A. Yes.

Q. 29th September, $5,000 to Robert McGreevy ?—A. Yes.

Q. Are these all in your handwriting ?—A. I believe so.

Q. And they are all entries in your diary ?—A. The dates may vary about these.

Q. They are records of transactions in your book whatever they may be. "2nd October, 1886, Robert McGreevy $5,000," and again on the same day "$2,000" ?—A. Yes.

Q. And on 26th October, you see a donation of $3,000 ?

At this point the witness fainted, and the Committee subsequently adjourned.

HOUSE OF COMMONS, WEDNESDAY, 8th July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigations into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, etc., resumed.

The Chairman read a telegram signed by Chas. Langelier and Ernest Pacaud, Quebec, to the effect that certain newspapers had stated that proof had been adduced before the Committee that the firm of Larkin, Connolly & Co. had paid a note of $700 for them, and asking that they be heard before the Committee on oath in refutation of the charge.

Mr. FITZPATRICK.—I am requested by Mr. Connolly to make a statement that this note came here by the merest possible accident. It was in the bill book brought up by Kelly. This book was put on the table, and the note happened to be inside. It was a mere accident that the note came here and it has not been filed. I am further requested to state that the note was not paid by Mr. Connolly but by the maker and endorser, and has nothing whatever to do with this enquiry. It did not come to Mr. Connolly from either the maker or endorser, but it came indirectly, and I am authorized to state that the note will be given back to Mr. Pacaud.

The Secretary was directed to communicate the foregoing statement to Mr. Pacaud and Mr. Langelier.

Mr. TARTE.—I have just received from my lawyer the statement of Mr. Murphy asked for by Mr. Osler, and of course I take it for granted that the document, which is of very great importance to me, will be given back to me.

(Exhibit "G 10")

"*Statement of Mr. Owen Murphy.*

"I have been a member of the firm of Larkin, Connolly & Co. since our first work, being the Graving Dock at St. Joseph, Levis, a contract made with the Harbour Commissioners, Quebec.

"In 1882 our firm made another contract for dredging in connection with the Harbour Improvements with the Harbour Commissioners;

"It was with this contract that I first became acquainted with Robert H. McGreevy, of Quebec, (brother of the Hon. Thomas McGreevy, a member of the Harbour Commission, and a member of the House of Commons of Canada), and who became a partner with us (Larkin, Connolly & Co.) for the contract of dredging, becoming interested to the extent of 30 per cent. The Hon. Thomas McGreevy was aware of his brother's interest in this work; an agreement in writing was made by Larkin, Connolly & Co. setting forth his interest.

"1. In the spring of 1883, we (Larkin, Connolly & Co.) tendered for the construction of the Cross-wall in connection with the Harbour Improvements, Mr. Robert McGreevy becoming interested to the extent of 30 per cent. by a written agreement signed by us all. The Hon. Thomas McGreevy was aware of this before the tenders went in. We (Larkin, Connolly & Co.) became aware of the position we held as tenderers before being informed officially, and governed ourselves accordingly, by the withdrawal of John Gallagher's and George Beaucage's tenders; and in consideration of $25,000 paid to R. H. McGreevy, in presence of the Hon. Thomas McGreevy, we obtained the contract. This payment of $25,000 was made in June, 1883, by promissory notes made by one member of the firm and endorsed by another, which notes were subsequently retired by the firm at maturity, and charged to expense account.

"2. On or about the 23rd June, 1884, Larkin, Connolly & Co. signed a supplementary contract for certain works for completion of the Graving Dock at

St. Joseph, Levis, and erection of the caisson, with the Harbour Commissioners, for the obtaining of which contract Larkin, Connolly & Co. paid the Messrs. McGreevy the sum of $22,000 in promissory notes of one member of the firm to another, which notes were subsequently paid.

"3. On or about November, 1884, Messrs. Larkin, Connolly & Co. signed a contract with the Department of Public Works of Canada for the erection and completion of the Graving Dock at Esquimalt, in British Columbia, Mr. R. H. McGreevy being, with his brother's (the Hon. Thomas McGreevy) knowledge, a partner in the said contract. That immediately after the signing of the said contract I paid the sum of $5,000 in promissory notes of Larkin, Connolly & Co. for obtaining said contract and for his services to be given to have changes made for the benefit of the firm of Larkin, Connolly & Co., and later on and to the end of the work various large sums were paid to or for him on said contract, amounting in all (exclusive of R. H. McGreevy's share of the profits) to $30,000, as per statement of the Accountant of the firm.

"4. That on or about the month of January, 1887, on a proposition made by the Hon. Thomas McGreevy, our firm met and agreed to pay him (the Hon. Thomas McGreevy) the sum of twenty-five thousand dollars ($25,000) on condition of his obtaining for us 35 cents per yard for dredging in Harbour Works to the extent of 800,000 cubic yards, or thereabouts, instead of 27 cents, our contract average price. The money was paid, most of it direct to himself, part through Robert H. McGreevy. I have seen a memorandum in pencil on this subject, among others, and I recognize the handwriting of Michael Connolly on behalf of the firm. We received the 35 cents per cubic yard for dredging afterwards, beginning with the season of 1887.

"5. On the 3rd of August, 1887, the Hon. Thomas McGreevy came to me and stated that Sir Hector Langevin was going away that evening and wanted money ($5,000); I gave him $1,000, and on the 8th of the same month he received $4,000 from N. K. Connolly; this sum was charged to the firm in the books, as appears by the Accountant's statement, suspense account.

"6. That large sums of money were paid to the Hon. Thomas McGreevy, including special ones above set forth, between 1883 and 1889, amounting to over $100,000.

"7. I also paid to two sums of $5,000 each for these works, and my share of $10,000 paid by Nicholas K. Connolly to Sir Hector Langevin, as so stated by Connolly, which was paid out of the Graving Dock, Lévis; all of which appear in the Accountant's statement.

"8. There were paid to the Hon. Thomas McGreevy, through Nicholas K. Connolly, $3,000 on the 29th of December, 1883, or thereabouts, charged to the British Columbia Dock.

"9. I paid, on or about March, 1886, to the Hon. Thomas McGreevy, $5,000; on this I have letters of P. Larkin dealing with that sum.

"10. The statement of the Accountant shows $3,646 paid to one inspector on the Harbour Works dredges, $1,660 to another, and $445 to a third; all the partners had to contribute their proportion to these payments.

"I have a statement signed by the Accountant of the firm, O. E. Murphy, setting forth all the payments, and others, as above.

MR. O. E. MURPHY recalled, and his cross-examination continued.

By Mr. Osler:

Q. Is that your signature, Mr. Murphy (showing foregoing statement) ?—A. I believe it is.

Q. Is that the only paper you signed ?—A. I may have signed another.

Q. What is your recollection ?—A. My recollection is that I have.

Q. Who did you give the other paper to ?—A. I don't recollect.

Q. Well, what was the purpose for which the other paper was signed ?—A. The same as this, I suppose.

Q. Was the other paper identical in its terms, or was there a variation ?—A. That I cannot tell at present.

Q. Who wrote it and dictated it to the typewriter ?—A. Robert McGreevy, I believe.

Q. And was the draft in manuscript before it was dictated, or was it brought to you in its present condition for signature ?—A. It was brought to me in its present condition.

Q. Did you make any alterations in it ?—A. Not myself.

Q. Were any alterations made ?—A. I don't know.

Q. You see the paper now produced apparently has no alterations or corrections. Was the document brought to you just as it is ? and was this the first you knew of it, or how did it come to be prepared ?—A. That is more than I can tell. I got it prepared and I signed it.

Q. You got it prepared ?—A. It was prepared for me.

Q. Then where was it you signed it ?—A. I signed one in Mr. McGreevy's house—I don't know which of them it is.

Q. Mr. Robert McGreevy's house ?—A. Yes.

Q. At his request ?—A. Yes.

Q. Were they both in typewriting ?—A. I think they were; I am not positive to the best of my recollection.

Q. Did you hand this to Mr. Tarte yourself, or did you give it to Mr. Robert McGreevy ?—My recollection is I gave it to Robert McGreevy. I am not positive on the subject.

Q. Then, it being your statement, what information had you given on which these paragraphs were founded before the document as prepared was given to you ?—A. I was asked if the moneys shown in that statement was correct, and I told them substantially it was so, but the dates were not correct, and as near as I can recollect the amount of money was paid.

Q. What did you do to verify the dates and the amounts. Did you do anything ?—A. Nothing.

Q. Then, substantially, you took it as prepared by Mr. Robert McGreevy ?—A. Yes.

Q. Did you look over it and sign it ?—A. Yes.

Q. Can you say the month ?—A. No.

Q. The exhibit now produced has no date ?—A. I cannot tell the month.

Q. Do you know the time of the year it was in ?—A. To the best of my recollection it was early in 1890; I am not positive upon the subject.

Q. Well, I presume you read it over before you signed it ?—A. That I am not positive about.

Q. You are not positive as to that. Was it read over to you ?—A. I glanced over a few items and took it for granted it was all right, and signed it.

Q. And that is the way in which you gave your signature ?—A. That was the way.

Q. Did you sign another one, in which Frank McGreevy witnessed your signature ?—A. I believe I have.

Q. Where is that ?—A. I cannot tell.

Q. Where did you last see it ?—A. That I cannot tell.

Q. To whom did you give it ?—A. That I do not know.

By Mr. Stuart :

Q. There were certain papers produced by you yesterday, or the day before. Will you kindly look at this one and state whether that was received by the firm of Larkin, Connolly & Co., and is signed by Mr. MacEwan, the then Cashier of the Union Bank ?—A. I cannot recognize any papers that have been out of my hands so long. I do not recognize them at all.

Q. This paper was produced out of your bag yesterday. You saw it there. Look at it, and see whether you recognize it ?—A. I refuse to recognize any papers or books out of my control.

Q. Do you refuse to look at it, to see whether you can identify it or not? I would like you to look at that, and see if you can state whether or not you ever saw it before on any occasion?—A. I may have seen it, but I am not positive.

Q. You are not able to state from your recollection if ever that letter was received by the firm of Larkin, Connolly & Co.?—A. I cannot tell. It may have been received by myself, but I am not positive.

Q. Will you state, then, how it came to be found in the bag produced by you, and purporting to contain your private papers?—A. There are a number of papers in my bag not received by me—papers of Nicholas and Michael Connolly, both.

Q. How did this paper come into your possession?—A. That is more than I can tell.

Q. Will you look at the endorsation on this letter, and state whose handwriting it is in?—A. That I cannot tell.

Q. The letter reads as follows:—

(Exhibit "H 10.")

"UNION BANK OF LOWER CANADA,
"QUEBEC, 3rd June, 1885.

"Messrs. LARKIN & Co.,
"Contractors, Quebec.

"DEAR SIRS,—As desired by you I beg to inform you that from this date all cheques drawn upon this bank by your firm will require to be signed by one member of the firm and endorsed by another. This applies also to promissory notes. Kindly call and leave specimen of the two signatures to be used.

"Yours truly,
"R. MACEWEN,
"*Cashier.*"

You cannot account for this paper being along with the private papers produced by you before the Committee?—A. I cannot tell.

By Mr. Kirkpatrick:

Q. In whose handwriting is the endorsation?—A. I cannot tell.

By Mr. Stuart:

Q. Is that not the handwriting of your son?—A. No.

Q. You have no idea in whose handwriting that is?—A. Not at all.

Q. Not the faintest?—A. Not the faintest.

Q. Have you ever seen the handwriting before?—A. I cannot recollect.

Q. That was the bank you carried on your business at?—A. Yes; at the time.

Q. Was the suggestion given in the letter acted on by the firm?—A. It was for a while, and it was found inconvenient, and that we could not get along that way, and a letter was posted with Union Bank to the effect that I was to draw the cheques, or either one of us—either myself or Mr. Connolly—and one signature to be enough for a cheque or draft or note.

Q. So you recollect the circumstances, at any rate, in connection with the receipt of this letter?—A. There was something about it, but I cannot give you the particulars.

Q. Will you look at the note also produced by you from among your private papers, and state whether you recognize the signature and endorsation on the back of it "E. Murphy"?—A. That I cannot tell.

Q. Do I understand you to say you cannot tell whether that is your signature or not?—A. I am not positive. It may be or it may not.

Q. Whose else is it if it is not yours?—A. I do not know.

Q. Do you recollect the circumstances connected with this note?—A. No; I do not.

Q. The signature which the witness is asked to identify is the signature on a cheque in these words:

"QUEBEC, CANADA, 15th September, 1881.

(Exhibit "I10.") EXCHANGE BANK, OLEAN, N. Y.

Please pay E. Murphy or order Twenty-three hundred and fifty dollars—($2,350.00.)

"N. K. & M. CONNOLLY."

Q. Did you get any money upon that bill?—A. I do not know whether I did or not. There is a lot of these bills and receipts and notes, and other matters connected with this oil business. This may be one or it may not. They are all in my bag.

Q. How did you come possessed of it?—A. The same as other documents in my bag that you looked over and picked out.

Q. How did they come into your possession?—A. They might be directed to me and put in my care.

Q. But were they?—A. They were all in the bag, and you looked over them yourself.

Q. But were they?—A. They might be.

Q. Surely you can answer and be a little more positive?—A. I believe they were.

Q. By whom?—A. By the Connollys.

Q. This was an order on the bank where you were doing business down there?—A. I have done some business there for the Connollys—sold some oil wells for them.

Q. In Olean, New York?—A. At Knapp's Creek.

Q. Is that the place where you were doing the banking business in connection with this transaction?—A. It was.

Q. As a matter of fact, this is your signature?—A. It may be.

Q. Do you know anybody else's signature that it can be, under the circumstances? A. It is pretty hard to identify papers and signatures that have been so long out of my possession.

Q. How long has it been out of your possession?—A. You took it out yesterday, I believe.

Q. You cannot identify a paper that only left your possession yesterday?—A. I am going to identify nothing unless you take all the paper in connection with it.

Q. Oh, that is the objection. Well, you see we don't want the other papers in connection with it. The only question is, as to that being your signature.—A. They are very important to me.

Q. Not for my purpose; I don't want them. I want you to say if that is your signature?—A. I am not positive.

Q. Can you suggest any person whose it may be?—A. No.

Q. Please look at a note produced here, which reads in these words: "On demand I promise to pay to Mr. E. Murphy or order $400,000 for value received without defalcation or discount—Michael Connolly. Endorsed to the order R. H. McGreevy, E. Murphy without recourse." And state whether the endorsed name, E. Murphy, on the back of that note, is your signature?—A. I believe it is.

Q. I find among the papers produced by you yesterday a letter from the Department of Railways and Canals. Will you state that letter which is dated 28th December, 1888, addressed to Messers O. E. Murphy and Robert McGreevy care of O. E. Murphy, Esq., contractor, Quebec, was received by you in ordinary course?—A. I believe it was.

Mr. EDGAR.—What letter is it?

Mr. STUART.—It is merely a letter returning a deposit receipt on a tender. I will read it:—

(Exhibit "J10.") "OTTAWA, 28th December, 1888.

"GENTLEMEN,—I am directed to return you the enclosed deposit receipt for seven thousand five hundred dollars ($7,500), which accompanied your tender for the work to be done at the upper end of the lower entrance of the Sault Ste. Marie Canal.

"I am, Gentlemen,

"Your obedient servant,

"A. P. BRADLEY.

"To Messrs. O. E. Murphy and Robert McGreevy, care of O. E. Murphy, Esq., enclosed deposit receipt No. 5017, from the Union Bank of Canada, for seven thousand five hundred dollars, dated Quebec, 6th December, 1888."

Re-examination continued by Mr. Geoffrion :

Q. Will you explain more fully to the Committee the nature of the money which you held in trust in New York when you left that place?—A. It was money collected as Excise money.

Q. From whom?—A. From different liquor dealers.

Q. Will you state to the Committee whether there was any difficulty as to the property of that money? Was it held under litigation?—A. Yes; part of it.

Q. You stated you were also a school trustee?—A. Yes.

Q. Did any of that money belong to the school trust?—No.

Q. To whom did the money you drew upon actually belong?—A. It belonged as much to myself as anybody. I may state it was money I carried the liquor deals on by receipts over the year, and the question came up by the temperance men, excitement and suits commenced, and I went to pay the money to the comptroller, and he refused to take it, the difficulties and excitement was so great. I gave him $100,000 about thirty days or so previous, on which were granted licenses, and the balance was in litigation. He refused to receive the money, as he had no means of paying it back if he received it.

By the Chairman :

Q. This excise board—was it a Government or municipal office?—A. Municipal.

Q. It was a municipal institution?—A. Yes.

Q. You were treasurer of that board?—A. Yes.

Q. Did you take an oath of office?—A. Not that I recollect.

Q. Are you sure about it?—A. I am not positive.

Q. Of course, an oath of office would be that you would faithfully discharge the duties of your office. You understand what an oath of office is?—A. Yes.

Q. You don't recollect whether you took such an oath or not?—A. I do not recollect.

By Mr. Geoffrion :

Q. Were Nicholas and Michael Connolly aware of the circumstances under which you left New York?—A. They were.

Q. Did they interest themselves in your affairs in New York after your coming to Canada?—A. They did.

Q. In what manner?—A. They acted for me. I bought some property in their names, each of them, and I gave them some money to go back and pay some debts, which was butcher and grocer bills, and different things. One man they paid five thousand for me. Another place, where I owed a note, I sent five hundred back and had it paid. I had made an endorsement on the note, and promised the party that took it if the makers failed that I would pay it, and I did so.

Q. Had you been also a member of the State Legislature?—A. I was.

Q. Were you when you left New York?—A. No; I was a member in 1866 or 1867. I was elected in 1866 and up to 1870—'67 and '70.

By the Chairman :

Q. You say your antecedents were known to the Connollys?—A. Yes.

Q. For how long have they been known in the city of Quebec? Were they known generally in the city of Quebec?—A. What years?

Q. Ever since you have arrived there?—A. They were known over in St. Joseph and Lévis. The Connollys knew it.

Q. I am not talking of the Connollys. Were your antecedents generally known in Quebec after your arrival?—A. It was all published in the newspapers.

Q. When was it published in the newspapers—about the time you arrived?—A. I believe so.

Q. Do you know whether Mr. Tarte was aware of these antecedents?—A. I do not know. I never spoke to him about them.

Q. Were these antecedents mentioned in all the newspapers of Quebec?—A. That I do not know.

Q. Can you mention any one of the newspapers in which they were mentioned?—A. No.

By Mr. Geoffrion:

Q. The New York press wrote many articles about you when you left?—A. I believe so. I do not know of any Canadian papers.

Q. When you spoke of newspapers you meant newspapers in New York?--A. Yes.

Q. You have fyled diaries before this Committee covering several years. Did you read them recently or examine them in any way before fyling them?—A. I have not.

Q. How long ago did you take communication of them?—A. At the time I sold out to the Connollys I simply picked them out of the safe and put them in a box, and I do not know as I ever looked at them since.

Q. If you looked at memo. it was for a special purpose. You did not read them all through?—A. No.

Q. Many entries in these diaries refer to donations and many other matters, but did you enter in these diaries all the payments, either by way of donations or otherwise, that you made for the firm of Larkin, Connolly & Co.?—A. No; I would state that any donations of Robert McGreevy, wherever his name is mentioned, it would be money chargeable to his own account and not given as donations.

Q. If I understand you rightly, these diaries were not regular books; they were memoranda?—A. That is all.

Q. In which you did not enter all your transactions?—A. No.

Q. You have already stated that you did not make any entries in the books of Larkin, Connolly & Co.?—A. No.

Q. That you only instructed the book-keeper to do it?—A. Yes.

By Mr. Davies:

Q. Do these books contain any alleged payments to Thomas McGreevy by the witness?—A. Only one, and it came in this way: Mr. McGreevy appeared to come in a hurry and I drew my cheque. He came for $5,000. I had not the money and I do not know whether the company had it. I simply drew my cheque and went to the bank and gave it to him. I made that entry so that there would be $4,000 more due.

By Mr. Geoffrion:

Q. What is the entry?—A. $1,000.

Q. It was paid on a call for $5,000?—A. That entry on that date would not be made unless I wanted to get that cheque back from the company.

By Mr. Davies:

Q. Is that the only entry in your book that has reference to these alleged payments to Thomas McGreevy?—A. That is all.

By Mr. Geoffrion:

Q. That is all you find?—A. This other account was simply between the brothers. I gave $5,000 to Thomas and $5,000 was retained to pay the note in the Banque Nationale, and had nothing whatever to do with this $10,000.

Q. It was business between the two brothers?—A. Yes.

Q. Although you did not make any entry in the books, are you a book-keeper? Do you understand book-keeping?—A. No.

Q. You relied upon the book-keeper for the way entries were made?—A. I did.

Q. Giving him only the material?—A. I did.

Q. When the certified copies of audits were handed to you, did you take the trouble to verify any of the general items contained in them; or did you rely upon them?—A. I relied upon them as handed to me.

Q. Have you kept any document or paper which you know is in existence in connection with your private affairs or your connection with Larkin, Connolly & Co?—A. I have not unless what was in the bag and returned to me here.

Q. You have mentioned that you were approached by a Mr. Davis offering his good services to try a settlement of your difficulties with Thomas McGreevy and that you also stated that he had several communications with you?—A. I was.

Q. In these communications did he make you any reports about his interviews with Thomas McGreevy?—A. He did. (Counsel objected.)

Q. As a result of these reports had you an interview with Mr. Thomas McGreevy?—A. I had,

Q. What was the result of that interview?—A. Nothing.

Q. You could not agree to anything?—A. Mr. McGreevy wanted me to sign a paper stating that he received no money from me or that he did not know his brother Robert was a partner—something to show to Parliament to cover himself—and he then made several suggestions. One amongst them was to withdraw the suit from his brother. I told him as far as I was concerned I had nothing to do with it and would not sign any papers. There was a good deal of talk about different things. He sent me a paper by Mr. Davis to sign, stating he wanted to send it out to the country and I refused.

Q. In your cross-examination you were referred to page 114 of the evidence, and asked what had been the amount of your tender for the final contract—the lump sum contract—for the Lévis dock. Will you look again at the same page?

MR. OSLER.—That is leading him.

Q. Will you look again at the same page, and say what was the amount of that tender?—A. The supplementary contract?

Q. What you call the supplementary contract?—A. The bulk sum was $64,000 and ten thousand to be added which do not appear in the contract, to be added afterwards the caisson which would make $74,000.

Q. And as a matter of fact was the caisson built?—A. Yes.

Q. And you were paid $10,000 for that work?—A. Yes.

Q. Will you refer again to the little diary for the year 1889, at the last entry in the book, and explain what you mean by what you have written there?—A. That is correct as far as I know.

By Mr. Edgar:

Q. Will you read it?—A. "The south wall sewer has been raised from the original plans and specifications without my permission two feet nine inches or thereabouts."

By Mr. Geoffrion:

Q. Explain what it means from your knowledge?—A. In 1887 I had charge of the work and after my interview with Thomas McGreevy for the substitution of stone for brick I sent a communication to the Harbour Commissioners stating that it would be no extra cost either per running foot or yard when finished, and letters and agreements had passed between the commissioners and myself accepting the proposal. I tried to get the datum of the sewer raised a foot but nothing came out of it. Or no letters passed between the Harbour Commissioners and myself in 1888, and when Michael Connolly I might say took forcible possession, or took charge of the works, my interviews ceased and I knew nothing about it. No letters passed from me to the Harbour Commissioners or from them to myself giving the promise or acknowledging it was going to be done either from the engineer in charge or the Harbour Commissioners. So both statements of mine are correct.

By Mr. Langelier :

Q. I do not understand exactly your answer. I would like to understand exactly what change you wanted and what change was eventually made?—A. I tried to get it raised up a foot in 1887 and I failed. Nothing came of it and nothing was done. In 1888 Mr. Connolly had more influence than I had and how he got it done was a mystery to me. I know nothing further about it.

By Mr. Edgar :

Q. What did he get done?—A. The sewer raised three feet higher above the datum level than was originally arranged by the engineer.

Q. Was that an advantage to the contractors?—A. Yes.

Q. To have it raised a foot.—A. Yes.

Q. And to raise it two feet nine inches was a still greater advantage?—A. Yes.

By Sir John Thompson :

Q. I wanted to ask you about the circumstances connected with the removal of the engineer at Quebec whose name I think was Pilkington. There were some questions asked you on cross-examination about the complaints made in the newspapers, and you said that they were principally written by yourself or you got them published. What was the nature of the complaints that appeared in the newspapers? Did they relate to his competency or his habits?—A. More to his competency. I never knew the man had any bad habits.

Q. What is the fact about the publications; were they true or not?—A. They were mostly dictated by the firm. There was a gentleman named Sewell, now dead, who wrote in the papers. He borrowed money on account and there was a letter here from his wife to redeem $200.

Q. What I asked you was, whether the complaints made in the newspapers, and which your firm wrote or got published, were true or otherwise as regards Pilkington?—A. I did not read any of the letters myself, but they were written by our firm.

Q. Were the complaints true?—A. That I cannot tell. The men who wrote these letters are the best judges.

Q. You have said that you took them to the papers and got them published. Do you not know enough of his work to say whether they were true or not?—A. We were always finding fault with Mr. Pilkington, but whether they were true or not I cannot say. I brought only one letter to the paper and I do not know what it contained. The others was given by different parties.

Q. Did you pay for their publication?—A. The one published in the *Telegraph*.

Q. You paid for the one in the *Telegraph*?—A. There was nothing paid. Sometimes, as far as I know, they would come and borrow some money and neglect to pay it back.

Q. The newspapers?—A. Yes; some of them.

By the Chairman :

Q. Did you expect it to be paid back?—A. Some of it I did. I got receipts from them, but they never paid. They paid part of it—one or two of them did.

By Mr. Curran :

Q. Were you elected to that office of Treasurer of the Municipal Excise Board, or were you appointed?—A. Appointed by the Mayor and confirmed by the Board of Aldermen.

Q. What was the date of your appointment?—A. That I do not recollect.

Q. How long were you in office?—A. About two years, I think, or over.

Q. Your duties consisted in collecting these dues from liquor dealers. Was that the only act you had to do?—A. No; our clerks received it and I simply—as there was a commission of three—signed the licenses when the inspectors reported that the man was of good moral character and had three spare beds. There was great

confusion as to who we could give licenses to, as it came under the Hotel Act. To a man who sold liquor without having a restaurant, it was illegal to give a license.

Q. What I wanted to get at was this: These moneys that were received, were received by you. They were absolutely under your control?—A. They were under my control.

Q. Did you not keep books in order to keep your accounts straight?—A. We had a number of clerks and inspectors who kept the books.

Q. Didn't you supervise them?—A. Scarcely ever. That the President of the Board looked into.

Q. You felt you were not competent to supervise the books.—A. It was not my duty. We had a President and a Secretary and a Treasurer. It was not my place to look over any of the books.

Q. You had no books to keep?—A. Not myself, as far as my treasurership went. The chief clerk kept all the books, and his assistant received the money.

Q. So there was no necessity of any knowledge of book-keeping in that office?—A. We had a very extensive staff of first-class book-keepers and clerks.

Q. But as treasurer there was no necessity for a knowledge of book-keeping?—A. I simply received the money in a bulk sum from the chief clerk. It would be deposited in the bank by him, or one of his assistants, to my credit.

By Mr. Edgar:

Q. Were there two classes of fees received by you in New York?—A. Well, it was all deposited to the same account. The one that we would grant licenses to, the money from that, every thirty days or when I had a certain amount, I paid in to the Comptroller. Then every year that money would be divided among the charitable societies.

Q. You said awhile ago that you had paid in some large sums to the Comptroller. There appears to have been some other large sums you did not pay in to the Comptroller. Where were they kept?—A. In the bank.

Q. To whose account?—A. My own.

Q. To whom did they belong?—A. They belong to the Comptroller of the Treasury.

Q. Had licenses been issued for these?—A. No. There had for some of them. But there was a large amount left there.

Q. In the taking of the large amount, which you took or gave for election purposes, I want to know what kind of fund that was in?—A. The same fund; but there was no licenses granted for it.

Q. Were there receipts?—A. Yes, under which an agreement was then made between the Comptroller and the Police Commissioners that they would recognize these receipts and carry the liquor dealers over for the year.

Q. Licenses had not been issued for these. That is the distinction you draw?—A. That is the distinction.

Q. I was looking at that document that you signed and that was handed in by Mr. Tarte just now, and I see in paragraph 7 of that a blank. Did you notice that it reads: "I also paid to ———— two sums of $5,000 each for these works." Why was that blank left there when you signed that?—A. I wanted no person to know outside of the firm where that money went. That was with reference to the $10,000 I gave Sir Hector.

Q. Did you tell Mr. Tarte to whom you gave it then?—A. No.

Q. Have you now, or have you ever had, any ill-feeling towards Sir Hector Langevin?—A. No.

Q. Any cause for it?—A. No other than what I stated. I have always thought I have not been treated fairly in the Kingston dock, but I want no malice against them or anyone else—even Mr. McGreevy. I never had any malice or intention to state this.

Q. I want to be clear. Did you draw the $10,000, which you told us you paid Sir Hector Langevin from the firm before you paid it to him?—A. I drew the money. On the day that the money was drawn, I gave the money to Sir Hector on that day.

Q. You did not give it to Sir Hector until you had drawn it from the firm ?—A. From the firm.

Q. Do you claim to have paid to Sir Hector a cent more than you had previously received from the firm ?—A. No.

Q. You claim to have paid none out of your own money ?—A. None.

By Mr. Mills :

Q. Had you talked with the other members of the firm, or any one of them, or anybody else in reference to the payment of this money to Sir Hector before it was paid ? How came you to go to Sir Hector to give him money ?—A. By direction of Nicholas Connolly.

Q. What conversation led to that ?—A. He had talked over the matter with Sir Hector. He was not getting his share with the McGreevys dividing equally and did not know whether he was getting any and he wanted me to give this amount in secret. That is all I have got of the transaction.

By Mr. Davies :

Q. In reference to that $10,000. Your statement is there must be cheques of Larkin, Connolly & Co., which will represent the sum drawn by you and if those cheques are not forthcoming it will look bad ?—A. I cannot tell.

Q. They must be there, if your statement is true ?—A. Yes.

By Mr. Tarte :

Q. If the books were clearly examined do you believe ?——(Counsel objected.)

By Mr. Geoffrion :

Q. Have you any recollection of the manner in which the money was paid or was it paid hand in hand or any other way ?—A. Do you mean how I paid the money ?

Q. Yes, did you count the money ?—A. I have been in a habit of getting all five thousands in a bunch tied up in different banks. They put them up so. It was handed to me and I had a large envelope and put it into my pocket. I went and put it on the desk and said "Here is a little present," and after some talk Sir Hector pulled out his drawer and shoved it in. That is all about it.

Q. Then there was no corrupt agreement at all ?—A. Oh, no. I state here that Sir Hector never asked me for a dollar for himself or any election purposes. The money was given simply as a gift. I wanted to make that statement at the time I did, but Mr. Curran put me some questions and there got up a wrangle, I think, over the matter and it dropped from my memory. What I mean as a wrangle was there was five or six gentlemen talking together.

By Mr. Edgar :

Q. I want to ask you a straight question now. Have you any knowledge of any payment or any gift being made by or on behalf of the firm by yourself to Mr. Perley or his family ? You have to answer, you know. From what I have heard I want to know ?—A. Yes.

Q. What was it, or when was it ?—A. Mr. Michael Connolly told me——

(Counsel objected.)

Q. I am not asking what you have been told, but what you know yourself.

MR. OSLER.—Only your own knowledge.

Q. Come now, you must tell me if you know it ?—A. I was sent here to give Mr. Perley, or see if he would take it, $2,000, and he refused ; but said he would take a little present, naming what it was, and I returned to Montreal and purchased very nearly the amount in jewellery and other things, and sent them to his wife. Afterwards I met him and hearing about the amount I sent he rebuked me for doing so.

Q. What did he say ?—A. He said I done wrong and sent too much. He meant a ring or breast pin or something of that nature and stated I sent too much.

Q. Was any of it sent back to you ?—A. No.

By Mr. Tarte:

Q. What was the amount ?—A. I think it was $1,885, the total cost, as near I can recollect and the other hundred I gave to a clerk connected with the public works here in Ottawa, which made $1,985, and the other 15 I applied for my expense in coming here.

Q. Who was the clerk ?—A. I forget his name.

Q. What office was he in ?—A. I think he was in Mr. Perley's office.

Q. Did you know him ?—A. Yes.

Q. By sight ?—A. Yes.

Q. Know him by name ?—A. I forget his name now. He asked me for $50 in the Windsor House—the loan of it—and the bills of mine were all hundred-dollar bills, and I had a friend with me and I did not want him to see me count or "break my pile" and I simply took $100 out of my pocket and handed it to him.

Q. Was that in Montreal ?—A. Here in Ottawa.

Q. He had asked you ?—A. Yes; I was stopping at the time at the Russell, but with a friend of mine we incidentally went into the Windsor House.

By Sir John Thompson:

Q. Do you mean to say you do not know his name ?—A. I cannot think of his name now.

Q. But you knew him pretty well ?—A. I knew he was connected with the office.

Q. What office was he in—what branch ?—A. I think he was in the Chief Engineer's office.

Q. Would you know him by sight ?—A. He called me by name and we had some talk. I knew he was connected with the office and he made reference to some papers there.

Q. What did he call to see you about ? Business or to talk ?—A. No; I met him accidently either in the bar room or office of the Windsor Hotel. It was an accidental meeting.

Q. What year was that ?—A. I think it is January, 1887.

Q. Will you be able to recall his name to your memory or has it escaped your memory for the moment ?—A. For the moment.

Q. Can you get his name ?—A. I think so.

By the Chairman:

Q. Did you know at the time he was in the office of Mr. Perley, or was it told to you at the time ?—A. I knew at the time. The young man who was with me was from Quebec, but he did not know the amount of the bill.

Q. Where does the entry appear of this $100 and of payments for jewellery ?—A. I see by the cheque entered here it was January the 24th, I think.

Q. You are referring to the cheque ? You drew the money on a cheque and brought it along in a pile, as you spoke of it at the Windsor ? I want to know where the entry appears of these payments ?—A. That is for the book-keeper to tell, as there was to be $1,000 charged to one work and $1,000 to another. I cannot explain any further.

Q. They were to be charged in the books of Larkin, Connolly & Co. ?—A. To the different works.

Q. A thousand to what work ?—A. As far as I recollect $1,000 to the British Columbia work and $1,000 to the Quebec works.

Q. To what account was it to be charged ?—A. That I cannot tell. There would be only one account, which was an open account. Whether it was the dredging or cross-wall I do not know.

Q. Do you know whether it was expense account or not?—A. I suppose that would be the account.

Q. What members of the firm knew of this payment?—A. I believe the two Connollys.

Q. You left it then to them and the book-keeper to make the proper entries?—A. Yes.

Q. Did the book-keeper know how the money had been applied?—A. The conversation was general and they had directions given. I think he does. I am only talking from memory.

Q. You have no entry in your own little books of these affairs?—A. No.

By Mr. Geoffrion:

Q. Where did you buy that jewellery?—A. In Henry Birks', St. James Street, Montreal.

By Sir John Thompson:

Q. What lapse of time occurred between the payment of the hundred dollars and the purchase of the jewellery?—A. I left Quebec and got here the next day, and it was the following evening that I met this clerk. It was the next day.

Q. How long after was the jewellery bought?—A. I returned to Montreal that night and expressed it here next day.

By Mr. Edgar:

Q. Do you know to whom it was expressed?—A. Mrs. Perley. I sent no name in it. So she did not know where or from whom it came, as far as I know.

Q. Have you the bill of it?—A. I had.

Q. Have you it now?—A. No.

Q. Did you get the bill in your own name?—A. No.

Q. How did you get it?—A. Mr. Birks asked me the name and I did not like to have it traced, and so I told him Jones or some name like that. I think I recollect it was Jones.

Q. At any rate, was it all one order given the same day?—A. Yes; and shipped the same evening.

Q. You gave shipping instructions?—A. I shipped it myself.

Q. You got it away from the dealer, had it sent to you and ordered it shipped?—A. He put it in a box. I told him to have it put in a box and that I would call for it at a certain time at night. It was sleighing. I got it in the sleigh, as I did not want Mr. Birks to have any address—Dr. Russell came in the house and I did not want him to know I was buying so large an amount—and I took the box in the sleigh and went down St. François Xavier Steeet and expressed it.

By Sir John Thompson:

Q. Who put the address on the box?—A. The clerk. There was no name on it in Birks place. I had that done in the express office.

By Mr. Edgar:

Q. As to this payment of $100, you said this clerk in the Public Works Department asked you for a loan of $50?—A. Yes.

Q. And instead of loaning him $50 you loaned him $100?—A. Yes.

Q. Has he paid it back?—A. No; I never expect it.

By the Chairman:

Q. Did you mention to Mr. Perley the price of your gift?—A. I do not think I did.

Q. Then how did he come to mention to you that he never expected it would cost so much, or something like that?—A. I met him soon after———

Q. How soon after?—A. I cannot tell, and he had one of the rings on his finger and a pin.

Q. A diamond ring?—A. Yes.

Q. And a diamond pin?—A. Yes.

Q. You never told him how much you paid for these gifts?—A. Not that I know of.

By Mr. Dickey :

Q. Will the witness describe what the gifts were?—A. Chiefly diamonds.

Q. What were the articles?—A. Rings and broaches.

Q. How many rings?—A. That I cannot tell. I would have to see the bill.

Q. Were the rings all diamonds?—A. All diamond rings.

Q. You do not know how many?—A. I cannot tell that.

Q. How many broaches?—A. That I cannot tell.

Q. Were they all diamonds?—A. Yes.

Q. Were there any necklaces?—A. I think there was bracelets, but not a necklace.

Q. Were they diamonds?—A. Set with diamonds.

Q. Were there any other stones that you remember in the bracelets?—A. That I do not recollect.

Q. Then the stones were all diamonds?—A. Yes, as far as I can recollect.

Q. Bracelets, broaches and rings—was there any gentleman's jewellery amongst them?—A. There was.

Q. What?—A. I described a breast pin and diamond ring.

Q. The rest was ladies' jewellery?—A. Chiefly.

Q. What was there of gentleman's jewellery except the breast pin and one ring?—A. I do not recollect.

By Mr. Curran :

Q. Did you enter that in your diary?—A. No.

Q. Did you take a receipt from Birks?—A. I did.

Q. Where is it?—A. That I do not know.

Q. Is there anything in your book with reference to it?—A. There is nothing in my book.

By Mr. Tarte :

Q. Do you know Mr. Perley's son who is, I believe, engineer of the Kingston Dock?—A. I would not know him if I met him. I have met him once I believe, he was introduced to me, but I would not know the man if I met him.

Cross-examined by Mr. Osler :

Q. From whom did you purchase—was it Mr. Birks, or a clerk or anybody else in the store?—A. It was Mr. Birks himself.

Q. And the day you think was about the 24th January?—A. I left Quebec on the 24th January, I think.

Q. You came here on the 25th, and you would buy on the 26th?—A. I think so.

Q. And ship on that day?—A. Ship on that day.

Q. You do not remember the Express office?—A. I believe there is only one on that street. I do not know but there may be more.

By Mr. Geoffrion :

Q. Is it the office nearest Notre-Dame?—A. Yes. I think it is the Canadian Express.

By Mr. Osler :

Q. You had in your possession when you left Montreal the invoice or bill of the goods?—A. I had.

Q. What have you done with that?—A. I forget now.

Q. Why should it not be amongst your papers produced?—A. It was in the office for some time in Quebec, and I may have taken it out.

Q. But, at all events, you are unable to find it?—A. Yes.

Q. And you say you dealt directly with Mr. Birks? And the amount you paid him you remember to be exactly $1,885?—A. That is my best recollection —somewhere about that. It was less than $1,900.

Q. You came up with the $2,000 in order to give it to Mr. Perley?—A. I did.

Q. And Mr. Perley declined to receive the money?—A. He did.

Q. What did he say with regard to any present?—A. He told me he would accept from me a diamond ring, describing about what he wanted, and a breastpin, and that I might purchase something else for his wife, naming the things, and I did not go into any more details.

Q. He named the things that he would accept for himself—a diamong ring and breastpin, and he named something for his wife, the details of which you cannot give?—A. No.

Q. And, as far as possible, you complied with his suggestions?—A. I did.

Q. And did he know, or did you ever tell him, what the amount was?—A. I may have done so afterwards, but not then. I have no recollection.

Q. This being January 26th, 1887, where did you see him next?—A. When he called at Quebec, I suppose.

Q. You have nothing to distinguish or identify the occasion when you spoke to him with reference to the articles he considered were more expensive than he thought?—A. I think not.

Q. Then the clerk—have you seen him since in the office?—A. What clerk?

Q. The clerk to whom you gave the hundred dollars?—A. I do not think I have met him since.

Q. His simple request to you was a loan of $50?—A. Yes.

Q. Did you take any note or make any entry of it?—A. I did not.

Q. And you do not think you have seen him since?—A. I do not believe I did.

Q. You paid the hundred when he asked the fifty?—A. Yes.

Q. And the fifty he asked for was by way of a loan?—A. Yes.

Q. Had you had communication with that particular clerk before?—A. No; I met him I think once before.

Q. Had you any business with him?—A. No.

Q. You had no transactions of any kind?—A. No.

Q. And you did not know his particular functions in the office?—A. Other than he was a clerk.

Q. You say that the two Connollys were the members of the firm who knew of the payment. Had you seen Mr. Larkin about it at all?—A. Not at the time I went to pay it. It was after the audit of the books, I suppose, Mr. Larkin——

Q. Not what you suppose, but what you know?—A. I am not positive upon that.

Q. Did the Connollys know in advance that you were going up to do it, or do they know that it was done from you?—A. They knew before and after.

Q. Whose idea was it?—A. It was one of the Connollys.

Q. Which one?—A. I cannot tell; we were in the office all talking together.

Q. It was a matter which came up when you three were talking, and you cannot tell who originated it?—A. No.

Cross-examined by Mr. Stuart:

Q. You have mentioned the name of a gentleman, Mr. Sewell, who you say wrote in the papers—was it your intention to state to the Committee that you had paid him for so doing?—A. It was not.

Q. As a matter of fact, did you ever pay him anything for writing in the papers? —A. I paid him nothing myself, except a note after his death that became due. He borrowed a note of the Company for $250, and after his death I believe his wife was unable to pay it, and we took it up, and I have the note in my bag.

Q. As a matter of fact, is it not true you collected the note from the widow?—A. It is not true.

Q. Is it not true you went to collect it, and your partners said you had better not do so?—A. It is not true.

Q. This gentleman was a Harbour Commissioner at the time you got your first contract in 1878?—A. That I do not know.

Q. He was not a Harbour Commissioner at the time you lent him money, was he?—A. I myself personally have lent him nothing.

Q. Well, at the time the note was given to him, of which you have spoken?—A. I was a member of the firm then, I believe.

Q. That is not the question I asked you—I asked you whether he was a member of the Harbour Commission at that time?—A. No; not to my recollection.

Q. Now, as a matter of fact, is it not the case he was a member of the Harbour Commission in 1878, and that he ceased to be so shortly after?—A. That I do not know.

Q. You have spoken of an interview you had with Mr. Thomas McGreevy and Mr. Davis; had you an interview with any other persons on the subject of this proposed settlement of these troubles?—A. Several parties came to me to see if I would not sign a document, as I have stated, which I refused. It is impossible to name all these.

Q. Did you go yourself to the Honourable Mr. Irvine's office in Quebec and propose to settle this matter?—A. Mr. Irvine has been my lawyer, and when I got into trouble, knowing he was the lawyer against me, I had still confidence in him, and met him and would be willing to make any sacrifice to see it settled if it were possible for me to get out with honour.

Q. Did you go to his house and speak to him there about the proposed settlement of this matter?—A. I met him on the street.

Q. Did you go to his house?—A. I met him at the St. Louis Hotel, on the sidewalk.

Q. Did you speak to him either in his office or house with reference to the settlement of this matter?—A. I have no recollection of any other place only the interview I told you about.

Q. Do you recollect more than one interview?—A. I do not.

Q. Will you say there was no more than one interview?—A. No.

Q. Will you say you did not go of your own motion to his house or office and try and settle this matter?—A. When I went it was on my own motion as he was my counsel in all this transaction, and then Mr. McGreevy had him hired. I was still satisfied to trust Mr. Irvine with anything that could be done with honour.

Q. Can you try and recollect whether you went to see him at his office with a view to having this matter settled?—A. I do not think I did. I do not know as I ever had an interview with him except as I described on the street.

Q. Will you swear that you did not go to his house and ask him to try and have this matter settled?—A. I have no recollection.

Q. Will you swear you did not?—A. No.

Q. Will you swear you did not on another occasion go to his house and try to induce him to settle this matter?—A. I may have gone there, but I have no recollection.

Q. Were not these interviews about the time the indictment against you for conspiracy was coming to trial?—A. It was about that time, and Mr. Irvine was counsel against me.

Q. That was in November, 1890?—A. October or November.

Q. The conspiracy trial went over to the next term on that occasion?—A. The McGreevy suit?

Q. No, your trial for conspiracy. As a matter of fact the trial was postponed on your application, as you said you had witnesses absent?—A. It was postponed.

Q. Until the next term?—A. Yes.

Q. The next term was last April?—A. Yes.

Q. Then when this trial was about coming on, is it not true that you again went to Mr. Irvine and tried to see if you could not get it settled?—A. I don't think I did.

Q. Will you swear you did not?—A. No. To the best of my recollection I did not.

Q. Had you any interviews with Mr. Irvine with a view to having this matter settled in the presence of anybody else?—A. No.

Q. You did not go on either occasion you saw Mr. Irvine accompanied by Robert McGreevy?—A. I have no recollection of it. To the best of my recollection and belief such an interview has never taken place.

Q. You have no recollection of any interview between yourself, Mr. Irvine and Mr. Robert McGreevy with a view to having this matter settled?—A. No; I have no recollection of anything of the kind.

Q. Will you swear none took place?—A. Mr. McGreevy may have come in with me on some other business. I do not think he did. To the best of my knowledge and belief no such meeting ever took place as far as I can recollect.

By Mr. Osler:

Q. I find, Mr. Murphy, that on the 24th of January, 1887, a cheque is drawn by Larkin, Connolly & Co. to your order for $3,000, and that it is the only cheque of that date which would at all correspond. It is endorsed by you, and the signature seems to be in Nicholas Connolly's handwriting. Can you tell me whether that is the cheque on which the $2,000 was procured, and if so, what became of the other $1,000?—A. That you will have to look to the book-keeper, to see what account it is charged to, whether against me or some of the other works.

Q. Do you think that is the cheque?—A. To the best of my opinion, I am not positive, but I think it is.

Q. It has been paid in cash by the Union Bank on your endorsement?—A. Yes.

Q. Have you memory enough to tell what was done with the other thousand?—A. No; it might be charged to my account, but as to how the book-keeper has classified this——

Q. What did you want with $3,000?—A. I may have put $1,000 to my own credit; if you see my own bank book you may see whether I have or not; if not, I paid it out for the Company for some other purpose.

Q. Have you any deposit there?—A. I want to see if I paid it out; see what is charged in the books of the firm.

Q. There is nothing to show that you got rid of it in your diary?—A. No.

Q. We have the cheque for $3,000, and I think it will be found to be the only cheque of that date. We shall call the book-keeper just here.

Martin P. Connolly re-called:

A. The cash book at page 126 shows January 24th, Union Bank cheque to order of O. E. Murphy, $3,000. "L 3" is the number of the Exhibit.

Q. Now look in the blotter?—A. There never was a blotter for January, 1887.

Q. Where would the original entry come from?—A. The bank book.

By Mr. Edgar:

Q. You have an account with the bank that would show the details of that entry?—A. This is the bank account. The details of this entry of $3,000 are in the journal.

Q. In the journal marked Exhibit "N 3" at page 264, there is an entry "sundries Dr. to Cash, Graving Dock $1,000; Esquimalt Dock $1,000; O. E. Murphy, $1,000; for cheque drawn by O. E. M. and charged one-third to Graving Dock, one-third B. C. and one-third, O. E. M. as agreed"?—A. That is my cash charged up against me.

Mr. Martin P. Connolly re-called and examined.

By Mr. Edgar:

Q. Was any portion of that entry or portions of it carried to expense account?—A. No, sir.

Q. Well, how did it come to be charged in that way?—A. I was instructed to charge one-third of the $3,000 cheque Mr. Murphy had drawn to the Graving Dock at Levis; one-third to the Esquimalt Dock, British Columbia, and one-third to himself. There was some dispute about the matter afterwards to the best of my recollection, and the one-third charged to the Graving Dock at Levis was changed and charged to the British Columbia Dock and it forms the $2,000 of the $17,000.

By Mr. Geoffrion:

Q. It went to the expenses British Columbia dock?—A. Yes.

By Mr. Edgar:

Q. Then I am right in saying the $2,000 of that went into the British Columbia expense account?—A. Yes.

By Mr. Amyot:

Q. You said there was some difficulty—between whom?—A. Members of the firm.

By Mr. Tarte:

Q. As to the account which it should be charged to?—A. There was some dispute about it.

By Mr. Edgar:

Q. What was the dispute?—A. I do not remember it.

By Mr. Mills (Bothwell):

Was it a dispute or conversation as to the charge?—A. It was a conversation.

Examination of O. E. MURPHY continued.

By Mr. Langelier:

Q. Speaking of your dealings in New York, some papers at Quebec had discussed the matter?—A. There was a small paper I think—the "Record" that published some matter against me at the time of the 1887 election, I think and somewhat about your own.

Q. Did that paper publish that as an original article, or was it reproduced in Quebec, from a New York paper?—A. That I cannot tell.

Q. Was there any conversation at all between you and the other members of the firm as to the noise that article was creating in Quebec?—A. I believe there came one of the contractors of the new Court House and wanted me not to take such an active part in the election of Mr. McGreevy on a complaint of that kind, and that he would be able to stop it, and also about the Montreal Post and I answered this—I told them I did not care what they published and I paid no attention to it.

Q. Was there any talk between you and your partners to do anything or take any steps to stop this publication?—A. No.

By Mr. Tarte:

Q. Not to your knowledge?—A. Not to my knowledge as far as I know. I had taken none myself.

MR. NICHOLAS K. CONNOLLY re-called and re-examined.

By Mr. Geoffrion:

Q. How long have you known O. E. Murphy?—A. I have known him for about 15 years I think, probably longer.

Q. Where did you know him first?—A. In New York, I think.

Q. Are you related to each other ?—A. Yes.
Q. Cousins, I believe ?—A. Yes.
Q. Do you remember when he came to Canada ?—A. Yes.
Q. Were you then living in Canada or New York ?—A. In Canada.
Q. Since how long ?—A. About four years previous to his coming to Canada.
Q. Where were you then living ?—A. St. Catharines.
Q. And that is where you saw him first in Canada ?—A. First after his coming to Canada ?
Q. Did he tell you under what circumstances he had crossed the line ?—A. No not when he first came, but he seemed to be terribly agitated.
Q. Well after a time did he tell you ?—A. Yes.
Q. How long after you had come to Quebec, did he make you his confidant ?—A. As near as I can recollect it was a month probably or six weeks.
Q. Was he keeping house in St. Catharines or boarding in an hotel ?—A. He was boarding in an hotel.
Q. Was he with his family or alone ?—A. Alone when he first came.
Q. Where was his family ?—A. In New York.
Q. Did you go to New York on his behalf or at his request to attend or settle any business for him he left behind ?—A. Yes, partly at his request.
Q. He had some real estate I believe there ?—A. Yes, he had some interest in it.
Q. Was it whilst he was at St. Catharines that you went to New York on his business ?—A. Yes.
Q. When would this be ? What year ?—A. I do not remember the year now.
Q. Have you a diary ?—A. No.
Q. Would it be in 1877 or 1878 ?—A. It might be in 1877.
Q. I think he told you that he had left some money subject to his cheque in New York ?—A. Yes.
Q. Did he draw on this fund whilst he was in St. Catharines ?—A. Yes, he drew a cheque for $10,000, and gave it to me to send on for collection.
Q. How was it signed ?—A. "O. Murphy."
Q. Treasurer ?—A. I think so.
Q. It was not plainly his name ?—A. I think it was Treasurer.
Q. Did you go to New York with the cheque or send it for collection ?—A. I left it in the bank for collection. They said they would send it on for collection.
Q. It was not honoured or paid ?—A. No.
Q. Was it before or after you had gone to New York on his behalf ?—A. Before. Immediately—I think the next day or so—after he arrived in St. Catharines.

By Mr. Curran :

Q. Before he told you of his trouble ?—A. Yes.

By Mr. Geoffrion :

Q. He did not tell you he was drawing on trust money ?—A. No.
Q. Or that he had left trust money behind ?—A. No.
Q. Did you know then that he had occupied an official position ?—A. Yes; I knew he had some position, but I did not know what.
Q. Did he make you aware that he was drawing on that money he was holding in that official capacity ?
Mr. Osler objected that the witness was being asked leading questions.
Mr. Geoffrion said this was his right with a hostile witness.
Q. Do you remember having been examined about a certain promissory note for $5,000 endorsed by you ?—A. I remember you asking me on my direct examination whether I remembered endorsing such a note.
Q. Your first impression was that you had not signed any ?—A. I had not thought of it then. I did not remember it; but I told you afterward I remembered signing a good many $5,000 notes.

Q. You did not say how many?—A. I cannot tell you the number.

Q. You would not say you had signed a promissory note for $5,000 in connection with the cross-wall?—A. No. I think I signed one note—one of these notes that was exhibited here the other day.

Q. Signed or endorsed?—A. Endorsed, I think it was.

Q. Will you now examine a promissory note, forming part of Exhibit "W-7," dated 1st May, 1883, at nine months, payable to the order of N. K. Connolly, signed Larkin, Connolly & Co., per O. E. Murphy, and say whether this note is endorsed by you?—A. Yes, that is my endorsation.

Q. Having now this note in your hands are you prepared to swear whether this note was signed in connection with the cross-wall works?—A. I do not know that. I cannot swear it was.

Q. Do you know when it was signed?—A. I do not remember.

Q. Do you know where it was signed?—A. I do not.

Q. Have you not already sworn that you had signed it at your office in Quebec?—A. That is my recollection. That is my testimony, and I think it was in the office at Quebec.

Q. What is your recollection to-day?—A. That is my recollection to-day, that it was signed in the office in Quebec.

Q. Were you alone when you endorsed that note?—A. I cannot tell you that. I was seldom alone in the office when signing cheques or notes.

Q. Will you look at another promissory note dated the same day of the same amount made payable at 6 months to the order of P. Larkin, and say whether you recognize on this note, the signature of Mr. Larkin as endorser?—A. That I think is Mr. Larkin's signature.

Q. It being made on the same date do you remember whether Mr. Larkin was also present when you signed your note?—A. I could not swear to that, as to whether he was present or not—he may have been present.

Q. But seeing that another note of the same day was signed by Mr. Larkin for the same amount, cannot it help your memory?—A. I do not know as he was present—he may have been.

Q. You do not remember a single instance where you and Mr. Larkin endorsed two promissory notes of $5,000 at the same time?—A. It may be the same day but may not be the same time.

Q. Have you any knowledge of the signature of another note also dated the same day for $5,000, at seven months, endorsed by O. E. Murphy?—A. Yes, I think that is Mr. Murphy's signature.

Q. Was this note also made and endorsed under the same circumstances as the others?—A. It appears to be.

Q. Well, now try to remember—would not such a coincidence help your memory?—A. I do not know as it would, I have signed a great many cheques and notes in the same way as these are made out.

Q. How many times did the firm sign three promissory notes of $5,000, on the same date?—A. I do not know as they signed them on the same date exactly—that is my recollection. It may have been the same date or may not, I do not remember the circumstances connected with it.

Q. You cannot say how many $5,000 notes you signed?—A. No.

Q. And you cannot say whether at any other time three notes of $5,000 were signed the same day for the firm?—A. No.

Q. Especially when each partner was endorsing a separate note. You cannot remember such an instance?—A. No.

Q. You say you signed it in your office at Quebec?—A. That is my recollection that is the place; either there or in the bank.

Q. Would you three partners sign notes in the banks?—A. I do not remember going with my partners.

Q. It is not a place to meet partners in a bank—is it?—A. No.

Q. Where was your office in Quebec at that time?—A. I do not know, from the date of those notes, whether we had an office in Quebec or not?

Q. Try to remember whether you had an office in Quebec or not at that time?—A. My recollection is we had no office at that date.

Q. Your recollection a minute ago was you signed in an office, your recollection now is, you had no office in Quebec?—A. Not at the date of those notes. Those notes may have been signed in the bank.

Q. But leaving the bank aside, you stated your recollection was, they were signed in your office? Do you abandon that theory now?

MR. STUART—He said that was where they were usually signed.

MR. GEOFFRION—He may correct himself—what is your recollection now—was it signed in your office or elsewhere?—A. My recollection is this—that all our business was either done in the office or the bank with regard to notes or cheques.

Q. Where was the office of the firm in the year 1883?—A. I do not remember whether we had an office in Quebec at that time or not.

Q. Where was the office of the firm in June 1883?—A. I could not tell you. I think we had an office in Quebec at the time, but I am not sure.

By Mr. Curran:

Q. If you had one in Quebec, where was it?—A. It was on Dalhousie street.

Q. As soon as you moved to Quebec the firm kept its office on Dalhousie street?—A. Or on the embankment, portions of the time we had two offices, one on the Embankment, one on Dalhousie street.

By Mr. Geoffrion:

Q. When did the firm begin to have an office on the Louise Embankment?—A. I do not remember the date.

Q. When did you close that office on the Louise Embankment?—A. I do not know that either.

Q. And you cannot give to the committee the date when you opened the office on Dalhousie street?—A. No.

Q. Can you give the year?—A. No, I do not know as I can.

Q. Do you remember the circumstances where five promissory notes of $5,000 were signed by the firm?—A. No; I do not.

Q. If not exactly together?—A. No, I do not.

Q. Do you know, whether those notes have ever been paid?—A. Yes, I think they have been paid; all our notes have been paid. I think they seem to be our notes.

Q. How many promissory notes altogether, for any amount whatever, did you sign or did the firm sign to your knowledge?—A. I could not tell you.

Q. A large amount?—A. I could not tell you the number.

Q. Did you keep a bill-book?—A. There was a bill-book, I think, in the office, at least a portion of the time.

Q. But the only one that was ever kept is the one that was brought in by your book-keeper to your knowledge?—A. To my knowledge, yes.

Mr. MARTIN P. CONNOLLY recalled and examined.

By Mr. Geoffrion:

Q. Will you get the book that will show the payment of three promissory notes? The cash-book of the 3rd November, 1883, and there are also stub books. Will you look at page 126 of book "E 3" and see whether you find any entry there showing that one of these notes was paid on that date?—A. I see a note of P. Larkin for $5,000, which seems to have been paid on that date. At least it is marked here.

Q. Is not that the same date as the due date written on that note and endorsed by Patrick Larkin?—A. Yes, this seems to be on the same date as the due date on the note.

Q. The note of $5,000, Exhibit "W 7," endorsed P. Larkin at six months?—A. Yes. I see that note for $5,000 is not on the 3rd. Besant for $500 is on the 3rd, and

the next is the note of P. Larkin, no date; but the next date is the 6th. It is marked $5,000.

Q. Does that not mean the same date ?—A. I think not.

Q. Look at the promissory note endorsed P. Larkin, marked due 4th November and see if it is not marked as being charged at the bank ?—A. I do not know whether it is paid by cheque or not.

Q. See if it does not appear to have been charged at the bank ?—A. I do not understand that. I see that the note is marked certified.

Q. Do you not read on the face of the note : " Dr., L. C. & Co." and initialed by the ledger keeper ?—A. I understood you to ask me for the bank mark on it.

Q. " Dr., L. C. & Co." and initialed by the ledger keeper of the bank. Read that.—A. I see " Dr., L. C. & Co."

Q. Is that not the general entry by the bank when a note is charged ?—A. I cannot tell.

Q. Look at your bank book and see whether you will find a charge made against the firm under date 3rd November ?—A. Yes, I see on the 3rd November there is P. L's note for $5,000.

Q. What would P. L. mean ?—A. Patrick Larkin, I think.

Q. Now, will you see what number is given to the note in the corner ?—A. No. 3.

Q. Look at page 163 of the book " E-3 "—cash book—at the end of the month of December. Look at the entries and state whether you see an entry referring to the payment of a promissory note for $5,000, due by the firm ?—A. I see here at the foot of the page 163, " O. E. Murphy, note, $5,000."

Q. What is the number of the note ?—A. The number of the note is No. 4.

Q. Now, look at the cheque forming part of Exibit " D-8 " and dated 4th December, 1883, and say whether this would be the cheque that was given for payment of that note ?—A. I cannot tell you. I see there is no number on this cheque. The number on the cheque does not seem to correspond.

Q. Does it appear to have been a cheque for the note ?—A. " Quebec bank for note " I see marked on it here, " $5,000, Larkin, Connolly & Co., per O.E.M." It is without any endorsation.

Q. It is payable to bearer ?—A. Quebec Bank, without any bearer.

Q. Look at the pass book under date of 4th December, 1883, Union Bank, and see whether you find that cheque repeated or charged ?—A. I see here on the 4th there is " O.E.M. note " and right under it " $5,000."

Q. The next one in the order of date would be a note at nine months payable to your order, and endorsed by you, falling due on 4th February 1884. Will you look at the same cash book Exhibit " E 3," page 181, and see whether at the end of the month of February there is not an entry corresponding to that note ?—A. There is an entry " N. K. Connolly ditto No. 5 $5,000."

Q. Would this be the cheque corresponding with that entry (cheque produced) ?—A. This is February 4th, 1884, " to pay note of $5,000, Larkin Connolly, & Co. per O. E. M." without any endorsation.

Q. On the face of the note endorsed by you a number is given. What is that number ?—A. No. 2.

Q. Can you explain the entry which is made at page 9 of the book Exhibit " N 3," reading as follows " Cash to N. K. Connolly for three $5,000 notes charged for incidental expenses from above $25,000 " ?—A. I don't know anything about it, but I see it is charged as you read here.

Q. You know it is entered in the book ?—A. I know it is entered in the book. I don't know anything about the particulars of it.

Q. Do you know in whose handwriting is the entry ?—A. I do not know. That I would think to be Martin Connolly's. I am not sure.

Q. Do you know the handwriting of Martin P. Connolly ?—A. Yes, pretty well.

Q. Can you explain also in connection with the entry preceding which I have just read, the other at page 174 " Expense to Graving Dock for incidental notes paid for Q. H. I.—$25,000 " ?—A. No I cannot explain that.

Q. In whose handwriting is the entry made ?—A. It is in the same handwriting.

Q. You cannot explain it at all ?—A. No.

Q. Then have you any explanation to give as to the following entry page 104; "cash to O. E. Murphy $10,000 for two $5,000 notes charged to incidental expenses from above—$25,000" ?—A. No, I cannot explain anything about that.

Q. Could any entries be made in the book unless you were aware of them ?—A. Yes, entries might be made, I never superintended the entries.

Q. But seeing that these are entered in the books won't it help you to remember what it is for ?—A. I don't know as it will.

Q. You must have been aware of what the large sums were for ?—A. I paid little or no attention to the cash business.

Q. But seeing that $25,000 notes had been signed and paid, did you never enquire what they were for ?—A. I may not have known or heard anything about the payment of these notes until the end of the season probably.

Q. But even at the end of the season $25,000 would be worth enquiring after ?—A. I might know from the book keeper, but if I have, I have forgotten.

Q. Of whom did you enquire ?—A. I don't know I enquired of anybody. We met at the end of the year as a general thing, and had our audit, and there was a general discussion about the cash at that time, and especially the notes and moneys that was paid out.

Q. I suppose you asked the book-keepers for information before signing the audits, as you appear to have signed them ?—A. I was there but never asked much information about it. I read it over and signed it as the others did.

Q. Without putting any questions ?—A. No.

Q. So you are unable to give information as to the value received for this $25,000 paid by the firm ?—A. I am unable to say.

Q. Try whether you have a suspicion what it was for ?—A. I have a suspicion of course, but I don't whether it is testimony.

Q. Let us try. From the conversation you had, what were these notes given for ?—A. That I do not know. Mr. Murphy had the handling of these notes.

Q. I understand you did not take the notes themselves after they were signed, but at the time of signing them and before seeing $25,000 notes being given to Mr. Murphy did you require explanation or did he give you any ?—A. I do not know as he has.

Q. He asked you pure and simple to sign $25,000 notes ?—A. I did not sign $25,000 notes.

Q. You were aware of $25,000 notes being signed that day ?—A. I signed $5,000 that day and I see other members of the firm did.

Q. Do you not believe that they told you that they did? Did not Mr. Larkin tell you about his signing ?—A. He may have, but I do not remember that he did.

Q. As far as the ideas or suspicions that you have as to what it was for, where did you get those suspicions from ?—A. From the amount of money paid out by Mr. Murphy without proper vouchers.

Q. Having signed those notes, did you not consider that they were vouchers when they were paid ?—A. Yes.

Q. This would not be a proper explanation. These $25,000 were paid and the vouchers as notes were just exhibited to you.—A. But there seems to be nothing else attached to the notes as to where they went or for what pupose. That is what I mean.

Q. But they were entered in your books ?—A. Yes.

Q. That is precisely what I am asking you. Seeing you had seen there a large amount of money, did you not enquire what it was for ? I did not ask you whether you know where the money went. I only ask if you enquire what the notes were for ?—A. I may have enquired but I do not recollect.

Q If you enquired what was the answer you received ?—A. I cannot tell you that.

Q. According to the suspicions in your head what was the answer?—A. I do not remember the answer. I remember at the end of the season we had a discussion about the amount of money Mr. Murphy had handled.

Q. Did you not remember that these notes were signed at about the same time that you had signed a contract with the Government for the cross-wall?—A. From the dates of the notes it is nearly the same time. It is a short time before or after. I do not recollect which.

Q. You are not able to say whether the notes are signed on the very dates they are dated?—A. I do not remember that. I think they would be naturally signed on the day they are dated. But I do not know it.

Q. You think so?—A. I think so.

Q. Then if you can remember the date you ought to remember that you signed the note?—A. Yes, there is no doubt about my signing the note.

Q. If you remember the date of the note you must have been aware that the note was signed?—A. I did not swear that.

Q. You do not swear that the note was signed on the day it was dated?—A. No, but I never knew us to ante-date a note or cheque.

Q. Never ante-dated a note?—A. Not to my knowledge. It may be so, but I cannot remember.

By Mr. Amyot:

Q. When you signed the note did you know what it was for?—A. No.

Q. Signed without knowing?—A. No.

By Mr. Edgar:

Q. Did you ask?—A. Yes.

Q. Whom?—A. Mr. Murphy.

Q. Did he not tell you?—A. My recollection is that he told me it was either accommodation for himself or Robert McGreevy.

By Mr. Geoffrion:

Q. Having been informed that these notes were accommodation, when they were paid by the firm you allowed them to be charged to the firm and not against him?—A. I do not know that I was consulted.

Q. The audits were certified by you?—A. The notes were entered in the book previous to the audit.

Q. So large an amount as this could not have escaped your memory and when the audit was made you must have enquired when the notes were paid?—A. There is no doubt I took——

Q. Especially when $15,000 of these were charged to you. Did you submit to a charge of $15,000 for accommodation given to Robert McGreevy or O. E. Murphy?—A. I think it was customary at that time to charge me with the cash and give me credit for what was paid out. I am not sure, but I think that was the way it was then.

Q. That would not be a good explanation. O. E. Murphy was charged with $10,000, and you with $15,000. Try another explanation; that one won't work. You cannot find another?—A. No.

Q. You state that at that time it was customary to charge the cash against you. Is it not a fact that Murphy was the cashier of the firm?—A. I do not know that. I say it was customary at times whoever was handling the cash to charge cash against me and then give me credit for what was paid out.

Q. They did not charge you, because you were not handling the cash. You only began to be cashier in 1887?—A. That may be.

Q. Did you not become cashier of the firm only in 1887, and in 1883 is it not a fact that it was Murphy who was handling the cash?—A. Murphy handled most of the cash.

Q. How then would you be charged with cash when you did not handle it?—A. I cannot tell you that.

Q. You say it was either accommodation for Murphy or Robert McGreevy?—A. That is my impression.

Q. Not your recollection but your impression?—A. My impression.

Q. Was there any charge made against Robert McGreevy for this?—A. I cannot tell.

Q. Were there any other charges removing $15 000 from your name and $10,000 from Murphy's name and carrying it to McGreevy's name?—A. I do not know that.

Q. Is it not a fact that this was carried afterward to the item of expense in the audit of the same year?—A. I cannot say that from any knowledge of my own.

The Committee then adjourned.

HOUSE OF COMMONS, THURSDAY, 9th July, 1891.

The Committee met at 10 a.m; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

SIR JOHN THOMPSON.—Mr. Connolly was under direct examination when the Committee adjourned yesterday. In consequence of the unusual method by which the evidence was elicited yesterday from Mr. Murphy, regarding Mr. Perley, I think it proper to ask the Committee to depart a little from the regular course and to submit Mr. Perley to examination this morning. It will be remembered that the direct cross-examination by counsel of Mr. Murphy had been closed before that statement was elicited. I suppose, if it had come out in the usual way, in course of direct examination, the committee might have expected that other testimony would have been called on the same point, and we would have been expected to wait until the case for the prosecution was finished; but, coming out as it did, I assume it has to stand by itself as regards that particular charge, and I think it only right, not only to Mr. Perley himself, but the public service, that he should be submitted to examination as regards that branch of the case immediately. I have intimated my intention of making this application to Mr. Geoffrion and Mr. Tarte, and I understand it will not seriously interfere with their arrangement of the case.

Mr. HENRY F. PERLEY recalled and sworn.

By Mr. Osler:

Q. The statement was made here yesterday by Mr. Owen E. Murphy that, in January, 1887, he had an interview with you, in which he offered you money; that you refused to take the money, but intimated your willingness to receive a present of jewellery. That the description of the jewellery was outlined; that Mr. Murphy went away and purchased jewellery to the extent of $1,885 in Montreal, and that that was sent by express eitner to yourself or Mrs. Perley, and that you received it with his knowledge, from what you stated to him afterward. Will you give your account of that transaction, as that is the charge which has been made against you?—A. In making a statement, I premise it by saying that Mr. Murphy's statement is correct. Mr. Murphy came to my house in January, 1887, and told me that he had come on behalf of the firm of Larkin, Connolly & Co. to express to me their thanks for what I had done for them as engineer of the Harbour Commissioners of Quebec—that is, in my capacity as Harbour Engineer or Chief Engineer of the Harbour Commissioners. That I had taken hold of the dock in a state of almost

wreck; that by my skill and by my ability I had made it a success, and that I had been the means, by what I had done for the Commissioners and for the works, of really putting them on their feet as regards a very bad job; that he wished—the firm wished—to show some mark of their—what shall I call it?

Mr. EDGAR—What did he call it?

WITNESS.—I am speaking from memory, and my memory is very much impaired from my late illness. Their appreciation of what I had done. He took a parcel from his pocket—I did not know what it contained—and offered it to me. I asked what it was. He said it was a *douceur*. I declined to receive it. He pressed me. I declined. I told him I could not take it. He even went so far as to go over to my piano and lift the music on top of the piano and shove the money under the music. I told him he must take it away, that I could not take it. He was persistent, so persistent in his determination to give me something that I, to try and get rid of him, said he might give me some little thing for my wife—some little thing and let it go. He asked what I would like. I said, I will wear a ring for your sake, and give my wife something. He spoke something, and then went away. Afterward, there came, while I was away, a box adressed to my wife, and when I came home I found the box had been opened, and that it contained quite a lot of stuff, consisting in part of some articles of jewellery and in part of silver plate. I kept it. I spoke to Mr. Murphy afterward in Quebec, when I saw him some months afterward, and I took him to task for what he had done. He said there was no need of saying anything at all about it; that he had only done what he intended to do when he left my house. I told him he should never have done so, he never should have sent me what he did send me; and I spoke to him in that way. A few days afterward, or a little time afterward, I do not know, he handed me the bill for the articles—which I have in my possession. I will say to the Committee that I was simply astounded by the amount. I thought that what he had sent me was a small thing in the shape of a *douceur;* but I was really astounded at the amount of the bill. I need not say to you, gentlemen, that it affected me very much. I did not return the articles, and it has affected me even since—so much so, that I have repaid the amount last year to Mr. Michael Connolly.

By Sir John Thompson:

Q. Was the bill receipted?—A. I will produce the bill.

The CHAIRMAN.—The total amount is $1,885.

Sir JOHN THOMPSON.—Is it receipted?

The CHAIRMAN.—Yes; paid 26th January, 1887. The bill is not made against anyone. It is against blank; but is receipted.

By Mr. Osler:

Q. That bill corresponds with the goods received?—A. Yes; it corresponds with the goods received.

Q. When did you pay the amount?—A. Last September.

Q. 1890?—A. Yes. I was absent for, you may say, ten months.

Q. Is there anything further you desire to add?—A. I have nothing further to add to the statement. There is nothing further that I need to add. I have told the Committee the truth, and I will say to the Committee I acknowledge my error.

By Sir John Thompson:

Q. Can you tell me about the date at which this occurred? I see the bill is in January, 1887. Is that the time?—A. That is the time.

Q. Will you explain to the Committee at what time you again saw Mr. Murphy and remonstrated with him?—A. It must have been in April or May following. That is the first time I was in Quebec after this.

Q. Will you state when you came to the conclusion to repay the amount?—A. For some time back—some two years or more ago—when I came to the conclusion to pay it back, when I felt I was able to.

Q. It was shortly after seeing him and ascertaining the amount?—A. Yes; I never spoke to Mr. Murphy after that.

Q. Will you explain, as regards your means, why you did not pay it before?—A. Because I am a man on salary.

Q. Had you means to pay it until you realized it from savings from your salary?—A. No; I had not the means.

Q. You had not the means then before September of last year?—A. No.

Q. You repaid it in one sum to Mr. Connolly?—A. One sum.

Q. How many clerks were in your branch of the Department in January, 1887?—A. Three or four in 1887.

Q. Can you give us their names?—A. Mr. Lightfoot, Mr. O'Brien, Mr. Bélanger, and I think Mr. Robillard.

Q. Are these gentlemen still in the Public Works Department?—A. They are still.

Q. They are in the city now?—A. They are in the city now.

Q. At the time you made the payment for Mr. Connolly of the amount of this bill, had the disclosures in connection with the Public Works Department yet been made?—A. They had not been made, except what appeared in the latter part of the House.

Q. But I mean the disclosures made by Larkin, Connolly & Co., or some member of the firm. Had they come to your knowledge at the time you made the payment?—A. Nothing had come to my knowledge at the time I made the payment, excepting the matter that was asked for in the House, and forms the subject of a blue-book.

Q. Last session?—A. Yes.

By Mr. Mulock:

Q. What was the exact day of your receiving this money?—A. I think it was in September, 1890.

Q. And it was two years before you repaid it, before you had come to the conclusion that you had done wrong?—A. Yes.

Q. Then for two years you had not been of that opinion?—A. I think, sir, I have always been of that opinion.

Q. I suppose you have had the articles that were presented to your family under your control ever since?—A. Ever since.

Q. They have always been in your possession?—They have always been in my possession?

Q. So that they were in a position to be returned all the time?—All the time, or at any time.

Q. Seeing that, one would think the proper way would have been to return the articles?—A. Yes; that would have been the proper thing to have done.

By the Chairman:

Q. Did you mention to any one about this gift being made to you about the time it was made?—A. No, sir.

Q. To no one?—A. No, sir.

Q. When did you notify Larkin, Connolly & Co. that you intended to repay them, or did you ever notify them?—A. No; I never did.

Q. Except when you sent the money?—A. Except when I spoke to Mr. Michael Connolly.

By Mr. Geoffrion:

Q. You have stated to the Minister of Justice that being a man with a salary you could not find the means of paying back that amount before September, 1890. Will you be kind enough to state whether, at that date, the payment was made in cash or in notes?—A. It was made in an obligation.

Q. There was no cash given on that day?—A. No cash given on that day.
Q. What kind of obligation—a promissory note?—A. An obligation to pay on the 31st August, 1891.

By the Chairman :

Q. Did you give any mortgage?—A. No.
Q. Your personal promise?—A. My personal promise.
Q. Your note?—A. My I. O. U.

By Mr. Geoffrion :

Q. You said you did not realise the importance of the gift until you saw the bill, but you had been made aware on your arrival home of the number and nature of the articles that were sent by express, had you not?—A. Yes.

By Mr. Edgar :

Q. There is another matter upon which I would like to question you for a moment, which has nothing to do with this. I was looking yesterday at the plans of the Cross-wall at Quebec. The date of the contract was in 1883, and the completion of the work in December, 1889, was it not?—A. Yes.
Q. Was the work carried on and completed according to the plans that were made at the Public Works Department for the purpose?—A. So far as I am aware, there was no deviation from the Cross-wall plans, with one exception, and that we put a stone mitre sill under the gates instead of a wooden one.
Q. That was all the deviation?—A. Yes.

By Mr. Osler :

Q. Did that involve any other change?—A. Not any other change.
Q. That had no effect upon the contract as to quantity?—A. No.

By Sir John Thompson :

Q. Do I understand you to say the obligation you gave was for the whole sum?—A. For the whole sum.

By Mr. Edgar :

Q. Why did you not give it to Mr. Murphy?—A. I have not seen Mr. Murphy for nearly two years. I have not been in Quebec since October, 1889.
Q. Why did you give it to Michael Connolly?—A. Because I meet him oftener at Kingston, in connection with the Kingston Dry Dock. That is the reason why.

By Mr. Mills :

Q. Were you aware the partnership had been dissolved between Michael Connolly and Mr. Murphy at the time the note was given?—A. I am aware that it was dissolved—that they had bought Mr. Murphy out at the time of the South Wall contract. I was aware that there was a separation.

Mr. Nicholas K. Connolly recalled, and his examination continued.

By Mr. Geoffrion :

Q. Yesterday you were shown cheques and entries in the books, showing the payment of three of the promissory notes of $5,000 each, dated 1st May, 1883. Are you aware that there are also two other promissory notes of similar amount that were signed on the same date as the one that was endorsed by you?—A. Only from the dates I see on the notes.
Q. You cannot tell whether they were endorsed by anybody or not?—A. No.

Q. You don't know whether these notes were paid or not, or when they were paid?—A. I know that they were paid, from the fact that we have them in our possession, but I don't know when they were paid.

Q. Will you look at these two demand notes, forming part of Exhibit "W7," and see whether you have seen those two notes before, and whether they are the notes referred to?—A. After seeing the notes, I see one here that is dated Quebec, 1st May, 1883, signed——

Q. You don't appear to understand my question. The three you had yesterday and identified, but the two now produced, I want to know if you have seen them?—A. I may have seen them, but I have no recollection.

Q. Do you know whether Michael Connolly endorsed any of these five promissory notes?—A. I do not know of my own knowledge. I see his signature, but he did not endorse in my presence.

Q. Did you endorse more than one of these five notes? There is only one made to your order.—A. I think it is one made to my order.

Q. Will you look at a cheque of the Union Bank bearing the number 364 and dated 14th May, 1883, and read the entry under that number and date in the stub book?—A. I see an entry on 14th May, 1883, "M. Connolly, $5,000, private use."

Q. And what is written in the margin?—A. "To pay note M. C. of 14th May, 1883."

Q. Is that marginal note in your handwriting?—A, I don't know. I think it must be in Martin Connolly's.

Q. And the entry that is also there, "O. K. paid"?—A. Yes.

Q. I again put before you these two promissory notes, dated 1st May, each payable on demand, and ask you to say whether this cheque could have been paid by one of these notes?—A. I may as well state here to the Committee, before going any further, I know little or nothing about these cheques or notes. Yesterday I saw more of our books here than I ever saw before. I am not an educated man or a man that is capable of book-keeping or looking after accounts, and for that reason I never want to do it and never did do it.

Q. You are a business man now?—A. I am more of a mechanic and worker on the works than anything else.

Q. Are you not a director of the largest inland navigation company of the Dominion?—A. I am one of a number of directors.

Q. And you feel qualified to act in that capacity?—A. I may have mechanical knowledge to warrant my position on the Board of that company.

Q. You do not expect to act as a director, but as a mechanic?—A. More so than anything else.

Q. Well, if you had so little knowledge of business, why did you consent to act as cashier of the firm in place of Mr. Murphy in 1887?—A. I only acted then when Mr. Larkin insisted on my handling the cash.

Q. Though you have not much book-keeping knowledge? I ask you again whether this entry showing that this was to pay a note by Michael Connolly, dated 14th May, 1883, can be taken for the payment of a note signed by Larkin, Connolly & Co. to the order of the firm?—A. I would consider it was, but I don't know.

Q. You would?—A. Yes.

Q. Is it not a fact these notes are dated 1st May?—A. Yes; I see that it is dated the 1st May.

Q. But is it not entered here that it was to pay a note of the 14th of May?—A. I see that.

Q. It cannot be for the same notes?—A. I do not know about that.

Q. On the face of the entries, it cannot be that, unless some explanations are given?—A. I see the note was dated 1st May, and the entry in the stub-book is 14th May.

Q. Now, look in the same stub-book, under No. 380, under date of 1st June, 1883, where there is an entry in connection with a note, and read it?—A. 1st June, 1883:—N. K. Connolly, $5,000 to cover note.

Q. And then in the margin "No. 2"?—A. Yes.

Q. Is "No. 2" in pencil?—A. Yes.

Q. And the rest in ink?—A. Yes.

Q. You stated yesterday, having the books in hand, that the note endorsed by you was entered in the books as No. 3. Could this cheque, dated 1st June, be for the payment of a note endorsed by you, and which is now filed as Exhibit "W 7"?—A. I do not know. The entry I saw in the book yesterday was the first time I ever saw it in my life to my knowledge.

Q. The note you endorsed was due 4th February, 1884, was it not?—A. It is 4th February.

Q. This is dated 1st of May, at nine months?—A. Yes.

Q. Was it due 4th February, 1884?—A. Yes; I suppose that would be the time.

Q. Please answer; you have the note under your eyes?—A. I see it is made, "Quebec, 1st May nine months after date, for value received, we promise to pay N. K. Connolly or order, at the office of Graving Dock, Lévis, the sum of $5,000."

Q. It is endorsed by you?—A. It is signed by Larkin, Connolly & Co.

Q. But it is endorsed by you?—A. Yes; it is endorsed by me.

Q. Is it not a fact, therefore, that these two payments, first on the 14th May, 1883, to pay note of Michael Connolly, and second of 1st June, 1883, to pay note of N. K. Connolly, cannot be for this set of notes?—A. I do not know that. I have no special knowledge of book-keeping or notes to do that.

Q. Have you not enough knowledge to know that the 1st is not the 14th?—A. Yes.

Q. And that the 1st June is not the 4th of February? A. Yes.

Q. However, you cannot answer my question?—A. No.

Q. Let us pass to another set of promissory notes which the firm also signed in 1884. Will you look at Exhibit "X 7" and say whether the promissory note forming part of that exhibit, dated 2nd June, 1884, for $5,000, to the order of Nicholas K. Connolly, signed by Larkin, Connolly & Co., is endorsed by you?—A. Yes; that is my endorsation.

Q. Will you look to the other notes of the same Exhibit, and say whether you have any knowledge of the circumstances under which they were made and signed and endorsed?—A. I cannot recall to my mind anything about the circumstances of the giving of these notes. I know that Mr. Murphy and Mr. Robert McGreevy were constantly requiring assistance, and I know we gave Murphy notes, and some of them, to the best of my knowledge and belief, were for Robert McGreevy's accommodation; but as to whether these are the notes or not I cannot say—as to dates.

Q. The only explanation you can give is, that according to your recollection they were for Robert McGreevy's accommodation?—A. Or Mr. Murphy's.

Q. Are you aware that these notes were paid by the firm?—A. It seems so from the notes.

Q. Also from the books of the firm it would seem that they were paid?—A. I never examined the books to see.

Q. Now, it would save the time of the Committee if you would say whether you were, by the audit or by your book-keeper, aware that these notes for $22,000 were paid by the firm?—A. I know nothing about the payment, more than seeing them in the hands of the Committee now. I know they were paid by them; that is all. As for my own knowledge, I know nothing of it.

Q. Will you look at page 290 of Exhibit "F 3," being the journal of the Lévis Dock under date 30th April, 1885, and read to the Committee the entry you find there?—A. On page 290 I see an entry made "To cash for incidental expenses. Paid for notes, $22,000."

Q. You don't read the entry well. The first entry is "Expense, $22,000;" then the entry you read follows. Turn to page 196 of "G 3," being a ledger of the Lévis Dock, under date of 20th April, 1885, and read the last item but one of the entries?—A. I find "Note No. 290—$22,000."

Q. Having seen these entries, have you any doubt now that these $22,000 were paid by the firm?—A. I believe they were paid by the firm.

Q. Are you aware whether these $22,000 were ever charged, either to Murphy or to Robert McGreevy?—A. I could not tell you that.

Q. You never gave instructions, so far as you were concerned, to recover these amounts from Robert McGreevy or Murphy?—A. I know there was a dispute when the audit took place with regard to Murphy's vouchers and to his cash account, but further than that I don't know anything about the books.

Q. But those charges of $25,000 and $22,000 were discussed?—A. I don't remember whether they were discussed or not. They may have been discussed amongst the others.

Q. But you have signed the audits?—A. Yes; I have signed the audits.

Q. You are satisfied you signed them?—A. Yes; I saw them here signed by me.

Q. And do you know whether these two amounts of $22,000 and $25,000 were included in the audits?—A. I could not tell that.

Q. Even if you had the document you could not tell?—A. I could read it and see if it was the document.

Q. I asked you yesterday whether you had any recollection of the nature of the transaction in connection with this $25,000. You appeared to have very little recollection yesterday. Would you state whether you had a better recollection, and what was such a recollection, when in your previous examination at page 78 of the evidence, when being examined by Mr. Davies you were asked: "Have you a distinct recollection of such a transaction?" and you answered, "There was something of that kind?"—A. I do not recollect the transaction, but I saw the notes, and I see that I signed the notes, and where I signed it I could not recollect, but I think it was in our own office.

Q. As a matter of fact, is it not true you first had a lease of your office only in May, 1884?—A. We had an office on the Louise Embankment previous to that.

Q. Are you sure you had an office in 1883 on the Louise Embankment?—A. We had an office immediately after we got our first contract—a small office.

Q. Had you an office on the Louise Embankment in 1883?—A. I think so; that is my recollection.

Q. Is it there you claim these notes were signed?—A. I could not say whether we signed in the office at Quebec or Lévis, or at the bank. I could not tell you anything about that.

Q. Were they all signed in the Louise Embankment office?—A. I could not tell that either.

Q. What did you mean when you answered Mr. Davies: "There was something of that kind?"—A. There must have been from the notes. I see they were dated on the same day—still, they may not have been signed at the same time and the same place.

Q. Is that your explanation?—A. That is the only explanation.

Q. That would be a good explanation if the notes were not here. These notes were not here then?—A. I had seen the notes before.

Q. Did you not say that you had seen notes before when you were on your examination?—A. I saw them casually; I never looked over them, no more than to see them in the office.

Q. When had you seen them last before answering your first examination?—A. I don't remember the time.

Q. Many months before?—A. It must be a good while ago.

Q. How many months was it?—A. I do not know.

Q. Do you know where they were?—A. No.

Q. When you saw them, where were they?—A. On the desk in the office.

Q. Was it two or three years ago?—A. I think it must be.

Q. Was it not at the audit in 1885?—A. It may have been in the audit.

Q. When you saw them in the audit of 1885, what was the discussion about these notes?—A. I do not know what the discussion was, but I know a discussion generally took place with regard to Murphy's cash.

Q. Who were present at this discussion ?—A. Mr. Larkin, and on one occasion when Mr. Larkin was absent Mr. Kimmett had a power of attorney for Mr. Larkin to transact his business.

Q. Notwithstanding the discussions which there were about the cash of Mr. Murphy, you signed the declaration written on that trial balance, Exhibit "C 5" ?—A. Yes.

Q. What is that declaration ? Read it ?—A. "We approve of the audit of our books, accounts and vouchers, as made by Messrs. Kimmett and Hume, as shown by this trial balance."

By Mr. Mulock :

Q. Who signs ?—A. Patrick Larkin, N. K. Connolly and O. E. Murphy.

Q. With their own signature ?—A. Yes.

Q. What is the date of that signing ?—A. The trial balance is from 1st March, 1883, to 1st May, 1885.

Q. So that was signed after 1st May, 1885 ?—A. Yes.

Q. Is this not dated "Quebec, 2nd June, 1885" ?—A. Yes.

By Mr. Geoffrion :

Q. Read also the certificate on Exhibit "D 5," which appears to have been signed by the members of the firm ?—A. "We approve of the audit of our books, accounts and vouchers, as made by Messrs. Kimmett and Hume, as shown by this trial balance. Quebec, 2nd June, 1885."

Q. By whom is that signed ?—A. By the firm, as the others were: Patrick Larkin, N. K. Connolly, O. E. Murphy and Robert McGreevy.

Q. Exhibit "C 5" would be for the Graving Dock, meaning the Lévis Graving Dock ?—A. Yes; it so says.

Q. That was the Graving Dock to which this refers ?—A. Yes; trial balance graving dock, from 1st March, 1883, to 1st May, 1885.

Q. But what I want to know is, whether the graving dock mentioned there was the Lévis Graving Dock ?—A. Yes; Lévis Graving Dock. There was no other graving dock.

Q. In 1883, you had no graving dock at Esquimalt ?—A. No.

Q. "Q. H. I." means Quebec Harbour Improvements ?—A. Yes.

Q. You remember, I suppose, the new contracts which Larkin, Connolly & Co. made with the Government, or the Quebec Harbour Commissioners, for the dredging of the harbour ?—A. Yes ; I have a recollection of it.

Q. In the contract the price was 35 cents per cubic yard ?—A. Yes.

Q How did you come to procure that contract from the Government ?—A. We had been dredging previous to that to different depths. We had a grade of prices. I think 27 cents, 35 cents, 45 cents and 55 cents—so that it made it difficult to look after, and I think either the Harbour Commissioners or the Chief Engineer wrote us a letter, telling us that there was a certain amount of dredging to be done or money to be expended—I don't remember which—and they wanted a tender from us for one rate—not graded prices, as before. This one price should be for all depths. Whatever they wanted they wanted at one price. That is the way we came to enter into this contract for 35 cents.

Q. What I want to know is, was the firm the first to suggest the change, or who suggested it ?—A. My recollection is, it was either the Commissioners or the Chief Engineer that wrote to us first. That is my recollection.

Q. Do you remember a letter dated 27th April, 1887, from Ottawa, signed H. F. Perley, at page 119. Is it not the first official letter the firm received in connection with that contract ?—A. I think that is the letter that was referred to.

Q. Prior to receiving this letter from Mr. Perley, had the members of the firm, or some of them, any interviews with Mr. Thomas McGreevy, in connection with what they intended to do ?—A. Not to my knowledge.

Q. Will you look at Exhibit "M 5," page 118, and swear whose handwriting it is, and whether you saw this document before ?—A. This is my brother's handwriting.

Q. Did you see the document before ?—A. Not to my knowledge.

Q. Were you aware that such a document had been written by your brother ?—A. Only from seeing it.

Q. Did you ever in your office, or in your conversation, with him or your partners, or in your house, hear of that document ?—A. Not to my knowledge.

Q. Was there not in connection with this intended contract for dredging a meeting of all the partners in your own house some time in January ?—A. Not to my knowledge. The partners never met in my house to discuss business, to my knowledge.

Q. Do you remember now having met your other co-partners to discuss that new contract ?—A. We may have discussed it at our office. I never remember disdiscussing it in the house.

Q. Did you discuss it in the office ?—A. No doubt we discussed it, but I have no recollection of it. We always discuss when there is a contract to be let or when we are going to tender—discuss the fact of tendering on it and the probability of getting it—what it is worth, and so forth.

Q. And to the best of your recollection, that discussion was when you received Mr. Perley's letter, asking you whether you were ready to make a tender ?—A. That is my recollection. We had been dredging previous to that, and we may have talked it over, but I know that was the first intimation they wanted a continuation of the dredging. Our work for dredging, I think, expired previous to that. That is my recollection.

Q. You swear that the first intimation you had was when Mr. Perley's letter reached the firm ?—A. To the best of my knowledge.

Q. Did you receive no intimation prior to that from Thomas McGreevy ?—A. No.

Q. Were you not shown, or informed by Mr. Robert McGreevy, that he had received a letter from his brother in connection with that intended contract ?—A. No ; there was none.

Q. I see that Mr. Perley's letter is dated 27th April. Have you any means of ascertaining when you received it ?—A. I have not.

Q. Your letter in answer to the same, and mentioning the prices, is dated 30th April, at Quebec. Is that the date upon which it was sent ?—A. I think so. I think I remember dictating that letter or talking with—

Q. From what you say, there must have been a long discussion over that tender ?—A. No.

Q. The price of the work was pretty fair, I suppose ?—A. No ; no more than we were getting previous to that—I don't think as much.

Q. How much time did they occupy in discussing that matter before coming to 35 cents ?—A. I think Mr. Hume, our engineer, and I was in the office, and made about a fair average. We thought that was a fair average, but rather on the low side than what we had been doing before.

Q. Were your partners there, too ?—A. I don't remember whether Mr. Larkin was there or not.

Q. Is it the custom to make tenders without consulting each other ?—A. We had got the plant on the gronnd, and as this was like the continuation of the previous contract we did not call a meeting or bring all the partners together.

Q. Then you considered it a continuation of a form or contract ?—A. A good deal that way—yes.

Q. Any way, you were satisfied no absent partners would complain at 35 cents ?—A. No. I think it was rather low, but inasmuch as we had all the plant there I thought we had better do the work.

Q. Why did not you continue your former contract if it was lower ?—A. No ; it was not lower, but the work was rather difficult.

Q. And having considered the difficulty of the work and the tendering for that work, you are not sure whether you consulted the other parties?—A. I don't remember whether Mr. Larkin was there; no doubt Mr. Murphy and Mr. McGreevy was there.

Q. Was there a necessity for such hurry to answer the very same day you received the letter?—A. I think our plant was idle at the time. We had large and expensive plant, and we were anxious, of course, to get it at work.

Q. Would it be on that day your brother sent a little pencil document where we read: "If contract is entered into with Harbour Commissioners and approved of by the Minister of Public Works for 800,000 yards of dredging, at 35 cents, to be dumped in river, or if in more difficult places to be paid extra, we give $25,000. Extras B. C. about $73,000, of which we give $23,000." Was it on the day you discussed your proposition?—A. (After examining document). I don't know anything about that document you have just handed to me, and don't know anything about the circumstances, or where it was written, or why.

Q. Have you any doubt this refers to this dredging work?—A. I could not tell.

Q. But you had no other contract for 35 cents per cubic yard?—A. I think that was the only contract for 35 cents.

Q. That you had with the Harbour Commissioners?—A. Yes. That is, at a uniform price; we had contracts previous to that.

Q. But at a uniform price?—A. That is the only one.

By Mr. Tarte:

Q. Did you do any dredging in the Wet Basin in 1886?—A. I think we did dredging in the Wet Basin in 1886; I am not positive, though our accounts will show it.

Q. What was your price for dredging from 15 to 20 feet in your contract in 1882?—A. I think it was 27 cents. I am not positive, but this is my recollection.

Q. You are sure of that?—A. That is my recollection. I may be mistaken, but I think it was 27 cents.

Q. At 15 feet below low water what was the price?—A. I think we had a scale of prices. My recollection is that it was 27 cents.

Q. Then you say that for dredging at 15 feet below low water your price under your contract of 1882 was 27 cents?—A. Yes; that is my recollection.

Q. Was the material thrown then into the river or upon the Embankment?—A. That is the last contract?

Q. No; the first?—A. A portion of it in the river and some on the Embankment.

Q. Is it more difficult to throw it into the river or into the Embankment?—A. It is more difficult to throw it into the Embankment.

Q. Do you swear to that?—A. Yes.

Q. In the most positive manner?—A. Most positive manner.

Q. How is it, then, under the second contract you got 35 cents for dredging at 15 feet below low water, the material to be thrown into the river?—A. There was the Cross-wall. When we were dredging the last dredging the Cross-wall was so far distant we could only go out in the opening of the cross-wall. That is where the gates now are. Previous to that we could go out in any portion of the basin, either at the side next Quebec or the side next the Louise Embankment, without having to turn round to get out in this narrow opening. Besides, at high water all the crafts that come to the city of Quebec, or merchants in the Wet Basin along Dalhousie street or Drum's property along the gas works, had to go in through this narrow opening, and it was almost impossible for us to get out during all the time these vessels were in. We were partly stopped on that account. Then there is a further explanation: A portion went on the Louise Embankment as well. Then there is a still further explanation: There was a great deal of that bottoming up, which rendered it a great deal more difficult than the other. It was finishing the bottom. Dredging had been done before, and we had to go over it and finish the bottom, which made it difficult and expensive.

Q. Is that your explanation?—A. That is my explanation.

Q. Is it a fact that in 1886 the cross-wall was completed?—A. Yes; I think the Cross-wall was completed.

Q. Is it a fact that the Cross-wall being completed you did dredging in the Wet basin and were paid only 27 cents for the same dredging as you afterward got 35 for?—A. No; I have no recollection of that. We dredged in the Wet Basin after our contract was finished, but my recollection is that we had a higher price for it. It was deeper dredging this time and more difficult; it was not only deeper dredging, but there was the bottoming up.

Q. We will come to that, and see if there is a bottom to it. I would like to ask you, recollecting that you had all the circumstances of that dredging under your charge, if it is not a fact that when dredging in the basin of Quebec you threw the materials into the St. Lawrence, and that Mr. Boyd, the then engineer in charge, took from you 5 cents a yard on account of the fact that you were throwing the material into the St. Lawrence?—A. I do not remember about him taking 5 cents.

Q. If it was true?—A. It may be so, but I am not positive.

By Mr. Mulock:

Q. Would 5 cents per yard be a reasonable reduction for throwing everything into the river instead of over the wall?—A. I think it would be a large reduction.

Q. What would be in your idea, a reasonable reduction?—A. That would depend on where you dumped it.

Q. But where you did dump it?—A. Three or 4 cents.

Q. Do you know the Hon. Thomas McGreevy?—A. Yes.

Q. Do you know that he was in 1887 a member of the Quebec Harbour Commissioners?—A. Yes.

Q. You know him very well?—A. Now.

By Mr. Tarte:

Q. Does Mr. McGreevy know all the works in that basin in Quebec? Does he know anything about the works there?—A. I should think he did. He was Harbour Commissioner, and visited us occasionally.

Q. He knew about the dredging, the Cross-wall and all that sort of work. The reason I ask that from you is because we have found here, at page 22, two letters from Mr. McGreevy. The one I refer to is dated House of Commons, 26th April, and in which he says: "I have seen Perley on dredging. I think he will report on 35 cents, and put some conditions which will amount to nothing. He will report when I will be there"?—A. I never saw that letter.

Q. I do not mean to say that you have seen that letter, but Mr. McGreevy, being a member of the Harbour Commissioners, saying that these very conditions would not amount to anything, what would you answer to that?—A. I do not know anything about what Mr. McGreevy's views of the matter were.

Q. He may have been mistaken?—A. He may have.

Q. You persist in swearing that dredging at 15 feet below low water and throwing all the materials, or nearly all of them, into the river, is a more expensive work than the one you had done previously?—A. I persist in swearing that after the Cross-wall was built, even after the cribs were put in, it was more difficult to do dredging in the inner basin than previously.

Q. Is it not a fact that when you had thrown all the materials into the Embankment you have had to handle it several times?—A. We had to handle it twice.

Q. Explain that, so we shall understand.—The oftener it is handled the more expensive it is.

Q. Then, when you did not handle it at all—when you put it in the scow and threw it into the river—was it less expensive?—A. Less expensive.

Q. How is that done?—A. The scows are made with an opening in the bottom—trap doors—and when they get out to the dumping place there is a roller that

winds them up tight, and a dog to hold that in position. When they get out to the dumping place the dog is knocked out, and the material dropped out. There is less expense in handling.

Q. Do you know that by your contract of 1887 you were obliged to dredge only 15 feet below low water?—A. Yes.

Q. Do you know that you threw the greatest part of the material into the St. Lawrence?—A. Yes; we threw a part of it into the St. Lawrence.

Q. The greatest part?—A. I think so.

Q. Is it not a fact that in 1887 the Cross-wall was nearly filled in?—A. Yes; it was nearly filled in.

Q. In 1886 was it not nearly filled?—A. It was pretty well filled.

Q. You state that the greatest part of the material was thrown in the St. Lawrence?—A. That is my recollection, of course. The returns would show that, I think.

Q. And you say again that it was a great deal less expensive job than to throw it into the Embankment?—A. It was a less expensive job.

By Mr. Langelier:

Q. You have just explained one of the reasons why it was more expensive that when your last contract was taken, the Cross-wall had been built, and was interfering with your taking scows into the river St. Lawrence?—A. That was one of the reasons.

Q. Is it not a fact that before that time you had to pass through a small opening that has been in existence for more than twenty years between the wharf on the Custom-house side?—A. Yes.

Q. You had always to pass through that small opening?—A. That opening, though, is nearly three times the width of the smaller opening.

Q. But still two craft cannot pass sometimes without danger?—A. Two craft can always pass in the larger opening.

Q. And many more craft, if I am not mistaken, were in the habit of passing from the River St. Lawrence into the tidal basin than into the Wet Basin, access through which is gained through the opening between the breakwater and the other wharf when open to navigation, and it was used by ships at that time?—A. Yes.

Q. And the inner basin was not used?—A. A portion of it was used for ships. It was not used very much for ships until after we completed the Cross-wall.

By Mr. Tarte:

Q. Can you tell us how many thousand yards of dredging you have done on an average per month during the season of 1886?—A. I could not tell from my own knowledge, without referring to the books.

Did you make less in 1886 and in 1887 than you did in the previous years—the amount, I mean?—A. I could not tell you that.

Q. Answer my question.—A. Did I make less?

Q. I speak of the dredges, of course. Did your dredges make less work during the season of 1886 per month than they did previously?—A. I could not tell you that.

Q. Is it possible that you have done less?—A. It may be.

Q. Is it possible also that you may have done more?—A. It may be.

Q. Assuming that you have done more, what would be your explanation when you state that the work is more difficult?—A. Well, I do not know, unless our tugs were better handled and our dredges.

Q. It was at the time you were handling the dredges yourself.—A. I can say this, that when I handled the dredges myself they did better than when Mr. Murphy handled them.

Q. That is your explanation?—A. Yes. I do not remember, but that is what I have been told by the book-keeper. I have not examined the books myself to see, but I was told when I attended the dredges and tugs they worked to better advantage than when Mr. Murphy was attending to them.

Q. You were in charge of the dredging work yourself?—A. I was in charge of all the work.

Q. I allude especially to that work. Were you in charge of the dredging in 1887?—A. Yes.

Q. Do you know all about it?—A. I do not know that I know all about it.

Q. But you told us you were a good mechanic?—A. I profess to be something of a mechanic. What is your question?

Q. I am requesting you to tell me if you were in charge of the works, and being an able mechanic, if you have done more work during the season of 1886 than was previously done?—A. My answer to that is, that I was in charge of the work and that I do not know which year we did the most work, unless I could refer to the books. The book-keeper will be able to tell you that in a few minutes.

Q. The book-keeper was in charge of the works. You reported to him?—A. I did not report to him.

Q. Who reported to him?—A. The captain of each dredge.

Q. Who were those men?—A. Captain Manley was on one of the dredges, and Captain Freeland was in charge of the other.

Q. Who supervised the work for you—not the captains?—A. The captains supervised the conducting and the regulating of the dredges.

Q. To whom did they make their reports?—A. To the office.

Q. To whom in the office?—A. To Mr. Connolly I think.

Q. You never ascertained what was the amount of work done each month?—A. Yes; I looked every day.

Q. Each month?—A. Yes; probably each day I may have looked, but I have on recollection of the quantity. I remember one or two days they dredged 2,200 yards.

Q. You had two dredges, I think?—A. Yes.

Q. What was the capacity of the two dredges?—A. It depended on the material.

Q. But the average capacity?—A. I could not tell the average speaking from memory. I know they did take out as high as 2,200 yards on one or two days. I think that is the highest we have ever done, but of course the average was below that.

Q. I do not quite understand you. When I asked you to whom the captains reported, was there not some one who supervised the work?—A. Mr. Cluny was time-keeper; he took the time, and at times the captains may have reported to him, but the captains as a general thing reported to Mr. Connolly the book-keeper in the office.

Q. Have you any written report of the dredging operations in 1886 and 1887?—A. I think there were reports from the captains to the office but as far as making a regular report, I am of the opinion that the resident engineer had a report made as to the capacity. I am positive about that.

Q. You persist in saying it is less difficult to throw material into the St. Lawrence?—A. That is my opinion, where everything else is equal.

By Mr. Amyot:

Q. Will you kindly tell me in what year the cribs on the side of the south entrance were put in place?—A. I think it was in 1882-83.

Q. You do not understand my question. I speak of the cribs on the south side of the entrance to the Cross-wall?—A. I think it was in 1882 or 1883. On the south side?

Q. Yes.—A. I think that was in 1883.

Q. The cribs that were going to be the ends of the entrance walls—the Cross wall?—A. That is my recollection. It may have been 1883 or 1884, but I think it was in 1883.

Q. You are not sure?—A. I am not positive.

By Mr. Mulock:

Q. How many yards of cubic earth do your scows hold?—A. Some, 100 yards.

Q. Is that the average capacity?—A. No; we have some larger.

Q. But I am speaking of those working on this dredging?—A. The largest scows are of 200 yards capacity, or in that neighbourhood. The smaller ones are eighty yards.

Q. The larger ones used on this contract of the 800,000 cubic yards contract had a capacity of 200 yards and the smaller ones of 80 yards?—A. I think so; I am not positive.

Q. What is the estimated average time of loading a scow?—A. A great deal depends on the way they are attended by the tugs.

Q. Assuming that the work was properly handled, what would be the average time for loading three scows?—A. I think about half an hour.

Q. Half an hour would load which one?—A. The smaller.

Q. The 80 yards one?—A. That is my recollection; I may be mistaken.

Q. And the same time proportionately for the large?—A. Yes.

Q. Were they taken to the dumping ground immediately?—A. Yes.

Q. So that the 80-yard scows would leave every half hour?—A. Pretty nearly that.

Q. And take about an hour for the round trip—I mean the small scows?—A. I think about that time.

Q. And a little longer for the large ones?—A. Yes; it depended a good deal on the tides. If the tides were running strong against them when they were going out it would make them a little longer.

Q. The 200-yard scow would take a little over an hour to load?—A. To the best of my recollection.

Q. Take about an hour or a little over for the 200-yard scow to make the trip?—A. I suppose so.

Q. That gives an idea of the number of trips per day?—A. Yes; except when we would come across boulders, and it would take us an hour or an hour and a half or two hours to get rid of a large boulder.

Q. Look at that note (Exhibit "W 7"). Whose endorsement is that; is it your name on the back?—A. Yes.

Q. Look at the face of it, please; it is dated the 1st of May, 1883, for $5,000?—A. Yes.

Q. Made by the firm of Larkin, Connolly & Co.?—A. Yes.

Q. To your order, and endorsed by you?—A. It is made by Mr. Murphy and endorsed by me.

Q. By Murphy, you say?—A. Yes.

Q. I see it is to your order, and signed per O. E. Murphy, but it was endorsed by you?—A. Yes.

Q. And paid?—A. It must be.

Q. To whom was it charged?—A. I do not know that.

Q. What did you do with that note after you got it?—A. I do not know as I ever got it.

Q. Whose signature is that on the back?—A Mine.

Q. You endorsed the paper?—A. Yes.

Q. Do you know whether it is charged to you in the books?—A. I do not.

Q. Supposing it is charged in the books, is it accurately charged?—A. I do not know that.

Q. You had an audit in 1885?—A. Yes.

Q. And the note fell due in 1884?—A. Yes.

Q. It was for $5,000?—A. Yes; I suppose so.

Q. And in June, 1885, we are told you sanctioned the charging of that note to your account?—A. I signed the audit.

Q. And you sanctioned the charge to you in your books?—A. I may not have sanctioned everything that was charged to my account.

Q. Did you or did you not sanction this particular note?—A. I do not know that that particular note was pointed out to me.

Q. Are you aware that is charged to you?—A. No.

Q. You had an auditor there?—A. Yes.

Q. Supposing that note is charged to you, is it correctly charged to you?—A. I cannot tell.

Q. You cannot tell whether a note of $5,000, is correctly charged to your account or not?—A. No; without having an entry to show what became of the money.

Q. Although fifteen months afterward you approved of it being charged to you, assuming this was in the books, you knew nothing about the transaction?—A. I depended on the book-keepers. I had the utmost confidence in them.

Q. Do you recollect the circumstances of the endorsing?—A. No; I remember endorsing several notes.

Q. Do you remember endorsing that note?—A. No.

Q. What notes do you remember endorsing?—A. I remember endorsing several, but I cannot point them out.

Q. How many did you endorse?—A. I endorsed four or five notes of about $5,000, probably more, and several cheques of that denomination.

Q. Who made these notes of four or five thousand each that you remember endorsing?—A. Mr. Murphy.

Q. He, acting for the firm?—A. For himself as a general thing.

Q. Do you mean that these four or five notes were made for Larkin, Connolly & Co. by Mr. Murphy?—A. I mean that Mr. Murphy wanted accommodation and so did Mr. Robert McGreevy, and they were accommodated in that way. I cannot tell which one of them——

Q. There were four or five notes of that kind which you remember endorsing? A. I do not remember the transaction, as to where it took place or when, but I remember that I signed several notes.

A. Do you qualify four or five and say several?—A. It might be more and it might be less. I would say it would probably be more.

Q. You think these were for the accommodation of Mr. Murphy or Mr. McGreevy?—A. I know that many of them were.

Q. Was that one?—A. I cannot tell.

Q. Where do you remember endorsing these notes?—A. Generally in the office; I know of no other place.

Q. You do not remember any other place?—A. No.

Q. Will you swear you never endorsed any outside of the office?—A. Not to my knowledge.

Q. Is your memory good?—A. I do not pose as having a great memory.

Q. Is your memory defective?—A. As to dates and figures.

Q. Would you remember if a man robbed you of $5,000?—A. I think I would; it would depend on the circumstances a good deal connected with it.

Q. If you were willing to be robbed it would make a difference?—A. Not many men are willing to be robbed of $5,000.

Q. Taking this first note, like the first born, this would probably make more impression. Have you any recollection of this first $5,000 transaction?—A. None whatever.

Q. Your mind is a blank on this subject?—A. As far as the signing is concerned or the time when and the place where it was signed. I never signed anything to my knowledge outside of the office.

Q. Is your mind a perfect blank as to the purposes for which that note was signed?—A. No more than what I have stated.

Q. What have you stated?—A. That Mr. Murphy wanted accommodation and Mr. Robert McGreevy and they got it.

Q. Does that remark apply to this particular note?—A. I cannot say that.

Q. Do you know whether this first note was for anybody's accommodation?—A. I cannot tell you that.

Q. Do you remember anything at all in connection with this note?—A. I do not.

Q. You do not remember either the fact of your signing it or endorsing?—A. No more than seeing my signature.

Q. You do not remember where you endorsed it?—A. Not now.

Q. You do not remember whether you got the money on it or not?—A. I know I have not got the money on it.

Q. You do not know whether you sanctioned it being charged to you, although you did not get the money?—A. That was entirely with the book-keeper.

Q. You do not know whether it has been since paid by anybody?—A. It must have been paid by the firm, as it is in the possession of the firm, or was before it came here.

Q. You gave it to Mr. Fitzpatrick, or your firm did?—A. I do not know.

Q. It was found in the custody of the firm?—A. I suppose so.

Q. It was paid by the firm and charged to you and you cannot remember anything whatever about it?—A. That is it.

Q. There is another one of the same kind. Have you the same story to tell about this other one, dated 2nd June, 1884, and which is due 5th October, 1884. That I believe is also endorsed by you? That is your name on the back of it?—A. Yes.

Q. I am told that is charged in the books to you?—A. Yes; that is my name.

Q. That is for $5,000?—A. Yes.

Q. And you remember nothing about endorsing that note?—A. Not any more than that Mr. Murphy would come in and would want a note or a cheque.

Q. Does that principle apply to this particular note?—A. No more than to any of the others.

Q. Have you any recollection of endorsing this $5,000 note?—A. No more than the other.

Q. Do you remember why you signed it?—A I do not know why I signed it.

Q. Do you remember the fact of your endorsing this particular note?—A. No.

Q. Therefore you do not remember where you endorsed it?—A. No.

Q. Do you remember what you did with the paper after endorsing it?—A. It must have been handed to Mr. Murphy.

Q. Do you remember handing it to Mr. Murphy?—A. I do not.

Q. Do you remember what became of it after endorsing it?—A. I do not.

Q. Do you remember why you endorsed it?—A. I do not remember anything more than I told you.

Q. You do not know why you endorsed it?—A. I endorsed it at Mr. Murphy's solicitation.

Q. Your memory is brightening up. You remember endorsing it at Mr. Murphy's solicitation?—A. I know that we did; I speak of cheque and notes.

Q. You do not remember endorsing it—you do not remember where?—A. No.

Q. Nor why?—No.

Q. You do not know what you did with it after endorsing it?—A. No.

Q. You do not know what became if it when it fell due?—A. No more than that it fell into the hands of the company.

Q. Having fallen into the hands of the Company what does that prove?—A. That it is paid by the company—the maker.

Q. And after it is paid by the company it is charged to you. Are you aware that although it fell due on the 5th of October that on the 2nd of June afterward you signed a document confirming the charging of that note to your account?—A. That is the audit?

Q. Yes.—A. I believe I did.

Q. You don't know whether you paid it?—A. I signed it because it was certified correct by the auditor and the bookkeeper.

Q. So you have no knowledge at all; your memory is gone on that point?—A. Not altogether.

Q. I am not able to get it out of you; it requires more dredging than I can do. You remember quite well the letter of the 27th of April, 1887, to you, coming from

the Public Works Department at Ottawa?—A. I don't remember the date; I remember such a letter.

Q. Coming to the office?—A. Yes.

Q. Who handed it to you?—A. I don't know.

Q. You were in Quebec at the time?—A. Yes.

Q. Who else of the firm were in Quebec?—A. Mr. McGreevy and Mr. Murphy must have been there at that time. I could not say positively.

Q. Whom did you consult before you answered that letter?—A. I must have consulted Mr. Larkin if he was there. He would be the first I would consult.

Q. Were you in Quebec, Mr. Larkin, on 28th April, 1887, with your firm?—A. No, I was in British Columbia.

Q. Well, he was not there. Who was there?—A. Mr. Murphy, probably, and Mr. McGreevy, but I have no recollection of their being present.

Q. Do you recollect consulting any person?—A. No more than our engineer with regard to the question.

Q. That is Hume?—A. Mr. Hume.

Q. The only person who can remember is Mr. Hume? How long did it take you to answer the letter?—A. I don't think it took long.

Q. You took a day, or how long did you take?—A. It may have been answered the very next day.

Q. The letter came to you on the 28th, did it not?—A. I could not tell.

Q. It was dated in Ottawa, 27th, and would reach you before the 28th, would it not?—A. No; I think not.

Q. And you sent an answer on the 28th?—A. No; I don't know.

Q. The letter produced is dated 28th April, 1887, and is signed by your firm?—A. That would be the answer.

Q. So that the same day you received the letter from Ottawa you sent the reply?—A. Yes.

Q. What was the amount of money involved in your answer—800,000 cubic yards at 35 cents per yard?—A. I do not think there was any such amount.

Mr. STUART.—The contract is not 800,000 yards. You are mistaken in that, Mr. Mulock.

WITNESS.—My recollection of that is that there was a certain amount of money to be expended.

By Mr. Mulock:

Q. The contract was this, was it not: that you were to put in an offer to do 800,000 yards of dredging at 35 cents a yard, but that you were only entitled to do work to the extent of $100,000 worth in that year?—A. I think it was $100,000. I do not remember the wording of the contract.

Q. This letter you received reads as follows:—

"OTTAWA, 27th April, 1887.

"GENTLEMEN,—There remains a large quantity of material in the Wet Basin, Quebec Harbour Works, a portion of which it is desirable should be removed during the ensuing summer, and the propriety of proceeding therewith I desire to bring to the notice of the Commissioners. Before I can do this I wish to obtain the price per cubic yard, measured in the same manner as was the dredging previously done by you, at which you will do what is required" and so on. Did you form an opinion as to the quantity of dredging involved in that letter?—A. My engineer made the calculations—Mr. Hume.

Q. He told you on this day?—A. It must have been during that day; it was before the letter in reply was sent.

Q. What quantity did he say was involved?—A. I do not remember.

Q. You have no recollection?—A. I have no recollection now.

Q. Was it a large quantity?—A. It was according to his letter. About $100,000, I suppose, was the amount of money to be expended.

Q. Did Mr. Hume make a written statement to you?—A. No; no more than we sat down together.

Q. He figured it on paper?—A. Yes; I think so.

Q. Now, where is his figuring?—A. I do not know.

Q. Have you got his figuring here?—A. No.

Q. Have you looked for it?—A. I think his figuring was done on a slip of paper which was not kept afterwards.

Q. So that you do not remember what quantity was involved—what amount of money would be involved by your acceptance of this offer?—A. Not exactly; not any more than what he told me at the time.

Q. What did he tell you?—A. I do not remember that.

Q. You sent the answer to that letter?—A. We sent the answer.

Q. How much did you do under the contract?—A. I cannot tell you that.

Q. How much money did you receive from the Government under the contract?

Q. How many years did you work under this contract?—A. I think we worked —A. I think we received the full amount of money stated in Mr. Perley's letter. the season that we first got it and part of the next season.

Q. That was all?—A. That is my recollection.

Q. Do not you remember that much?—A. Yes; that was it.

Q. You swear you only worked during the season of 1887 and part of the season of 1888?—A. We may have worked a little in 1889.

Q. What was the total amount of money you collected from the Government for dredging under this contract?—A. I cannot tell you that.

Q. Was it to be $100,000?—A. I cannot tell you.

Q. Would it be double that?—A. I cannot tell you that.

Q. How many yards were done?—A. I cannot tell you that.

Q. You had no idea as to how many yards were dredged under this contract?—A. I cannot tell you.

Q. The most we can make out is, that it was a contract that kept your dredges going during the season of 1887, part of 1888, and perhaps part of 1889?—A. They would be partly going—not steadily.

Q. Can you give us an estimate of what they accomplished in that period?—A. I cannot.

Q. It was put in large figures?—A. It would be.

Q. And you tell us now that you subjected your firm to that contract in the following manner: You received on the 28th April, 1887, an invitation from the Department of Public Works to offer for the work, and that on the same day, without having had any opportunity of previously considering what you were going to do, after consultation with Mr. Hume, you sat down and wrote a letter stating that your firm would take this contract? Is that it?—A. Some of the other members of the firm may have been present.

Q. Is that a correct statement of what occurred?—A. As far as I know.

Q. Now, if some other members of the firm were present, who would be present outside of Mr. Murphy and Mr. McGreevy?—A. No one else.

Q. But the answer was sent—the whole business was disposed of in that way? —A. That is my recollection.

Q. And until you received Mr. Perley's letter you had not the slightest expectation of receiving such a letter?—A. No.

Q. It came as a great surprise?—A. I do not know that it was a great surprise. There was dredging to be done there, but when it would be done, or how it was to be done, and by whom, I could not tell.

Q. Having known that there was dredging to be done I presume you were prepared for such a communication?—A. Our dredges were on the ground ready to work.

Q. Spring was just opening. I suppose you had had some previous talk with your firm. Did you feel you were taking too much on yourself in entering into that contract without consultation with your partners?—A. I should not think so.

Q. I suppose you had some consultation from time to time with your colleagues—in case there should be any such work to be done they had given you to understand they would be willing to agree to it?—A. I do not remember any such conversations.

Q. And that is all you remember about how you came to enter into that contract?—A. Yes.

By Mr. Tarte:

Q. You dredged until 1886 by your contract of 1882?—A. I do not know that from memory; I would have to refer to the contract.

Q. You have just stated to me that you made dredging in 1886 in the Wet Basin?—A. That is my recollection.

Q. Did you receive any notice that that contract of 1882 had been put an end to?—A. Yes; I think we had notice.

Q. From whom?—A. From the Harbour Commissioners.

Q. Will you kindly produce the notice?—A. I do not know where it is.

Q. Could you tell us what quantity of dredging remained to be done in the Wet Basin in 1887?—A. I could not.

Q. Can you tell us what quantity remains to be done?—A. I cannot.

Q. In any round figures?—A. No.

Q. Can we suppose that there remains about 400,000 yards?—A. I cannot tell.

Q. Do you know that there remained 300,000 or 400,000 yards?—A. I cannot tell you that.

Q. No idea whatever?—A. It is such a large area as to quantity that I cannot tell.

Q. You say it is a large area. How large?—A. I cannot give you the dimensions.

Q. Eighteen acres or twenty acres?—A. Probably more or less; probably more.

Q. You cannot tell us what quantity of dredging you have made in 1887, 1888 and 1889?—A. No.

Q. Any idea?—A. No idea. I would have to refer to the books for it.

Q. You have supervised these works and were in charge all through?—A. Yes.

Q. And yet you have no idea?—A. No.

Q. If it be near $300,000 out of that dredging affair, would you be surprised?—A. I know we received only as we contracted.

Q. If you received about $300,000 would it be a surprise to you?—A. If I received that much money I done the work for it.

Q. If you received only $50,000 would it be a surprise?—A. Not when I know we got paid according to what we had done.

Q. You do not know whether you received $50,000 or $300,000?—A. Not from my own knowledge.

Q. As a member of the firm do you not recollect anything about it?—A. I do not know anything about books or figures or dates. That is something that passed from day to day, and passed out of my memory.

Q. You were dredging there for three years, and you say you do not know whether you received $50,000 or $300,000?

By Mr. Davies:

Q. Mr. Connolly, one question. Mr. Geoffrion placed in your hands two batches of notes, containing one for $25,000 and another for an amount of $22,000, and you endorsed personally one of the notes in each batch; he showed you the books with these two sums of $25,000 and $22,000, showing they were charged to expense account, and he showed you two trial balance sheets, one for Quebec Harbour Improvements, and the other for Graving Dock—these two amounts are charged respectively to expense account in each of these sheets; and he showed you your signature signing you approved of these trial balances, and of the audit, and that

you found it correct. Do I understand you to tell the Committee you have no knowledge whatever where that $40,000 went?—A. I have no personal knowledge of where it went.

Q. I don't ask your personal knowledge. Do I understand you to swear to the Committee that in the two years from March, 1883, to May, 1885—two years and two months—$47,000 were paid out, and that you signed the trial balances acknowledging it was paid out correctly? You had signed one of the notes in each batch, and do I understand you to swear you don't know where that money went?—A. I don't know where it went. Mr. Larkin signed the trial balances first and I signed afterwards.

Q. Or for what purpose it was paid?—A. No.

By Mr. Lister:

Q. Did nobody ever tell you?—A. No.

By Mr Edgar:

Q. If you do not know yourself where that money went, could you tell the Committee who does know?—A. I think Mr. Murphy or Mr. McGreevy must have handled that money.

Q. They would know about it, would they?—A. They would be the only ones I think.

By Mr. Amyot:

Q. You have no idea about that?—A. I have no idea myself.

Q. Will you tell us how many years elapsed between the beginning of the work and before you put those cribs on the south side of the entrance wall?—A. From the time we got the contract until we put in the cribs?

Q. Yes.—A. I think it was one year that elapsed.

Q. Would your books show those works?—A. I think so.

Q. All the kind of work done, and the kind of work?—A. I think so.

By Mr. Lister:

Q. You say you have no personal knowledge yourself where that $40,000 went. Did you ever have any conversation with your brother about that or any portion of it?—A. I don't remember any.

Q. Will you swear upon your oath that your brother and you never had any conversation as to how that $40,000 or any part of it was to go?—A. Mr. Larkin, my brother and I had a conversation with regard to a large amount of money that Mr. Murphy was paying out without any vouchers.

Q. Did you ever have any conversation about that $40,000 as to where it was to go, any portion of it?—A. Not to my knowledge.

Q. And you never inquired where it had gone?—A. Only what Mr. Murphy may have said.

Q. What did he say?—A. He said, when he would get notes and cheques, and we would call him to account at the end of the year, he would give some kind of a half——

Q. What did he tell you?—A. He said, "you have got paid for it, or you have got the value of it, or it will come back some time."

Q. What did you understand from that?—A. I did not understand.

Q. Oh, yes, you did. What did you understand from it?—Did you understand it had gone somewhere and would bring back more money?—A. That is his version.

Q. You were satisfied with his version?—A. I was never satisfied with his version.

Q. What did you say to him?—A. I told him I never saw any come back.

Q. Did he tell you where he had applied it, where he had planted it?—A. He never told me whether he had planted it.

Q. And you never asked him—you had no suspicion?—A. I may have had a suspicion.

Q. What was your suspicion?—A. I had some suspicion that some of this money went for political purposes.

Q. That was your suspicion, was it? Where did it go for political purposes? What suspicion had you in reference to that?—A. I supposed politicians.

Q. To Thomas McGreevy?—A. No; he never told me.

Q. Didn't you know it was going to Thomas?—A. No.

Q. You swear that?—A. Yes.

Q. Who were the politicians you suspected it was going to?—A. Men that were running the party there. There was a committee, I think, in Quebec, and I would suppose it would go to them.

Q. What committee?—A. I don't know the name of the committee.

Q. You were a politician down there, were you not?—A. No.

Q. Never handled any money?—A. Never handled any money.

Q. To what party was it paid?—A. Mr. Murphy will be able to tell you better than I can.

Q. Was it the party Mr. Murphy belonged to?—A. Mr. Murphy belonged to both parties.

Q. If this money was to go to a political party to help you in any of the works, which party would it go to?—A. The Conservative party was in power at Ottawa.

Q. And they were the ones to help you?—A. The Reform party were in power in the Province of Quebec.

Q. Did they give the works?—A. No; but Mr. Murphy was always friendly with them. In fact, I never took any part in politics at all.

Q. Was Mr. Murphy a member of this committee?—A. Which committee?

Q. This political party to which you supposed the money went?—A. Not to my knowledge.

Q. He never had anything to do with it?—A. Not to my knowledge; I never attended a meeting.

Q. Who were the leading men of the Conservative party in Quebec?—A. Sir Adolphe Caron, Sir Hector, Chas. Casgrain and Mr. McGreevy—several others.

Q. These were the people then you suspected this money went to?

Sir JOHN THOMPSON objected to the question.

Mr. LISTER—I will change the form of the question. Are these the people that you referred to as the leading politicians in Quebec?—A. Yes; of the Conservative party.

Q. And are these the people to whom you referred as having a suspicion that they got a portion of the money?—A. No; I think if money was paid it would be paid to the association and distributed as they thought fit.

Q. Do you know anything about the officers of the association?—A. No, I do not.

Q. Do you know who they were?—A. No.

Q. You have no idea?—A. I have met them, but I could not tell the names. I would not know them if I were to meet them now.

Q. You do not know their names?—A. No.

Q. Not one of them.—A. No.

Q. Do you know whether Mr. McGreevy had anything to do with them?—A. I do not know. I never attended one of the meetings.

Q. You did not know at all who they were? You had never any talk with Mr. McGreevy?—A. With Mr. Thomas McGreevy? On what subject?

Q. On political matters?—A. No.

Q. All the dealings took place with your brother Michael and Murphy?—A. Yes.

Q. Murphy had the expending of this money?—A. He was always anxious to handle the cash. I was very anxious that anybody should handle it but me.

Q. When you spoke to him about it did he tell you it would come back all right, and for that reason it was charged up to "expenses"?—A. I do not know it was the reason.

Q. But it was charged to "expenses"?—A. Yes.

Q. That was his explanation?—A. That was part of it.

Q. What was the rest of it?—A. I told you he said it will come back, that it was all right. I told him that it would never come back, that we would never get it back.

Q. How did you expect it was to come back?—A. I never expected it would come back.

Q. What did you understand he meant when he said it would come back?—A. I understand he got the money—I solemnly believe he put most of it in his own pocket.

Q. What did he do with the rest of it?—A. He may have paid out part for political purposes.

Q. What do you understand he meant when he said this money had gone for political purposes; what was your inference?—A. I believe he wanted me to believe that he had paid a portion for political purposes.

Q. Did you believe it?—A. No, I never believed it.

Q. You signed the audits?—A. Yes, I signed the audits.

Q. And gave your own notes?—A. I may say I gave notes after a quarrel, and sooner than break up the firm in the condition it was in at the time we put up with the manner in which Mr. Murphy was handling the cash—disposed of it.

By Mr. Tarte:

Q. Each time you signed?—A. Each time we signed.

By Mr. Lister:

Q. Why did you continue to give the money after you had these suspicions?—A. After each audit we would have a discussion and a dispute with Mr. Murphy, and it was finally decided by Mr. Larkin, or somebody, that I should handle the cash.

Q. What was the dispute with Murphy about?—A. About cash.

Q. What cash?—A. About cash Mr. Murphy handled.

Q. That would be the $22,000?—A. I do not know it would be that.

Q. And the $25,000?—A. That I suppose would be a portion of it. That is my recollection.

Q. Which now?—A. All the moneys he handled.

Q. The $22,000?—A. The money he handled previous to each audit.

Q. How often did you have these rows?—A. Previous to each audit—the time the audit took place.

Q. You remember you had the rows very well?—A. I remember them.

Q. Of course you remember what Murphy told you?—A. Yes.

Q. What did he tell you in his own words?—A. I just told you that when we would call him to account about the amount of money he had expended he would say—I think he gave as an excuse one time that Mr. McGreevy has got some and it was accommodation that would come back. Anything that was paid out he would say it would come back.

By the Chairman:

Q. Which Mr. McGreevy?—A. Mr. Robert McGreevy.

By Mr. Lister:

Q. You consented then to have it charged up to expenses?—A. Yes.

Q. That is not the same statement you made a few moments ago?—A. It may be in different words but it is the same.

Q. There is nothing about political purposes there?—A. When we would have these rows previous to the audit, or at the time, we would dispute with him and ask him where this money went and what became of it and he said "It is not for you to know. It has gone and you will get it back and it will be all right" or something to that effect.

Q. You then, upon that statement, signed the audit?—A. On that statement signed the audit, sooner than dissolve.

Q. And had it charged to expenses?—A. Yes.

Q. Had Robert McGreevy his share of the revenues besides these moneys you were paying him you say? You consented to pay your share of the $25,000, taking that as an instance. One of the $5,000 notes was paid by you, or charged against you in the books, and beside that Mr. Robert McGreevy had his share in the profits? —A. Yes.

Q. Did you ever see this letter to O. E. Murphy, which appears on page 1888 of the evidence, one paragraph of which reads as follows:—

"My Dear Sir,—I have just got your letter of the 17th inst. Our friends call for another $5,000, on account of British Columbia, is not in accordance with the agreement we had when the $50,000 was divided—that was, that there was to be no more calls or divisions to be made until the indebtedness of the British Columbia dock and Quebec Harbour works to the Quebec dock was paid. That was distinctly stated by me and agreed to by R. H.; otherwise, I would not have agreed to the division of the $50,000. You did quite right to refuse—stick to it; should we get an order to lengthen the dock 100 feet or even 75 feet I would be quite willing that $5,000 should be given at once. Bear in mind, my dear fellow, that there is a large amount due you, Connolly and myself, and that if we continue donating as we have been doing there will be nothing left to pay us, except old plant. Keep the eleventh commandment in view—that is, look out for yourself."

Q. Did you ever see that letter?—A. Never saw it.

Q. Your brother never showed it to you? A. No.

Q. Murphy never showed it? A. No.

Q. Did anybody have any conversation about that letter? A. I heard of it.

Q. How long after it had arrived? A. I do not remember the time.

Q. It was received in the office? A. It may have been.

Q. Were you at the office or from it? A. From it mostly.

Q. Murphy was there generally? A. Murphy was there or around town.

Q. When did Murphy show you that letter, or speak to you about it? A. I do not know.

Q. How long after it was received—a year or five years? A. I cannot tell you now about the time.

Q. But you did see it? A. I never saw it.

Q. Who told you about it? A. It was Mr. Murphy or my brother.

Q. This letter speaks about an arrangement. What was that arrangement? A. I do not know anything about it.

Q. What was the arrangement? A. With regard to the $50,000. division?

Q. Yes. A. My recollection or version of that is, that there was $50,000. divided at that time and each member of the firm got his share. That is my recollection, and the division was made at the solicitation of Robert McGreevy. The plant that we had brought from the graving dock or built was not paid for at that time, and that is why Mr. Larkin is mentioning that $50,000. was divided and if he knew that there was wanting any more accommodation, he would not agree to the $50,000. division until the plant was paid for.

Q. What about donating? A. I do not know anything about that.

Q. There was nothing said about donating? A. I never saw that letter.

Q. Now he says that when the $50,000. was divided there was to be no more calls or divisions until the indebtedness on the British Columbia dock and Quebec Harbour works, was paid and "that was distinctly stated by me and agreed to by

R. H." A. Let me state my recollection of that. Mr. Larkin as I understand, would not agree to any more money being given until the plant was paid for.

Q. Given to whom? A. Robert McGreevy.

Q. This is outside parties? A. I do not think it is.

Q. "I have got your letter of the 17th inst. Our friends call for another $50,000." A. That is the only version I can give of it.

Q. Who are "our friends" who called for $5,000.? A. Robert McGreevy and Murphy.

Q. But this letter is addressed to Murphy, and refers to a third party?—A. That is the only explanation I can give.

Q. There was a division of $50,000?—A. I just told you about that.

Q. There was a call here for $5,000, and he says that is contrary to the agreement. What was the agreement?—A. That call was made by Robert McGreevy. The agreement was that no more money should be paid Robert McGreevy until such time as the plant was paid for both in British Columbia and the harbour works, Quebec.

Q. He says "our friends"?—A. You will have to get someone else to qualify that.

By Mr. Lister:

Q. Well, then, he says, "And if we continue donating as we have been doing there will be nothing left to pay us except old plant." What does that refer to? Does not the last sentence refer to the five thousand?—A. It may.

Q. What did he mean—"If we continue donating?—A. I could not explain that to you.

Q. You know nothing about it?—A. I know there has been a great deal of money spent, and where it went I could never tell.

Q. Was it in donating?—A. It must have been in donating, for we never got anything in return.

Q. You got a contract?—A. We got a contract for the lowest figure. I don't thank anybody for that. We always got our contracts at the lowest figure, and we done good work.

Q. You would not undertake to swear that the five thousand referred to Robert McGreevy, would you?—A. I don't know as it does. That is the version Mr. Larkin told me.

By Mr. Tarte:

Q. Was the five thousand referred to, paid a short time after that?—A. I could not tell.

Q. You have no recollection?—A. No.

Q. Will you swear it was not paid?—A. No.

By Mr. Langelier:

Q. You don't mean to say the donations alluded to there were donated to Robert McGreevy?—A. The fifty thousand dollars was a division of profits.

Q. The letter alludes to previous donations made to such an extent there would remain nothing but old plant. Do you mean to say that those previous donations alluded to were made to Robert McGreevy?—A. Robert McGreevy and Mr. Murphy.

By Mr. Lister:

Q. They were the parties?—A. They were the parties that handled all the money.

Q. Were they the parties that got the donations?—A. I cannot tell about that.

Q. They simply handled it?—A. I dont know about it.

Q. Was it a present to them?—A. I dont know that it was. Mr. Murphy would come and present a cheque or a note.

Q. Were those donations a present to Robert McGreevy or Murphy or were they not ?—A. There were no presents at the time.

Q. Then they were for some purpose ?—A. They must have been for some purpose.

Q. You think they were for some purpose ?—A. Yes.

Q. You have been told so ?—A. Yes.

Q. By whom ?—A. Murphy.

Q. And he told you so ?—A. It was all right and we would get it back, he would explain.

Q. You have told us Mr. Larkin gave you an explanation with regard to that five thousand ?—A. Yes, long ago.

Q. And the explanation he gave you ?—A. I think that the five thousand was in reference to accommodation Robert McGreevy wanted, but I am not positive about that.

Q. Your mind is a blank ?—A. Not quite.

By Mr. Daly :

Q. A short time ago you said something about your suspicions as to where this $40,000 had gone ?—A. Mr. Larkin and I talked matters over on several occasions and we came to the conclusion that most of this money went into the pockets of Robert McGreevy and Owen Murphy.

By Mr. Edgar :

Q. Had they no vouchers ?—A. I dont know, that was the conclusion we came to; and further we agreed to finish our work and then call a sale and sell out and dissolve and tender no more with Robert McGreevy or Murphy.

By Mr. Mills :

Q. Mr. Larkin did go out of the partnership ?—A. Yes.

Q. What year ?—A. I think it was in 1888 or 1889.

Q. That Mr. Larkin went out ?—A. Yes.

Q. And, when did Murphy go out ?—A. In 1890, I think.

By Mr. Tarte :

Q. Did you agree with your brother to put Mr. Larkin out of the firm ?—A. Did I agree with my brother ?

Q. Yes.—A. No; I never agreed to put Mr. Larkin out.

Q. Do you know that your brother Mr. Michael Connolly asked that Mr. Larkin be put out of the firm ?—A. No; I know this, that Mr. Owen Murphy wanted me to have Mr. Larkin squeezed out many years before he went out. Saying he was no good, and that he would have to go, and that he was a burden, and many other things, and that he was no use to the concern, and I told Murphy, that as long as I was in the concern, Mr. Larkin would be treated the same as anybody else, and that when I went out, they could treat Mr. Larkin as they pleased.

Q. Do you not know your brother asked several times that Mr. Larkin be put out ?—A. No; I don't.

Q. Do you remember having asked Mr. O. E. Murphy to secure the services of Mr. Thomas McGreevy ?—A. To my knowledge, I never told Mr. Murphy to secure the services of Mr. Thomas McGreevy. I can tell you this, I was always friendly with Thomas McGreevy, he being an old contractor himself, and whenever I wanted to talk about the business of the firm, or about our estimates, he being a practical man himself, I used to go to him and ask him with regard to our estimates when they were kept back.

Q. Did you come to him often in that way ?—A. Not very often.

Q. In connection with what work would it be ?—A. The Graving Dock, at Levis.

Q. For no other work?—A. No other work.

Q. Will you tell me again—try to refresh your memory—if you have ever told O. E. Murphy to secure and employ the services of Thomas McGreevy?—A. Not in that way; not to my knowledge. I may have told him, and I very naturally would tell him, if he wrote to me in connection with our work, or in regard to our work, and he should mention Thomas McGreevy. I might say to him to do or to be advised or to take counsel by Thomas McGreevy, knowing as I did, that Mr. Murphy was not a practical man, and that Thomas McGreevy was.

Q. Then, if I understand you rightly, you advised Mr. O. E. Murphy to arrange with Mr. McGreevy for the work—the estimates or something like that?—A. I never stated that.

Q. What did you say?—A. I said, that if Mr. Murphy had written to me, and mentioned Mr. McGreevy's name in connection with our estimates, I would tell him naturally to see Mr. McGreevy or Mr. Dobell, or some of those men.

Q. Let us go straight to the point. Did you ever ask Mr. O. E. Murphy to employ Mr. Thomas McGreevy's influence with the Minister of Public Works?—A. Not to my knowledge.

Q. Did you ever write any letter to him, asking him to do that?—A. I may have written to him, asking him to see Thomas McGreevy.

Q. Did you ever write any letter asking him to secure Mr. McGreevy's influence with the Minister of Public Works?—A. No; I never did. I never told Mr. Murphy to employ Thomas McGreevy ever to do anything for us.

Q. And you swear positively you never wrote to Mr. O. E. Murphy a letter in which you say to him to employ Mr. Thomas McGreevy with the Minister of Public Works?—A. Not to my knowledge.

Q. Did you write or not?—A. I may have written a letter telling him if he was in Ottawa, and we were tendering, or were about tendering or about getting estimates—if the estimates were behind—I would naturally tell him to see Thomas McGreevy and ask him to see the Minister in this way. Thomas McGreevy, being Harbour Commissioner, knew what was required there, and being a practical man he knew what we required.

Q. Then we have the clear admission—I do not want to take you by surprise—do you admit on oath having written letters to Mr. Murphy—I will go further and say, letters in which you tell him or ask him to employ Mr. Thomas McGreevy's influence with the Minister?—A. I never wrote a letter telling him to employ Thomas McGreevy's influence.

By Mr. Amyot:

Q. Not in that sense?—A. Not in that sense; I may have told him to see the Minister for such a thing or such a thing, which is very proper. I might tell him in a letter or letters to ask Mr. Thomas McGreevy, he being here in Ottawa, to see the Minister about such a thing or such a thing.

By Mr. Mulock:

Q. Which Minister?—A. Sir Hector was the Minister of Public Works.

By Mr. Geoffrion:

Q. You stated that you dissolved partnership with Mr. Larkin; have you also dissolved partnership with Mr. Murphy?—A. I bought Mr. Larkin out, and I also bought Mr. Murphy out?

Q. You alone or your brother?—A. My brother and I.

Q. It is stated by Mr. Perley this morning that he had agreed to re-imburse the sum of $1,885, which had been paid by the firm of Larkin, Connolly & Co. Were you aware that such a voucher existed in the papers of the present firm?—A. I was not aware that such a voucher existed.

Q. Were you aware that such an amount was agreed to be charged to the firm?—A. Yes.

Q. Who are the present members of the firm?—A. Michael Connolly and myself.

Q. Mr. Perley said that he had occasion to hand you back—to settle with Mr. Michael Connolly, because he had more occasion to see Mr. Michael Connolly in connection with the Kingston Graving Works. Who are the present partners in connection with those works?—A. Michael Connolly and myself.

Q. Are you the only partners?—A. Yes.

Q. Are you the only contractors?—A. Yes.

Q. There are no other contractors for those works?—A. No.

Q. In September, 1890, you were the only two members of the firm?—A. Yes.

Q. You were the only members of the firm in that month?—A. Yes.

Q. At the time of the signing of the contract were you the only two partners?—A. I do not know much about the transaction. With regard to the contract that is something I do not know.

Q. But you signed the contract?—A. Yes.

Q. How many signed the contract?

Mr. Stuart objected to the question as being irrelevant to the inquiry. Objection sustained.

Q. Was the contract signed by a firm of which you were a member, and who were the members of the firm who signed the contract?

Mr. Ferguson objected on the ground that the Kingston graving dock was not a subject of this enquiry.

The CHAIRMAN—The question is not supported by the reference to this Committee.

Q. Who were the members of the firm at the time the contract was signed?

Mr. Ferguson renewed his objection.

The CHAIRMAN—I think we have nothing to do with the Kingston contract, but if you want to ascertain who were the members of the firm at the time Mr. Perley undertook to refund the money, you may put the question.

By Mr. Mulock:

Q. This I.O.U. is said to have been handed to Mr. Michael Connolly for the benefit of somebody. It was called a re-payment. I assume it was intended to be a re-payment making restitution. Could you tell us who constitute the present firm—who are the members?—A. There is no such firm as Larkin, Connolly & Co. It is N. K. and M. Connolly, who are successors of the firm of Larkin, Connolly & Co.

Q. Who were the members of the firm who contracted for the Kingston works?—A. N. K. and M. Connolly.

Q. Were there ever any other members there?—A. No.

Q. You are the only ones who ever were there?—A. Yes.

Q. No one else had any interest?—A. No.

By Mr. Geoffrion:

Q. You have explained to the Committee that there were frequent quarrels and dissatisfaction with the way the money was handled by Murphy?—A. Yes.

Q. As a matter of fact, in 1887 you, at the request of Mr. Larkin, consented to take the management of the cash?—A. Reluctantly.

Q. But you acted, and from that day you were the party signing the cheques and making the payments?—A. Yes, I think so.

Q. Will you look at Exhibit "D 8." On the 3rd of January, 1887, you had not begun to exercise your new function by signing the name of the firm?—A. I do not know that it was any new function, because I was always considered the manager of the firm; but I never wanted to be what would be the cashier or handler of the cash. Consequently Murphy did.

Q. You began to do that, however?—A. Yes.

Q. Is this cheque in your handwriting?—A. It is signed by me and endorsed by me.

Q. The name of the firm is signed by you; it is made payable to you and endorsed by you?—A. Yes.

Q. What is the amount of the cheque?—A. $5,000.

Q. I suppose you cannot say from memory for what purpose it was signed and endorsed?—A. No; I cannot.

Q. Will you look at another cheque, dated 24th January, 1887, for $3,000, and say whether the signature of the firm is your handwriting?—A. Yes, the cheque is made out to O. E. Murphy, signed by me and endorsed to O. E. Murphy.

Q. Are you aware that on that day or the next following day O. E. Murphy left Quebec for Ottawa?—A. No, I am not.

Q. Taking with him two out of those three thousand dollars?—A. No, I am not.

Q. You cannot by memory say for what purpose that cheque was signed by you and given to Mr. Murphy?—A. No.

Q. Here is another cheque dated January 25th, 1889, signed Larkin, Connolly & Co., order of N. K. Connolly, $10,000. Will you say in whose handwriting is the name of the firm?—A. That is my handwriting and endorsed by me.

Q. You cannot say for what purpose this amount was drawn?—A. I cannot.

The Committee then adjourned.

HOUSE OF COMMONS, 10th July, 1891.

The Committee met at 10 a.m., Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. NICHOLAS K. CONNOLLY recalled, and his examination continued.

By Mr. Geoffrion:

Q. You stated yesterday you began to take the management of the cash in 1887, and we find in your books that in the course of February, 1887, you signed cheques to the amount of $25,000. Can you explain to the committee what those cheques were for?—A. I could not tell you what they were for.

Q. Look at Exhibit "N 3," folio 282, and say whether you find there an entry showing that you have signed five cheques of $5,000 in the course of the month of February, 1887?—A. I see here that there is an entry, "Quebec, 28th March, 1887—to suspense account Esquimalt Dock—$25,000."

Q. I want to see if you have signed some cheques by the book?—A. I suppose those are the cheques that I have signed.

Q. You find that in the month of February, from entries in your books which were kept under your control, an entry showing you to have signed five cheques of $5,000 each and entered to suspense account?—A. I see $25,000 here.

Q. But look at the detail of it, please?—A. There is an entry, 4th February, $5,000; 14th, $5,000; 17th, $5,000, and 28th, $5,000.

Q. That makes $25,000. You have also been shown a cheque signed by you, dated 13th January, 1887, for $5,000, charged to dock. Can you say also what that cheque was for?—A. I don't remember.

Q. Is it not a fact that at page 126 of Exhibit "L 3," under date of 3rd January, 1887, the following entry is found—"January 3, Union Bank cheque, order of N. K. C., to be charged to dock—five thousand?"—A. Yes.

Q. We find the following entry at page 131 of the same book—"Graving Dock cheque, dated 3rd January, to order of N. K. C., to be charged to G. D. as agreed—five thousand?"—A. I see an entry of that kind there.

Q. Can you explain what was agreed?—A. I cannot.

Q. Or when that agreement took place?—A. I don't know anything about it.

Q. And you don't know at all what this five thousand was for?—A. No.

Q. And you were in charge of the cash?—A. I was manager at that time.

Q. And you signed cheques?—A. I did not handle the cash. I signed cheques more than I did cash. A great deal of cheques I signed I did not handle the cash.

Q. You managed the cash, but the cash was handled by the bank?—A. By the bank, the book-keeper and Mr. Murphy.

Q. Then, upon your oath, you state to the Committee you signed that cheque, not knowing what it was for?—A. That is my recollection of it.

Q. I examined you yesterday about a cheque, dated 24th January, for $3,000, which was shown to you. Look at the same book, Exhibit "L 3," folio 126, and see whether you don't find the following entry: "24th January, cheque to order of O E. M., $3,000?"—A. Yes.

Q. Then, at page 129, see whether you do not find also the following entry: "Graving dock, one-third to O. E. M., to be charged G. D., Lévis one thousand; one-third of cheque of O. E. M. to be charged to B. C. one thousand; one-third or balance of cheque to be charged to myself." Do you find that entry?—A. Yes; I see as you read.

Q. At page 222 of "L3," do you read the following entry: "8th August, 1887, cheque to N. K. Connolly for (blank)" and then "$4,000." The blank is in that part of the page where the use of the cheque ought to be written?—A. I do not know about that.

Q. At page 227 of the same book, do you read the following entry: "8th September, 1887, suspense, cheque No. 305, to order N. K. C., $4,000." That would be the same cheque?—A. I do not know.

Q. If you examine that you will see there are no other cheques of that date?—A. I have not examined.

Q. I want to know if this is the same cheque?—A. I cannot tell.

Q. Can you explain to the Committee what that cheque was for?—A. I cannot.

Q. You gave the cheque and signed it?—A. Yes.

Q. But do not know what it was for?—A. No.

Q. Cannot remember?—A. No.

Q. You see it was entered to suspense account. Was it for a donation?—A. I cannot tell you.

Q. What is meant by suspense account?—A. I think that is charged in that way for moneys that Mr. Murphy could not account for or did not account for.

Q. But when it was you who were handling the cash. This was not Mr. Murphy?—A. I understand that while I signed that cheque that month that Mr. Murphy would get the cheque, or Mr. Martin Connolly would get the money and either hand it to Mr. Robert McGreevy or Owen Murphy. This is true during the whole time of my handling the cash.

Q. What was the use of replacing Mr. Murphy by you, if you would sign any cheque he would desire?—A. Mr. Larkin insisted on my handling the cash. I had too much to do on the work to enquire where the money went.

Q. Seeing Mr. Larkin asked you to keep an eye upon the cash, do you remember asking what this was for?—A. It is my recollection that I would always ask Mr. Murphy what he wanted the money for.

Q. And after he told you what it was for you signed?—A. Yes.

Q. And you cannot remember in a single case what reasons he gave?—A. He gave me very little satisfaction.

Q. You gave him a great deal of money for the little satisfaction you had. Is it not a fact that this $4,000 of the 8th of August, 1887, was not given to Mr. Murphy at all?—A. I cannot say that.

Q. Have you any voucher to show it was given to Murphy?—A. No.

Q. Was the cheque to your order or to Murphy's?—A. I think it is to my order; I do not remember.

Q. Is it not a fact that you received the cash yourself?—A. I may have done so.

Q. Is it not a fact that you yourself drew money from the bank and handed it to Thomas McGreevy?—A. No.

Q. You did not?—A. No; I never handed Thomas McGreevy any money to my knowledge.

Q. Did you hand it to anybody else to hand to Thomas McGreevy?—A. No.

Q. What did you do with this $4,000?—A. I do not know.

Q. You got it?—A. I may.

Q. Was it charged to yourself?—A. The book-keeper could tell. As I told you yesterday I know nothing about the books or the way they are kept.

Q. But if it is not charged to you, but to suspense, as you paid the money please state to the Committee to whom you paid that $4,000?—A. I cannot tell you that.

Q. If it was charged in expense all your partners paid their share?—A. Yes; that is natural.

Q. You have just sworn that you never gave any cash or cheque to Thomas McGreevy?—A. Not for political purposes.

Q. But for expense?—A. No.

Q. For what purpose did you give him money?—A. I never gave him money to my knowledge, unless for little personal matters.

Q. Private business between you and him?—A. No. He has a little private business. I will tell you what the private business was, so you will all know. We, on one or two occasions, went out in the country to have an afternoon dinner or lunch when we were not busy on our works, and he brought out the supplies—that is the food—and I paid him for that.

Q. You paid him?—A. On one or two occasions.

Q. It was not charged to the firm?—A. No.

Q. Do you undertake to swear that you never gave him any money for elections?—A. Never gave him any money for elections.

Q. You swear that no money was given to him for elections?—A. Not to my knowledge.

Q. You swear that?—A. Yes; that is——

Q. That is what?—A. Not to my knowledge.

Q. You mean you were not actually present when the money was handed to him?—A. No; nor I never gave any orders to have money handed to him.

Q. Do you know that money was paid for elections out of the firm's funds?—A. I do not

Q. In the months of January and February is it not a fact that you were aware these payments were for the election fund?—A. They may have been paid for the election fund, but I do not know anything about it, who it was paid to or where, or anything about it.

Q. But it was stated it was for that purpose?—A. It was not stated to me at the time that it was for that purpose.

Q. When was it stated to you?—A. At the time the cheque was made out I have no recollection of it being stated it was for election purposes.

Q. Is it not possible you were then requested to sign these cheques for political subscriptions?—A. I do not remember.

Q. Since you do not remember, they may have been for that?—A. They may have been.

Q. Were they applied to or asked for that purpose when your signature was required?—A. Not to my knowledge.

Q. It is possible it was for that?—A. They may have been.

Q. But were you aware at the time you signed the cheque that they were requested for that?—No.

Q. What were they asked for?—A. I don't remember.

Q. You don't remember the time, just as with these others?—A. Yes.

Q. Do you see at folio 347 of Exhibit "L 3," under date of 8th March, 1888, the following entry: "Esquimalt Dock, for amount paid by N. K. C. for donation as agreed, $2,000?"—A. Yes; I see that.

Q. Well, now, at this time you saw in the books it was for a donation?—A. I see it is marked so there.

Q. And it appears you paid the money?—A. I did not pay the money.

Q. Is it the first time you saw that entry?—A. I have no doubt I have seen all these cheques, but as for handling the money I did not do it.

By Mr. Tarte:

Q. But you gave the money to be paid?—A. No.

Q. Never?—A. Never.

Q. You swear to it?—A. I swear, not to my knowledge.

By Mr. Geoffrion:

Q. This entry in the book then is false?—A. I don't say it is false; that is the first time I ever saw that entry.

By Mr. Tarte:

Q. Did you keep this money?—A. No I never did.

By Mr. Geoffrion :

Q. Did you keep any money you had charged to donations? Did you steal from your partners ?—A. No, I never did that.

Q. You swear to that ?—A. I do.

Q. Whatever charge is made, it is true the payment had been made?—A. To the best of my knowledge, yes.

Q. An honest man could remember if he stole five dollars. Did you charge money you had not paid ?—A. I never stole five dollars from any man.

Q. Not in a moment of weakness ?—A. My weaknesses don't run that way.

Q. You are sure of that ?—A. Quite sure of it.

Q. That is the only fact since you have been a witnesss you were positive of?—A. I never stole money or anything else.

Q. At page 346 of the same book, Exhibit "L-3', under date of 8th March, 1888, we also find the following entry : "N. K. Connolly for amount of his private cheque, for donation *re* British Columbia as agreed $2,000" ?—A. I see there is an entry of that kind.

Q. Where is that private cheque ?—A. I don't know.

Q. You were ordered to bring all your books here ?—A. It may be among my cheques ?

Q. Where is that private cheque?—A. I cannot bring my private cheques and be here as a witness. You will have to let me go and bring my private cheques. I am quite willing to produce my private cheques, but I cannot do it and be here as a witness.

Q. You have had no time to get your cheques ?—A. Not since I am here as a witness.

Q. You will undertake to find your private cheques?—A. Yes, every private cheque I have got.

Q. You are unable to say whether this private cheque is to be found or not?—A. If it is my private cheque I have no doubt it is to be found. I have not destroyed anything or given orders to destroy anything.

Q. Upon what bank had you your accounts in March, 1888 ?—A. I don't know that.

Q. Had you many banks where you kept your account ?—A. I never done business except in two banks in Quebec.

Q. What banks ?—A. The Union Bank and the British North America.

Q. Will you say now this was not paid by anybody else? It was paid by your private cheque ?—A. The cheque was given.

Q. Of course you gave the money to the party to whom you made the donation. You gave him your cheque ?—A. I never made a donation in my life.

Q. To whom did you give your private cheque ?—A. I don't know that.

Q. Try to recollect ?—A. The cheques will show when it is brought here.

Q. Did you ask for credit in the books of the firm and was it agreed you were to be charged with it as a donation, or was there an agreement ?—A. I don't know.

Q. Before making a donation was there any agreement you were to make it?—A. I don't remember any.

Q. By what agreement did you make that donation ?—A. I did not make any agreement.

Q. Well, what is the "agreed" referred to in the book ?—A. That must be an agreement charged in that way, probably.

Q. Or agreed it would be charged in that way ?—A. There must be something previous to it that it should be charged in that way, but I don't know anything about it.

Q. That is to say, you had first made a donation out of your private funds, you reported it was done in the interest of the firm, and it was agreed that you should be refunded that amount ?—A. I don't know.

Q. You took it first upon yourself to make a donation, you reported the donation, then you were credited with the amount by the firm?—A. I don't know anything about that.

Q. What do you know about it?—A. I don't remember.

Q. You don't know anything about it?—A. Some.

Q. I would like to know?—A. I am trying to tell you.

Q. You are trying very hard. Now at folio 507 of Exhibit "L 3" under date 31st December, 1888, I read the following entry: "Suspense donation—$3,000". Do you see it?—A. Yes.

Q. Can you explain that donation?—A. I cannot.

Q. You had the management of the cash at the time?—A. Yes; I suppose I had.

Q. That money was given or handed to somebody?—A. It may have been.

Q. You cannot remember?—A. No.

Q. And it is a donation or charge in the books, and this entry could not be made except by your order?—A. I never remember giving an order to have an entry made in the books.

Q. By whose order could it have been made?—A. It must have been made by the order of Mr. Murphy.

Q. It was always Mr. Murphy. But Mr. Murphy was no more in charge of the cash; you must remember that. He had to get the cash from you?—A. He often came and asked me to sign a cheque or note for him.

Q. Is it not a fact that this $3,000 was a donation to the "Courier du Canada," a French newspaper in Quebec?—A. I do not know anything about it.

Q. But you heard there was such a paper?—A. No; I take your word for it.

Q. Are you aware that this newspaper belongs to Mr. Chapais?—A. I do not know.

Q. Have you ever met Mr. Chapais?—A. Yes; I have met him.

Q. You know he is the son-in-law of Sir Hector Langevin?—A. Yes.

Q. Do you know whether Mr. Chapais has anything to do with that newspaper?—A. I have heard lately, but I did not know anything about it at the time I was down there.

Q. I did not ask you whether a donation was made by you direct to the newspaper, but I want to know whether the amount was not asked and obtained from you through the representation that it was to be paid to the "Courier du Canada," this French newspaper in Quebec?—A. No.

Q. Did you ever give a cheque or send a donation to be made to that newspaper?—A. Not to my knowledge.

Q. Did you ever hear of a donation being made to that newspaper?—A. Nothing but what I have heard here.

Q. And what you have seen in the books. I am trying to find out to whom this donation was made?—A. I cannot tell you.

Q. Just to refresh your memory, do you not remember that Mr. Thomas McGreevy himself asked you for a contribution to that newspaper?—A. I do not remember Mr. Thomas McGreevy asking me for a dollar.

Q. But you remember that Murphy asked you for money?—A. Yes; he asked me so many times and for such large amounts.

Q. Would you be surprised to know that Mr. Thomas McGreevy admits having received money from you?—A. From me? Moneys in the way I spoke of is the only moneys I remember.

Q. No transactions or donations for political purposes?—A. From me?

Q. Yes?—A. No.

Q. From the Connollys?—A. Not to my knowledge.

Q. Michael never told you he had been asked for money?—A. No.

Q. How many Connollys were there in the firm?—A. Two.

Q. Nick and Mick?—A. Yes.

Q. Now, have you not made statements to your partners to the effect of explaining these entries for donations?—A. Not to my knowledge. I could not make explanations to my partners if I paid no money.

Q. But the money was paid. You had control of the cash. You had been put specially in charge by Mr. Larkin. I suppose Mr. Larkin must have been inquisitive and inquired what these donations were for. Did he enquire?—A. He may have.

Q. Is it not natural he should have enquired of you to whom he had entrusted the cash of the firm?—A. I would, have referred him to the book-keeper or somebody else.

Q. That is the way you kept your trust of the cash. Now as you have stated so far that whenever these donations are entered the money must have been given to Murphy. Were you also asked for explanations by Robert McGreevy as to these entries?—A. I have no recollection.

Q. He was a partner and was interested?—A. Yes.

Q. If he asked any explanation, did you tell him the truth when you gave him the explanation?—A. I always told the truth when I gave any explanation.

Q. But you cannot remember whether you gave any or not?—A. No.

Q. And if you gave explanations you cannot remember what they were?—A. No.

Q. But if you gave any they were true?—A. Yes.

Q. At page 282 of "N 3," I read the following entry at the foot of the page, under date 28th March, 1887: "And N.K.C. should receive from $17,000, for a sum disbursed on private fund $5,000, and the amount charged to G. D. journal, folios 264 and 66, of $6,000, are charged to B.C. in $17,000." I see there that you were reimbursed for the sum of $5,000, disbursed on private fund. Do you remember what disbursement this was?—A. I do not.

Q. You cannot give any explanation as to that?—A. No.

Q. In a statement prepared by Martin Connolly this item of $5,000, to be found under date of March, 1887, in Exhibit "E 7" at page 178 of the evidence, is followed by the words "Three Rivers." Can you explain the presence of those words there?—A. No; I cannot.

Q. You could not connect this sum of $5,000 spent by you from private funds with this item of $5,000 for "Three Rivers"?—A. No.

Q. And you cannot give more particulars about this item than the others, as to the use of your private funds?—A. No.

Q. At page 109 of the evidence in Exhibit "B 5," being a statement of the expenses connected with Q. H. I. works, there are entries connected with three parties named Pelletier, Germain and Brunelle. Do you know these three parties?—A. Yes.

Q. Were they in your employ?—A. No; they were in our employ at the time some of them, Brunelle, and I don't remember whether the others were in our employ or not.

Q. When had they been in your employ?—A. I don't remember the dates.

Q. Was it prior to 1887?—A. I think it was, I am not positive.

Q. Well, is it not a fact that in 1887 and 1888 they were in the employ of the Harbour Commissioners, or of the Public Works Department?—A. I think they were, I could not say positively.

Q. Were they not inspectors on the works?—A. I know they were inspectors on the works part of the time.

Q. And you cannot say whether during 1887 and 1888 they were?—A. I think they were, but I am not positive.

Q. I find under the name of Pelletier in the season of 1887, $2,129.50 being an expense, or a sum paid to this man. Can you explain that?—A. I cannot.

Q. In the season of 1888, $1,515. Can you explain that?—A. I cannot.

Q. He was not in your employ then for the years 1886, 1887 and 1888?—A. He may have been a portion of the time but I do not recollect. My recollection of Mr. Pelletier is, he worked for us or for the firm in winter, but I am not sure.

Q. Did he work in the summer?—A. Not that I know.

Q. If these people were in your employ their account would appear in the books for salary would it not?—A. Yes; I think so.

Q. And do you know whether there are any such entries connected with their salary?—A. I do not.

Q. What was their salary with you?—A. I do not remember.

Q. How much would it be?—A. I suppose $1.50 a day or something like that.

Q. At the most it would be $2?—A. Yes.

Q. So Pelletier could not easily earn on $2 a day the sum of $2,129.50 in 1887? That was a long year to work; he must have been working night and day.—A. No, I think not.

Q. In winter the days were short and the salary was big. Would your salary be the same for 1888—that he may have worked for you in winter?—A. He may have worked, but I am not positive.

Q. Then Germain, during the season of 1887, appears to have received from the firm $395. Do you know what it was for?—A. No.

Q. He was not in your employ?—A. I don't remember that Germain was in our employ. He may have worked for us during the winter, but not in the summer.

Q. And if he worked for you his salary would be entered in the book?—A. Yes.

Q. For the season of 1888 Germain also received $50.09. You don't know anything about it?—A. No.

Q. Brunelle, season of 1887, received $710. Do you know what it was for?—A. I don't.

Q. Was he in your employ?—A. Brunelle worked for us a while in the winter, but not in the summer.

Q. He may have worked for you in the winter and the summer?—A. My recollection is he was timekeeper in the summer too.

Q. Was that in 1887?—I don't know.

Q. He could not be in your employ at the same time that he was inspector on your works?—A. He may have worked as foreman.

Q. At the same time that he was inspector of works for the Government he acted as foreman?—A. When there was but little work doing he may have acted as foreman.

Q. And if he acted as foreman his salary would be entered in the books?—A. I think so.

Q. In 1888 Brunelle is credited with receiving $950. Your answer is the same as to all the others—you don't know what it is for?—A. I don't know.

Q. And if he worked for you it would be only occasionally?—A. Yes.

Q. Have you any knowledge of the entries that were made in the books as expenses or amount paid to these three men?—A. I have not.

Q. Could any expenses be paid except through you, you having the management of the cash?—A. Yes, expenses could be paid.

Q. But you had to draw cheques to pay these expenses, and if these payments were made it would be from cheques drawn by you?—A. Yes.

Q. And you did not ask any explanation but drew the cheque?—A. Mr. Martin Connolly would come to me and want a cheque for the office use, and probably I would sign the cheque. If Mr. Murphy wanted a cheque I would do the same.

By Mr. Tarte:

Q. Did you ever see this piece of paper?—A. I do not remember ever seeing it before.

Q. Do you know the handwriting?—A. I think it is Martin Connolly's handwriting.

Q. As a matter of fact are you sure it is Martin Connolly's handwriting ?—A. I would not swear to it.

Q. It reads as follows:

B. C.		Q. H. I.	
August, 1885.....	$4,000 00	April, 1885.	$25,000 00
February, 1886.....	3,000 00	March 20th, 1886.	5,000 00
June, 1886.....	3,000 00	Sept. 30th, 1886..	5,000 00
November, 1886....	1,000 00	October 13th, 1886	3,000 00
November, 1887....	17,000 00	February, 1887....	27,000 00
November, 1887....	5,000 00	August 3rd, 1887..	1,000 00
		August 8th, 1887.	4,000 00
		Dec. 31st, 1888.....	3.000 00
	$33,000 00		$73,000 00

Graving Dock.		R. H.	
April, 1885.....	$22,000 00	April 1st, 1887....	$24,000 00
January 3rd, 1887. .	5,000 00	March 31st, 1888..	30,000 00
January 24th, 1887..	1,000 00	Dec. 31st, 1888.....	30,000 00
Nov. 2nd, 1887.....	5,000 00		
Nov. 21st.	5,000 00		
	$38,000 00		$84,000 00

McGreevy—B. C., $48,500.

Now, sir, you swear you never saw this paper before? I want you to swear to this?—A. Not to my knowledge.

Q. Answer me and try to have a knowledge of your own. Do you swear you never saw this paper before ?—A. I may have seen it, but I do not remember.

Q. Do you swear that you have not handed this piece of paper yourself to someone ?—A. Not to my knowledge.

Q. Look at it again with care. I do not want to take you by surprise; but I know what I am saying. Will you swear you never handed this piece of paper to anyone? If you did not handle that piece of paper you should know it?—A. I do not remember it. I may have; but I do not know. To the best of my belief I never saw it before.

Q. But still you may have?—A. Yes.

Q. Will you kindly look at this letter and see if you have handled this before?—A. That is my writing.

Q. Will you read it?—A. It reads as follows:

(Exhibit "M 10.")

"St. Catharines, December the 6th, '82.

"Dear frend Mr. Murphy—yours of the third in is at hand and in reply would say I ame verey glad to heer that mother is getting beter I am alsow glad to heer that you are giveing the mill sow much of your atention I think it would bee well to keep the expences down as low as posible I need not tell you that I feel for the M. I. C. E.

I also feel verrey bad to heer that the Minister of Public Works has not answered the tresurs leter inasmuch as I am afraid that his fait may be the same as the mice. I havent yet been to lock Poeur owing to the foreman of the consurn being absent in New York I expect to get a telagram from him tonight and in that case I will goe over tomorow.

if the cross wall is advertised I will be reddey aney time to gow down.

the slaying is verey good heer.

this is about all I think you had best see T—and have him recommend the relase of the fiftey thousand that wee may bee in a position to tender properely on the

cross wall & square of thinges genneraly it is a sertificate of deposate that the hold and if the relase it you can send it heer and wee will get the money at onse and square evereything up give my respects to all the folkes.

"Youres &

"N. CONNOLLY."

Q. Will you kindly tell us what that "T" means?—A. I think it would be Mr. Thomas McGreevy, that would be my interpretation.

Q. That would be your recollection?—A. Yes.

Q. Will you look at this letter and tell us if it is your handwriting?—A. Yes, this is the same.

Q. The letter is dated St. Catharines, December the 15th, 1882, and as there are some things in it which have no bearing on the case I will read only an extract from it which is as follows:—

(Exhibit "N 10.")

"I am glad the Minester recommended the relace of securety it is a sertificate of deposate an all he has to dow is to right a relace on the back of it or give it to you without it or have him send it to heer. I am ances to get it and get thinges straitened up nas wer have to pay three thousand dollars heer on the masheenery the first of themonth it would save the interest.

"The Government is asking for tenders for the brittish columbia dock a gane you had best see one of your onkles about it."—A. This is a private letter from me to Mr. Murphy.

Q. Will you kindly tell us what you mean by "Your onkle" in this letter?—A. Well, I dont know as I can explain that to you so as it will be satisfactory to the Committee, but Thomas McGreevy, was called by Mr. Murphy and the firm at that time Uncle Tom, and I suppose it would be to see him to get a specification and so forth for them if we were going to tender in it. I think that is the interpretation of that letter.

Q. But, Sir, it seems to us that you had at the time two uncles or more?—A. I dont know as it says so.

Q. Read it yourself. It is exactly stated "one for your uncles" pretty plainly?

Mr. Osler. That is Murphy's uncle.

A. Murphy claimed to have several uncles.

Q. Who were they?—A. He used to call Uncle Tom, and Uncle Adolphe, and nearly every other Minister was his uncle.

Q. You were very lucky to have so many uncles in high places.—A. Not me; I never claimed any such notoriety.

Q. Is it your answer?—A. That is my recollection, yes.

Q. You stated yesterday that Mr. McGreevy being a mechanical man of great practical experience, you sometimes wanted him to prepare your estimates or help you in that work?—A. No, I never said so.

Q. Well, what did you say?—A. I said that he being a member of the Harbour Commissioners when our estimates were due and unpaid I generally went to him to lay it before him as a practical man and to Mr. Dobell and those most experienced and practical. Dobell while he was not a practical man, as a contractor, I considered he was a fair man and a good——

Q. Who wrote the letter that you read, in which you asked Mr. Murphy to see "Mr. T." You have said it meant T. McGreevy—about the security?—A. Yes.

Q. Security is not a mechanical work at all?—A. That was our security. That was to be as I understand for the Graving Dock. The certificate or cash on my part of $30,000, and the balance made up by Mr. Nihan and Mr. Larkin making $50,000, the amount that was to be for security on the Graving Dock. The Graving Dock being nearly completed at the time, I thought it was no more than right we should have our security released and we tried to get it released on many occasions.

Q. When was the Graving Dock completed?—A. I don't remember.

Q. But, you swore it was nearly completed?—A. I think it was, that is my recollection.

Q. Is it not a fact, you had a supplementary contract in 1884, and the dock was not then completed?—A. At the time the supplementary contract was let, I considered our security should have been released then.

Q. Please answer my question, it is very clear. In 1884, was the Graving Dock completed?—A. No.

Q. In 1882, it was not completed either?—A. No.

Q. Did you work in 1883, at the Graving Dock, Lévis?—A. I think I did.

Q. Then, in 1882, it was not completed of course?—A. No.

Q. Then, you asked for your security before the work was completed?—A. Yes.

Q. And, you wanted Mr. T—one of your uncles—to have that business settled? A. I did not say so.

Q. Did you not read some letters in which Mr. Thomas McGreevy was called "our friend"?—A. I may have. Yes; I may have.

Q. Did you read some letters in which you have said "our friends"?—A. I may have done that too.

Q. If you did that, who would be these "friends"?—A. I do not. It would depend a great deal upon the reading of the letter or the wording of it. I do not know who it would refer to. I was always friendly with everybody.

Q. Will you kindly look at this letter?—A. It is my writing.

Q. The letter reads as follows:

(Exhibit "O 10.")

"The Driard, Victoria, B.C., Decem. the 19, 1884.

"Dear Frend Mr. Murphy,—We have been ingaged for the last three or foear dayes takeing the materil and plant on the ground and charged two us the scedeul of prises and amounting in the agragate two fiftey thousand dolars ($50,000).

"Well ther is but verey littel of the stuf that will sute us or that wee can use atall, and even what wee will tak or try two use is terebely high and can bee reprodused by us for far less money, all thow at the time the valeuation was maid by the folkes heer the plant and stuff may have been worth the money, verey likeley it was but verey maney articils are neerley aten out by the rust, the range and all the tin wair belonging it is neerley aten out by the rust, the shovels are the same & maney other things are rusted out or rotin sow if wee have two take them wee may as well give the Government the money and let them keep the plant alsow for this reeson it is of now use two us as wee will have two build other. I hope our friend Sir H. will not punish us thus.

"ther is a verey strong feeling heer that the dock must bee built of grannet and a hundred feet longer or a hundred and fiftey which you want two adevicat for you now that when the C. P. R. is compleeted and they get the line two China and Japan you now it would bee a verey onfortunate thing two have the dock two short or built of perishable materil lik sandstone when good grannet can bee had at verey littel more expence, of corse wee donat want aneything more than the adishional expence of cutting a and other things.

"Mr. Trutch semt for mee twoday and asked mee in a verey frendley maner about the stuf that I was objecting two and after a long conversatin and at which I made some good pointes hee Mr. Trutch said hee would bee glad if the Dominion Government would take my vew of it and he said that hee would lay the case befour Sir Hector and that hee would not inger us on the contrary would help us all he could I told him if that was the case ther would bee now truble But wee would sucseed Sow you want two prepair the folkes ther for thees thinges wee want thim all wee want the corses of stone incrased in sise & alowed for sade increase, If now more at last the scedule of rait. if corse wee can get a long with the sand stone and build verey well with it but ther is maney cole vainis in it and hard laires of iron that is verey bad and it scales off with the wether and the other kind that is heer is hard and full of iron and discolors verey much this is the kind the mint is built of in Sanfrancisco But if wee have two use sandstone wee will get it about 40 miles from heer and softer than what the used for the mint the quarry that the got the stone for the mint out

of is about a hundred miles from heer ther is not aney offes for us on the work and wel have two build and at onse and all the dericks are now good

"The weether has got a goodale colder this lasy cupel of dayes and theer is about an inch of snow and the are trying two slay ride this is about all the newse.

"With love two all

"I remain youres truley

"N. CONNOLLY.

"P.S.—One argement in faver of grannet is the post offes heer was built of sandstone and scaled off sow that the had two tare it down and reebuild it.

"N. C."

Q. Do you remember if you got the substitution of granite for sandstone?—A. No.

Q. The dock was build on sandstone?—A. The dock was build in sandstone.

Q. Can you remember if the beds of the stone were increased?—A. The beds were increased and the height was increased.

Q. Do you remember if you had to pay the whole of the $50,000 for the old plant?—A. No, I think there was a deduction made.

Q. Did you at the time instruct Mr. Murphy by letter to see the Hon. Thomas McGreevy or Sir Hector Langevin about it?—A. Quite likely. From the reading of that letter I would infer that I must have written probably to him again with regard to that matter.

Q. Will you look at this paper and tell me if it is in your handwriting?—A. Yes.

Q. What is the date?—A. It is dated St. Catharines, February 16th, 1884.

Q. I will point only to the part I want read, "About the prise for throwing the materil back and leveling I think you are about right, and I think that Mr. Perley or Mr. Boyd would recomend it with very litel perswasan, if our friend would lay it befoeur them in the proper *light*." Will you look if that is correct or not?—A. Yes; I think that is correct.

(Exhibit "P 10).

Q. Will you tell us what you meant by "our friend"?—A. I should think by the reading of that letter it would be Thomas McGreevy or Mr. Dobell or Col. Forsythe—some of those gentlemen on the Board of Harbour Commissioners.

Q. Will you tell me what you meant by these words, "I think that Mr. Perley or Mr. Boyd would recommend it with very little persuasion, if our friend would lay it before them in the proper light"?—A. I expected it would be brought before the Board of Harbour Commissioners and then referred by them to Mr. Boyd or Mr. Perley to decide upon.

Q. By these words "proper light" you did not mean anything else?—A. I did not.

By Sir John Thompson:

Q. Who is the "friend"?—A. I think it was Thomas McGreevy.

By Mr. Lister:

Q. The words "persuasion" and "light" are underscored. Were they underscored by yourself Mr. Connolly?—A. I could not say that.

By the Chairman:

Q. Does the underscoring look to be fresher than the handwriting in the letter?—A. I could not tell you that.

Q. The words underscored are "light" and "persuasion"?—A. Yes.

Q. Did you mean anything wrong by the words "persuasion" and "light"?—A. I meant to bring them before the notice of the Harbour Commissioners.

Q. In what way?—A. So as to have it before them, so that they might discuss it.

Q. Did you mean anything wrong by it?—A. No.

By Mr. Langelier :

Q. What was the necessity to bring it before the Harbour Commissioners? Would it not have to be brought before the Harbour Commissioners?—A. Yes, but I wanted Mr. Murphy to bring it before them as soon as possible. I think that was my idea about it.

By Mr. Tarte :

Q. I have here a very important letter, but it is very difficult to read. It is in two pieces, but in the same handwriting. Will you identify this letter?—A. This is my handwriting.

(Exhibit "Q 10.")

"The Driard,"
"Victoria B.C., 12th December, 1884.

"Dear Frind, Mr. Murphy.—I sepose you are ancesly waiting for my repoart on the work heer, and on the peepel and the cunterey genereley and as to the later I must say the climate is splendid ther is a litel gray frest every night but now ice on the water. the are is a littel cool but now use for an over coeat, in fact the wether heer now is lik the first of june in Quebec the land is very ritch and fertile but ther is onley about every twentieth aker fit for agriculterl purposes the bulk of it beeing useles rack and all rack in this naborhood lays at an angle of about 45 degrees. I have just returnd from a three dayes trip hunting a quarrey. I think I found a good one and moeur cunvonent than whair the wair getting stone befoeur, the dock bottum that is the concrait and draines are in for about 2 thirds of ites length and a litel concraiting dun on the sides for a short distances at the lore end and one of the winges is about half builte and the grannet is on the ground but the sandstone that is on the ground is only about one foot thick and two feet long and a foot width or about what two men could lift we will comence takeing them up to-morr, after which time I will bee the better able to judge thees men all thaw I must say that I was received verey kindely by them all and I think that Mr. Trutch is a fair man. I think that Mr. T. would like to have the dock builte of grannet and hee said that it would not cost much over sixty thousand in adishin to our prise for sandstone and I also think that the folkes heer would lik to mak it a hundred feet longer. If corse thoes thinges are for our frend two work on But for the substutin of grannet would bee worth one hundred thousand moeur and the lengthing preporson if corse Mr. T. would have two bee seen in the avent of aney chaing as hee is the Dominion agent heer and all pourfull as well as our folkes there. We will want changes mad in the sise of the stone and paid for all the stone we put in that is we wnt to incrase the thickens and the weth of bed and bee alouded for it at our prise and in that way we will make a good thing. The best way would bee to have them order hever corses as by that it would give us a chance of an extra as well as giving us our prise. Your can tell our frend But I will write you more fully in a day or two.

"We have to hall all our fresh water for the work about three miles and pay for it about $2 a tun We have to hall gravel about the same distance and sand about 4 miles. Brick about 10 miles these we will have two make and I think we out two have a brek masheen.

"All the above material will have two bee drawn on scowes as well as the stone and thoes we will have to build as ther is none heer that is sutible a tug we can buy heer that is a kind of a one with a ten by ten ingain in her and the ask $4,500 for it, those thinges we will have two get as soon as posible. If we had the stone redey we could commence building at onse and then it would carey itself.

"We will have two get all our men from ther as the men heer are littel or now good and you want two inter in two an agreement with them two come heer and work for sow much a day and boeard and return one dolar and ten ct a day for every day the work that is for laborers and quarry men one 25 to fiftey or as much less as will satisfy them."

Q. All the changes that you have suggested in this letter have been made—the beds of the stone have been increased; you have been paid all over the stone?—A. We were paid for just what we put in the work.

By Mr. Lister:

Q. Were the changes suggested in that letter carried out?—A. No; I think not.

Q. What were not?—A. The extras. There were no extras, merely the changes in the height and thickness of the stone. That is all that was carried out.

By Mr. Tarte:

Q. The dock has not been lengthened?—A. No.

Q. Is it a fact or not that when you wrote this letter there was a second entrance to be made to the dock?—A. Yes.

Q. Is it a fact or not that you have worked yourself for that second entrance to be done away with and replaced with a circular head, as at Lévis?—A. I think we mentioned that for this reason : It would not have been of any use to the Government.

Q. I do not ask the reason—was it done away with?—A. Yes.

Q. Was it replaced with a circular head, as at Lévis?—A. It was nearly like the one at Lévis.

Q. Did not that change lengthen the dock about 50 feet?—A. The entrance——

Q. Answer my question, please?—A. It made it suitable for longer vessels.

Q. Has the dock been lengthened?—A. I believe it gave the dock more space, but do not know. It gave more material there.

By the Chairman:

Q. Was it lengthened 50 feet, as Mr. Tarte says?—A. I did not understand it that way.

By Mr. Tarte:

Q. Is it a fact or not that the change lengthened the dock?—A. I believe that it did lengthen the dock, but I am not positive.

Q. But at any rate, it did not take any more material?—A. Yes; I think it took more material. I will tell you why. A circular head, of course, took a circle to be built around it. My recollection is that it was in the shape of a vessel—not exactly a circle.

Q. Was that second entrance pretty difficult work?—A. No; it was merely to put in granite coigns in place of sandstone. I don't remember which was laid down on the specifications or plans.

Q. Was your brother, Mr. Michael Connolly, on the spot there?—A. I don't remember whether he was there at the time or not.

Q. If he had written letters in which he said that the second entrance was very difficult work would you believe him?—A. Yes; I would believe him. I believe myself that where the gates fit against is difficult work, but the other work is just as difficult, for the circle has got to be made round in the stone, to give a round head, and every stone has to be cut dimension stone.

Q. Your brother was there all the time?—A. Not all the time, but nearly all the time.

Q. Was he longer there than you were yourself?—A. I went out there first to locate the quarries and organize the work

Q. You worked together when you were there?—A. Yes; when we were there.

Q. Promoting the interests of the firm?—A. Yes; that was our interest there.

By Mr. Lister:

Q. You suggested that the dock should be changed and the double entrance should be done away with?—A. I do not know as I did.

Q. Do you swear you did not?—A. I may have done so.

Q. Did your brother suggest it?—A. I could not tell you that.

Q. Then, did the suggestion come from your firm?—A. I cannot tell you that either.

Q. Will you swear you cannot tell that?—A. My brother's letters will show.

Q. Don't you remember?—A. I remember there was some talk about it; I don't know we suggested it.

Q. I want to know whether you suggested it or not?—A. I may have done it.

Q. Did you, or did you not?—A. I don't remember.

Q. Will you swear you have no recollection?—A. I may have.

Q. Have you no recollection about it?—A. I say I may have done so.

Q. I don't care what you may have done, I ask you whether you have any recollection about the suggestion?—A. I think there was. I have no distinct recollection.

Q. What was the talk?—A. I don't know.

Q. Will you swear you cannot tell?—A. No.

Q. Where was the talk?—A. In British Columbia, if any place.

Q. Did you say there was a talk about it?—A. There may have been.

Q. Will you swear there was?—A. I don't know as there was or was not.

Q. This suggestion was made in a talk between you and your brother?—Q. I may have suggested it in my letters, probably.

Q. I am not referring to your letters at all. I want you to say yes or no as to whether there was any conversation between you and your brother or any other member of the firm respecting changes in that dock?—A. I think there may have been with my brother.

Q. Do you recollect?—A. For the reason that I was there at the time.

Q. Do you recollect that there was any conversation?—A. I cannot recollect.

Q. You swear, then, to this Committee, that you do not recollect any conversation?—A. I swear that this conversation may have taken place, but I do not remember the purport of the conversation.

Q. Do you remember that one took place?—A. I cannot swear that there was or was not.

Q. Do you swear that these changes were not important?—A. Somewhat important.

Q. You and your brother were in British Columbia?—A. Yes.

Q. You say that this change was suggested by your firm?—A. It may have been suggested by me.

Q. But you cannot say whether any conversation took place between you?—A. It was quite likely there was.

Q. What would it be about?—A. In reference to this.

Q. This what?—A. Changes you have just referred to in these works.

Q. What changes?—A. With regard to stone.

Q. What about the entrance?—A. I have no clear recollection of the entrance being mentioned at that time.

Q. But you wanted a circular head?—A. I do not remember about a circular head.

Q. But you wanted it?—A. I think it made more stone-work, and for that reason I would naturally want it.

Q. Were you paid for more stone-work?—A. We were paid for just what we put in.

Q. Were you paid for more stone-work on account of that entrance than you would have been if the contract had been carried out?—A. I think we were. It made more stone-work than with a second entrance.

Q. Was it easier work?—A. I do not know that it was.

Q. Will you swear that it was not?—A. It was harder work. If there was more stone it was more difficult to cut. It was all circular stone, and there was great loss. When you take out a square stone and make a circle of it you have more lost stone than if you used it square.

Q. Would it cost less for stone than it would have done had you built according to contract?—A. I think it would have cost less to put in a second entrance; but I am not clear on that.

Q. What was the most profitable to you?—A. I do not know that; I never went into it.

Q. How much extra did you get for that work?—A. I do not know.

Q. But you believe the circular head was the most profitable?—A. Yes; because there was more stone-work.

Q. It was measured three times?—A. No; not to my knowledge. It may have been measured ten times, but I do not know.

Q. What was it worth to you as extras?—A. I do not know. I was not on the ground. When I was speaking I was only speaking from memory. I do not know what the additional expense was.

Q. Can you say what the extras were?—A. No; I suppose they are here.

Q. Can you give us a rough guess? Was it fifty, sixty or seventy thousand?—A. I cannot tell.

Q. Can you tell whether it was ten thousand or fifty thousand?—A. I cannot tell. I think it must have been about ten probably. I would not swear to that.

Q. You think it was $10,000 more?—A. It may have been more or less.

Q. Probably more?—A. It might be.

Q. You cannot tell much about it. Your mind is a blank about that?—A. I do not know as it is.

Q. Did you not talk with your brother about how much more you could get if it was done as you wanted it?—A. I do not know.

Q. Don't you know it was $35,000 extra?—A. Now you have mentioned it, I believe that was the figures.

Q. $35,000 in the pockets of the contractors?—A. It cost that much more to do it.

Q. You mean that much more to the country?—A. I think the country got a great benefit from it, if it made the dock that much longer.

Q. Answer my question. Did it cost that much more to the country?—I do not care whether they got the benefit or not.—A. If the dock was made that much longer and improved materially, it was a benefit.

Q. How much longer was it made?—A. I do not know.

Q. You told us a little while ago it was not longer.—A. It was longer it took more material.

Q. It cost the country $35,000 more than the contract you then had and if the contract had been carried out in that particular?—A. I do not know that.

Q. You stated a moment ago it was $35,000?—A. That was my recollection when you called my attention to it.

By Sir John Thompson:

Q. Mr. Lister stated to you it was $35,000 more in the pockets of the contractors; is that a fact?—A. No; it is not a fact. We received on that work the same as on the other. There was less profit in the circular head than in the other work.

Q. You were also asked whether all the changes suggested in your letter were carried out? This is the passage in your letter I want to refer to: "I also think that the folks here would like to make it 100 feet longer." What I want to know is whether the lengthening which resulted from the circular head being put in is that which is referred to in that letter of 100 feet more?—A. No.

Q. Was that lengthening of 100 feet ever done?

By Mr. Tarte:

Q. What were the profits of the firm on account of the B. C. affair?—A. I do not remember, speaking from memory.

Q. But we have them here in the trial balance sheet which is signed by you and which states that each of the partners got $48,000 profit?—A. If that is in the trial balance, it is so.

Q. Do you remember it of yourself?—A. I do not.

Q. Yesterday we had a little talk about the dredging contract at Quebec. In the letter of your firm of the 28th April, 1887, it is stated that the passage is narrower, the currents are stronger and so on. Yesterday you told us that this was true?—A. Yes.

Q. Will you kindly tell me when you began the cross-wall?—A. I think it was in 1882—in 1882 or 1883.

Q. Can you tell me when the coffer dam was built?—A. I do not remember the date of the building of the coffer dam.

Q. About?—A. 1884 or 1885, I think. That is my recollection.

Q. Can you tell us when the crib work was begun?—A. The crib work was commenced immediately after getting the contract for the work.

Q. Will you tell us when this crib work was finished?—A. I could not tell you that. We kept on working at them, and sinking them as rapidly as possible.

Q. When did you begin the masonry?—A. I do not remember the date of it.

Q. You do not remember the date at all?—A. I do not remember the date of our commencing the masonry.

Q. Can you tell us when the coffer dam was removed; you must know something about that?—A. I do not remember the date of the removal of the coffer dam, either.

Q. Was it removed in 1886?—A. It may have been in 1886.

Q. Has it been removed in 1886?—A. I think it was, but I am not clear on that point.

Q. Then, of course, if the coffer dam had been removed then, you would have had to pass through the entrance where the currents would have been stronger?—A. Yes.

Q. Is that what you mean?—A. That is what I mean.

Q. You meant yesterday that the coffer dam having been removed you were obliged to pass through the entrance and then the currents were stronger?—A. Yes.

Q. Would you be very much surprised if that coffer dam had only been removed in 1888, at the end of the season?—A. No. I said I did not know the time, but I think it was in 1886.

Q. Then you are greatly mistaken in what you stated yesterday?—A. I spoke of the two entrances yesterday. There are two, the outer one and the inner one.

Q. Is it not a fact that before that coffer dam was removed you passed by the southward entrance?—A. Yes.

Q. What was the width of that entrance?—A. I think about 150 feet.

Q. It was 170 feet?—A. I am speaking from memory.

Q. What is the entrance of the dock now?—A. I think it is 70 feet.

Q. Then you were greatly mistaken yesterday. There were no stronger currents at all; you had an entrance nearly three times larger than the one you have now; twice at any rate?—A. Both of these entrances were difficult to get in and out to.

Q. But you passed all the time by the larger entrance?—A. Yes.

Q. Now, tell me is it not a fact that the coffer dam was removed only in 1888?—A. It may have been in 1885, 1886, 1887 or 1888.

Q. Can you swear that the last work done in reference to the removal of the coffer dam was not done until the first of October, 1888?—A. I could not tell you that.

Q. Will you tell me now what was the depth of dredging that you dredged for the cross-wall in 1885?—A. I think it was 45 feet if I remember aright.

Q. Do you remember the price you received for the dredging of 24 feet below water?—A. I think it was 29 cents. I may be mistaken though.

Q. Do you remember now if the cross-wall was completely finished when you wrote this letter of 1887?—A. No. I do not think the cross-wall was completed.

Q. There was still a part on the south that was not then made?—A. Yes. That must not have been done until such time as the coffer dam was removed. It could not have been built until then.

Q. You were paid 35 cents per yard for your dredging after 1887?—A. Yes.

Q. Did you throw some of this material into the cross-wall embankment?—A. I think we did.

Q. Did you throw some of it?—A. I think so. The cross-wall was not finished and of course we would be filling in the cross-wall until such time as it was filled in.

Q. Is it a fact or not that besides the 35 cents you received for dredging you received 45 cents extra for every yard of dredging you put into the embankment?—A. I do not know the exact amount, but we did receive an additional amount for filling in material there.

Q. Will you swear you did not receive 45 cents for each yard you put in that embankment?—A. I think that was the price we would receive for that embankment.

Q. Then you received 80 cents for filling in?—A. It had to be handled twice.

Q. It is a great deal more difficult to handle material twice than to throw it into the river?—A. I think so, everything else being equal.

Q. Did Mr. Perley come often to Quebec at that time?—A. Not often.

Q. How many times a year?—A. Three, four, five, six and eight.

Q. He was the Chief Engineer there?—A. He was the Chief Engineer.

Q. You met him often on the work?—A. Whenever he came to Quebec he visited the works as far as I know.

Q. And he knew perfectly well that this part of the wall was not filled? Could he see it?—A. Certainly he could see it.

Q. Can you remember what quantity of dredging you made in the years 1887 and 1888?—A. I cannot tell you.

Q. Can you remember the quantity made by your two dredges by the month in 1885?—A. I cannot tell you that either.

Q. If Mr. Boyd had reported that your two dredges had made forty thousand yards a month would you believe him?—A. Yes.

Q. You would believe him?—A. Yes.

Q. You made dredging in 1886?—A. I think we did?

Q. In the tidal and the wet basin?—A. I think so.

Q. Can you remember what were the profits of the firm out of that dredging season of 1886?—A. I don't know, I could not tell you from memory.

Q. At any rate you remember that you made pretty large profits?—A. I know the first dredging contract we had there was no money made, that is my recollection.

Q. If it was shown to you that the firm made out of that dredging season $38,000 would you believe it?—A. Yes; if the books showed it.

Q. How many dredges had you in 1885 and 1886?—A. I think we had three.

Q. And in 1887, 1888, 1889?—A. I think we had three.

Q. Were they the same dredges?—A. The same dredges; the only dredges we had.

Q. Can you tell us what was the depth of water that you had dredged in 1884?—A. I don't recollect from memory. We were dredging for the cribs for the foundation of the cross-wall, and my recollection is it was forty-five feet in depth for the foundation of the cribs to settle.

Q. Did you dump in the seasons of 1887, 1888 and 1889, the materials on the same spot in the St. Lawrence as you had done before?—A. I do not know that. I think there was a change made, that we had to go further with the material.

Q. Did you get an order to go further?—A. I think so.

Q. Are you sure ?—A. That is my recollection. I am not quite clear, but my recollection is that the Commissioners ordered us, or the Engineer ordered us, to go further away with the material.

By Mr. Mills:

Q. What was the greatest and least distance you took the matter that was dumped in the river ?—A. I think there would be a mile and a-half or two miles of difference between the shorter and the longer haul.

Q. What was the length of each ?—A. I do not know that.

By Mr. Edgar:

Q. What was the shortest ?—A. Speaking from memory, two or three miles.

Q. What was the longest ?—A. Three or four miles, more or less, I do not give that as exact.

By Mr. Tarte:

Q. When you were working on the Esquimalt Dock with your brother you were on good terms together; you agreed together ?—A. Yes.

Q. We have here a letter that had been produced, which reads as follows:

"VICTORIA, January 21st, 1886.

"FRIEND OWEN,—As you will see by the papers I have sent you, we have been getting up all the excitement about the dock, its extension, &c., that we could. Nic and I saw the two M.Ps., Shakespeare and Baker, and I tell you they are a brace of pirates. They thought they ought to have about $5,000 for their influence with the Minister of Public Works, but we told them it made very little difference to us whether the dock was extended or not."

Q. Did your brother tell the truth when he wrote that ?—A. He did not tell the truth when he wrote that. I remember myself going with him to see Mr. Shakespeare and Mr. Baker. At that time Mr. Trutch had a notion to have the dock lengthened and the papers were agitating for it. We went to see Mr. Shakespeare and Mr. Baker about it.

Q. Did you go alone ?—A. My brother was with me, and there never was any such amount of money as is mentioned in that letter mentioned in the presence of Messrs. Shakespeare and Baker.

Q. You tell me that there was no such amount of money ?—A. No.

Q. But the letter goes on: "We agreed to give them $500."—A. There was a conversation took place with these men. They were anxious to have the dock lengthened and they said they might have to come to Ottawa to see about it. If they did come they wanted us to pay their expenses. I said if the dock was lengthened I did not mind paying their expenses, which would amount to about $500. As far as the brace of pirates is concerned there is no truth in it.

Q. Then your brother did not tell the truth ?—A. There is no foundation for that story of the brace of pirates. I have always found them perfect gentlemen.

Q. Are you sure your brother was telling an untruth ?—A. I am sure he is mistaken about it.

Q. Is it possible a man of his experience might be mistaken between $5,000 and $500 ?—A. These men never asked more than their telegraph expenses and the expenses of coming to Ottawa. I think Mr. Shakespeare was the one who mentioned it, and I am sure Mr. Baker never mentioned it. He said if Mr. Baker and he had to go we would have to pay their expenses.

Q. Was any money given to them ?—A. Not to my knowledge.

Q. Never ?—A. Not to my knowledge.

Q. Did you have any conversation with Mr. Perley about the work you were engaged in ?—A. In British Columbia ?

Q. Yes ?—A. With regard to what ?

Q. With regard to any kind of business you had there?—A. I do not know as I had.

Q. How many times did you see Mr. Perley?—A. I may have seen him three or four times during the summer.

Q. Each summer?—A. I do not know each summer. I cannot tell you that. Mr. Perley came down when there was anything important to do. He generally came in the fall to look at the work. Probably once or twice during the summer, more or less.

By Mr. Lister:

Q. You stated that no money was paid to Messrs. Baker and Shakespeare to your knowledge?—A. Not that I know of.

Q. Did your brother tell you that he paid money to them?—A. Not that I know of.

Q. Do you swear he did not tell you so?—A. He never told me he paid money to them.

Q. What did he tell you then?

Q. You have no knowledge you say that Messrs. Shakespeare or Baker ever received any money from your firm?—A. No.

Q. No personal knowledge?—A. No personal knowledge.

Q. Did you ever have any conversation with your brother about paying both, or one of these gentlemen any money?—A. Not more than what I have just stated, that in case they should have to go to Ottawa and it would cost $500 for their expenses, or something like that.

Q. They stated that?—A. That is my recollection.

Q. They stated it would cost $500 to come to Ottawa?—A. Yes.

Q. Is that the only conversation you ever had with those gentlemen, or either of them, respecting their proposed visit to Ottawa?—A. In regard to the lengthening of the Esquimalt Dock?

Q. Yes. A. That is the only conversation I ever had to the best of my recollection.

Q. You swear there were no more communications with them?—A. I may have gone in on other business to see Mr. Baker and he brought it up, but I never did.

Q. Did he bring it up?—A. Not to my knowledge.

By Sir John Thompson:

Q. Brought up what?—A. The question of the lengthening of the dock.

By Mr. Lister:

Q. And what else?—A. This is all.

Q. And going to Ottawa?—A. I do not think there was anything mentioned about going to Ottawa.

Q. What did he say when he brought it up?—A. I think he had sent some telegrams to Ottawa, that is all I know about it.

Q. Was that to you?—A. No.

Q. Did he tell you he had sent them?—A. I have an indistinct recollection of his saying something about his sending telegrams.

Q. You never saw them?—A. No.

Q. You do not know their purport?—A. No.

Q. And he did not tell you what the purport was?—A. Not to my knowledge.

Q. Did the Company pay for the telegrams?—A. I do not know that.

Q. Did not the Company pay $14 for one telegram?—A. I do not know that.

Q. Did you ever have any conversation with your brother Michael about the matter before coming to Ottawa?—A. My brother Michael was with me at the time we went to see Mr. Baker and Mr. Shakespeare.

Q. Do you know, or did he ever tell you, that he had an interview with them after you went away ?—A. He may have.

Q. Will you swear that he did not tell you he had an interview with him ?—A. I won't swear that; he may or may not.

Q. Then the only conversation you had about the lengthening of the dock was when your brother was present with you ?—A. Yes.

Q. Where did this take place ?—A. In Mr. Baker's office.

Q. You are pretty sure of that ?—A. I am pretty sure of that.

Q. That is the only conversation you had on this matter ?—A. The only conversation.

Q. How much did you pay the newspapers for writing up the agitation ?—A. I paid nothing.

Q. How much did you promise to pay ?—A. I promised to pay nothing.

Q. But your brother did ?—A. I think not.

Q. Were the newspaper articles not inspired by the firm ?—A. Probably they were by my brother, or the people of Victoria. They were very anxious to have the dock lengthened.

Q. And you were anxious for the work ?—A. We were always anxious for work; we were ready for it.

Q. Did your brother ever tell you that he had paid any money to either of those gentlemen, Messrs. Baker or Shakespeare ?—A. Not to my knowledge

Q. Will you swear he never told you so ?—A. He may have paid them; I do not know.

Q. Did he not tell you he paid them money ?—A. He may have done so, but I do not remember.

Q. You swear you do not remember ?—A. Yes.

Q. You swear you do not remember that your brother ever told you he paid Messrs. Baker and Shakespeare money ?—A. Yes.

Q. He may have done so ?—A. He may have done so.

Q. You cannot remember the circumstances ?—A. I cannot remember the circumstances. My opinion is that he never paid them any money unless it be for a telegram or something like that. If there was any expense of that kind, of course he paid it.

By Sir John Thompson:

Q. Did Messrs. Baker and Shakespeare come to Ottawa ?—A. No, I think not.

By Mr. Davies:

Q. With reference to the plant valued at $50,000 which was taken from the old contractor, and which you had to take. You were complaining about the value of that and its condition, a good deal ?—A. Yes.

Q. Did you look into it carefully when you went there ?—A. Yes.

Q. What do you think it was worth ?—A. Oh, very little.

Q. How much ?—A. I could not tell you the exact amount.

Q. Well as nearly as you can ?—A. What we did take was of a very inferior quality—entirely unsuited for such a work.

Q. Fifty thousand dollars was the price paid for the plant by this Government to the Provincial authorities who had taken it from Mr. McNamee the previous contractor. I want to know what value there was for that $50,000 ?—A. I do not remember now. Whatever there was was put down piece by piece according to their schedule at the time. The material on the schedule I remember a great deal of that. For instance there was a hand lamp with a globe broken and a piece of wire for the handle. Then the engine and boiler we took over was leaking, owing to the fact that it had remained unused for so many years ?

Q. Never mind that. We take it for granted that you examined it carefully and as a practical man, understanding the value of plant, I want you on your oath to give me as nearly as you can the value of that plant as compared with the

$50,000 ?—A. As near as I could recollect it was worth probably to us $20,000 ; not more; probably not that.

Q. Would it be worth more than that to anybody else ?—A. I do not know that it would ; not for that kind of business.

Q. Was it not worth more to you than to anybody else ?—A. It was worth more to us on that work.

Q. You think $20,000 would be a fair price ?—A. I think it was. Of course it was worth more to us there than to anybody else.

Q. We have heard a great deal from you about these mysterious sums, which I hope some one will explain satisfactorily that you knew about having been paid each year. I want to know if you had any conversation with any of your partners about the details of these at any time ?—A. We may have had conversations about the time the audit took place.

Q. How many now with you may you have had ?—A. Mr. Larkin and Mr. Murphy.

Q. Robert McGreevy at all ?—A. Robert McGreevy may have been there, but it was generally Mr. Larkin and I.

Q. You have suggested that Mr. Larkin knew something about this expenditure. Do you think that Mr. Larkin was aware, from his personal knowledge, of the nature of any of these expenditures ?—A. I don't think he was aware any more than I was.

Q. What was then the good of talking to him ?—A. It was when the audit was taking place ; the fact of Mr. Murphy being behind and not giving vouchers such as we considered was proper. There was a conversation raised about it then.

Q. Mr. Larkin was not giving you information about it, was he ?—A. No.

Q. Were you giving him any information ?—A. No.

Q. You were both complaining about Mr. Murphy not having vouchers ?—A. Yes.

Q. After 1887 ?—A. I mean each audit.

Q. Something probably occurred after Mr. Larkin was there ?—A. Yes.

Q. Well, after these complaints did Mr. Larkin and you brace yourselves up and determine to ask Mr. Murphy at any time what it was for ?—A. Yes ; I think so. I think Mr. Larkin pressed him very hard.

Q. At any rate he satisfied you whether he gave the information or not ?—A. He never satisfied us, to my knowledge.

Q. But you signed the audit ?—A. Yes.

Q. Went on making the payments year after year—after 1888 was it not ?—A. Until we dissolved. We made up our minds that we would quit tendering with Mr. Murphy owing to that.

Q. But you quit with Mr. Larkin before Mr. Murphy ?—A. It was because Mr. Larkin was anxious to go and I wanted him to go before I did. They were always to get at Mr. Larkin—to "squeeze him out" as they called it.

Q. Tell me why he was anxious ?—A. I do not know.

Q. Did he tell you why ?—A. He said he was useless and he wanted to get him out ; that there was no use in our giving him a large share and us doing all the work.

Q. What did you think about it ?—A. I thought it was wrong. I said Larkin was the oldest member of the firm and as long as I was in it Mr. Larkin should be properly treated.

Q. Why did you put him out ?—A. I did not put him out.

The Committee then adjourned.

HOUSE OF COMMONS, Saturday, 11th July, 1891.

The Committee met at 10 a.m.; Mr. Masson in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, etc., resumed.

Examination of Mr. N. K. Connolly.

By Mr. Tarte:

Q. Will you look at this paper and tell us if it is in your handwriting?—A. Yes, this is my handwriting.

Q. This is a letter from Mr. Nicholas Connolly to Mr. Murphy:

(Exhibit "R10.")

"THE DRIARD.
"Redon & Hartnagel,
"Proprietors.
"VICTORIA, B.C., 25th December, 1884.

"Dear frend mr murphy beeing a littel lonesome heer owing two beeing a way from home and the wether beeing bad and haveing now mail from any plase fora week or moear as the blackad an the northarin pesific is not open it yet it makes it a littel dull heer the wether is cold heer that it is fifteen above zero.

"ther is two men mentind in the spesifications on page 22 which wee have too pay and hass now pour of discharging or even ordering and the both donot do was much as one of the leveck boyes would dough and wee have two pay one off them $3.50 per day and the other $2.00 or $2.50 you will see by referring two the above page in the spesefication. Now I want two have full controle of thoes men or any men wee have two pay, that is two higher and dischare as wee think fit. if corse if the Goverment will pay them men, I have nothing two say and canot object two any thing the man dow, but the work the dow, pumping, is but very little and dose not take them moear than one hour per day. Now I hope that Sir Hector will not burthen us or compell us two pay thoes men a prise far in excess of what we can get the same work dun for and as he Sir H—hass soll pour off dischargeing those men I want an answer from them as soon as posible as I havnt sade any thing two aney one heer or will not untill I heer from you but if thoes men are not put under our controle I sertenly will object two paying them and sooner than two have them a burthen on us wee will put in our own pumpes and not use the Goverment pump a tall plese see two this at onse and let me now.

"as soon as the wether moddrates I will bee a ble two commence quarreying.

"Wee will have to have a good dale of money heer as the previs contractors havnt paid up verry well and wee will have two bee very prompt at lest for a while but if wee got to quarreying wee would soon have the work sow as it would carey it self I think wee had best have Dave & Dick heer ontil the first of may as by that time wee can get same others Brook in.

"the peepel heer are hell for Wineing & Dining and clubbing if you was heer you would been broak up in one week as bad as your frend that used two come over from Toronto, Mr. Monrow.

"give my best wishes to your familey & all inquiring friends right often.

"Yours truly,
"N. CONNOLLY.

"P. S. I wish yourself & family
"all the compelaments of the sason.
"N. C."

Q. Will you look at these documents, and tell me if you received them from your brother, Mr. Michael Connolly, and if they are in his handwriting ?—A. There is two letters here; one is in my brother's handwriting.

Q. And the other, too ?—A. I don't know whether that is his handwriting or not.

Q. At any rate, you received these two documents ?—A. I don't know that. That is my brother's handwriting, but I don't know whether I received it.

By Mr. Geoffrion :

Q. You cannot remember whether you received it ?—A. I cannot remember.

By Mr. Tarte:

Q. Has he any other brother besides you ?—A. Yes; two other brothers.

Q. I will read the letter, and you can see if you received it or not:

"LARKIN, CONNOLLY & Co.,

(Exhibit "S10.") "CONTRACTORS, ESQUIMALT GRAVING DOCK,

"11th September, 1885.

"DEAR BROTHER,—Yours of the 31st ult. is just to hand. I am glad to hear that you are nearly finished with the dock there. I wish you would send Hume out as soon as you can.

"Bennett finished the estimate and took it up to the "Great Mogul" Trutch, and between both they cut it down pretty fine, so much so that it won't meet our running expenses by $4,000. To give you an idea of the way they are handling us, I can state that the first time I charged the Government for the use of a steam derrick I put it in at $25 per day, which Trutch, after some hesitation, allowed, and this time we had some few days for steam derrick charged, when Mr. Trutch in his wisdom saw fit to cut the rate down to $12.50 per day, and other charges were cut down to suit the ideas of "Sir" Joseph Trutch. We are building the caisson recess of rock-faced ashlar, as per plans prepared by Mr. Perley, but Messrs. Trutch and Bennett think they know more about the construction of engineering works than either the Minister of Public Works or the Chief Engineer. Instead of Trutch complying with the request of Sir Hector that we should receive every possible indulgence and encouragement, he is do everything he can in an underhand way to embarrass us, and Bennett is his tool all through. I must tell you that we are building the caisson chamber as per plans prepared by Mr. Perley, in rock-faced coursed ashlar with wall at foundation, as per plan, 8′ 6″ thick, with buttresses 5′ 0″ x 4′ 0″. Now, Messrs Trutch & Bennett slip in and say that plan from Ottawa is null and void, and we will only pay you for the brick wall, as shown on Kinipple & Morris' plans. If the Department of Public Works is going to allow Trutch & Bennett to dictate to it in this manner we might as well and better stop at once, for we cannot stand this sort of humbugging any longer. I am doing everything I can to push the work along, but it seems those fellows are determined to obstruct us and retard its progress as much as they can by witholding the estimates as they become due.

"If we were getting enough on our progress estimates to meet our current expenses I would not grumble, for I know that the Department at Ottawa would do us justice. We have about fully fifty thousand dollars invested here, besides the value of the plant we brought from Quebec, so that I feel it time the work here was self-sustaining. I wish as soon as this letter comes to you you would go to Ottawa and see Sir Hector and explain the matter to him, who, I believe, when the situation is explained to him, will apply the necessary remedy. I have very little now to add at present. Of course, I will do everything possible to push the work until I hear from you, but it is very discouraging to be working hard day and night and then come out behind four or five thousand dollars at the end of the month. This is what discourages me.

"Very truly yours.

"M. CONNOLLY.

"P. S.—I herewith enclose copies of correspondence with Mr. Trutch.

"M.C."

Q. Did you go to Ottawa after having received this letter?—A. No; I don't think I did.

Q, Did you charge Mr. Murphy to go?—A. Not to my knowledge.

Q. Did you see the Hon. Thomas McGreevy about this letter?—A. No; I did not.

Q. Did you charge Mr. O. E. Murphy to see Mr. McGreevy?—A. Not to my knowledge.

Q. The letter which was enclosed is as follows:

(Copy.)

(Exhibit "T10.") "ESQUIMALT, B.C., 9th September, 1885.

"Hon. J. W. TRUTCH, C.M.G.,

"Agent Dominion Government, Victoria, B.C.

"DEAR SIR,—Your favour of the 8th inst. just to hand, and in reply we beg leave to state that, in making application to the Hon. the Minister of Public Works for permission to recourse the masonry of the Esquimalt Graving Dock we had no intention of asking further compensation than we are entitled to for the cubical contents of the masonry, as proposed, in accordance with the schedule of prices annexed to the contract; but we never expected, and now most earnestly protest, against the practice pursued, of paying for the extra dimensions of stone, as so much concrete. Heretofore we were under the impression that the Hon. the Minister of Public Works objected to paying anything over the schedule prices provided by the contract, for the masonry as we proposed building it, and consequently made no objection; but, certainly we cannot be expected to build, as you are aware, a very superior class of masonry for the price of ordinary concrete.

"We are strongly inclined to the belief that when the Hon. the Minister of Public Works sent the letter to which you refer the matter was not clearly represented to him. We therefore respectfully request that you forward our letter of the 3rd inst. addressed to Mr. Bennett, the resident engineer, together with this one, in hopes that the Hon. the Minister of Public Works will recognize the justice of our claim.

"We have the honour to be, dear Sir,

"Your very obedient servants,

(Signed) "LARKIN, CONNOLLY & CO."

Q. Do you know if the new mode of measurement described in this letter was adopted later on?—A. I do not recollect how it was measured.

Q. You do not know anything about it?—A. Not about the measurement.

Q. You do not know that an order was sent from headquarters here at Ottawa to the engineer there, and communicated to you, by which this mode of measurement was adopted?—A. I do not know, it might be.

Q. You have no recollection that until the month of February, 1886, you received, after this new mode of measurement was adopted, $23,000 more for that estimate?—A. No; I have no recollection of it. I do not think I was in British Columbia at the time.

Q. Until 1886, is it a fact or not that for the stone that was recoursed you were paid only as for concrete backing?—That is, about $7 a yard?—A. I only know what my brother told me about it.

Q. How many cubic feet are there in a yard of stone?—A. Twenty-seven.

Q. If you are paid a dollar per foot for a yard of stone you are being paid $27 for that yard?—A. Yes.

Q. And if, instead of that yard of stone, you have been paid for a yard of concrete, you would have been paid only $7?—A. We would have been paid concrete price.

Q. What was concrete price?—A. I do not remember.

Q. You know what it is?—A. I do not know what it is, not from memory.

Q. Do you know what is the price for a yard of concrete?—A. $6 or $7 is reasonable, or $10 is the utmost price.

Q. Did you ever get $10 for concrete work?—A. I do not remember.

Q. If so, in what work—tell us?—A. I think British Columbia would be the highest-price concrete we had.

Q. You were paid for stone after February, 1886, in the Esquimalt Dock?—A. Yes.

Q. Did you build a great deal of stonework?—A. I did not do any myself; the stonework was built there.

Q. You cannot tell us how many feet?—A. I cannot tell you how many feet.

Q. No idea?—A. No idea.

Q. Not the slightest?—A. No.

Q. Will you kindly tell me what is the width of the St. Lawrence at Quebec?—A. I should think about three-quarters of a mile, or probably more.

Q. Can you tell us what is the distance from the breakwater to the Graving Dock at Lévis?—A. I think by water it will be three or four miles; I do not know, though.

Q. Do you say that there are three miles?—A. I should think there was three or four miles—probably more; it might be less.

Q. Yesterday you told us that from the spot of your dredging in 1886, 1887 and 1889, to the dumping place, there was about four miles and a-half Did you say that yesterday?—A. I do not remember; I went between the two churches. That is on a line with the church on——

Q. I want to know from you, in the clearest possible way, the distance between your dredging spot and the dumping place?—A. Three miles or three miles and a-half—probably more; it might be four miles.

Q. If it was only a mile and a-half, would you be surprised?—A. I would be.

Q. As a matter of fact, did you always dump in the same place?—A. Not always.

Q. Did you get orders not to dump in the same place?—A. I think we did.

Q. If you did not get any orders, what would be the reason of not dumping in the same place?—A. I know we were either ordered verbally or by letter to take the material further.

Q. By whom?—A. Mr. Boyd.

Q. He is dead now?—A. I am very sorry for that.

Q. I am very sorry, too; for I am very much afraid he would not say what you are saying now. Did you ever receive a written order about that?—A. I cannot say.

Q. Is it a fact that you have dumped in two spots where you were never ordered to dump?—A. I cannot tell. I did not go out with the dumping scows. Those were the dumping places designated by the Harbour Commissioners and engineers.

Q. Do you know that you have not been ordered to dump only on one spot?—A. I think there was a change.

Q. Ordered by Mr. Boyd, who is dead?—A. It would be Mr. Boyd or somebody else. In 1886 it might be Mr. Boswell.

Q. In 1886 where were you dumping?—A. I suppose in the river in the neighbourhood of the same place.

Q. At the remotest spot?—A. The deepest portion of the river between Point Lévis and Quebec.

Q. Is this dumping place outside of the Graving Dock?—A. I think it is.

Q. Then there is only three miles or three and a-half to go to the Graving Dock and there are four miles or four and a-half to go to the dumping place?—A. No, I don't understand it that way?

Q. You told us so. Will you tell me, can you remember what was the amount you received for your dredging in 1886?—A. I cannot.

Q. Can you remember the amount your dredging cost you in 1886?—A. No.

Q. Yesterday, in putting to you a question I made a mistake, and I would like you to help me to correct it. I asked you yesterday if it was not a fact that you had made $38,000 of profits from your dredging in 1886. What was the answer, do you remember?—A. I think it was, but I don't know.

Q. Do you think that that sum of $38,000 about represented your profits in that year?—A. I could not tell you that.

Q. Will you swear that you were not shown a statement prepared by Mr. Hume, your own engineer, to this affect—that in the year 1886 for your dredging operations you received about $105,000, that your expenses for dredging were $38,000, and that your profits were $67,000? Did you ever see such a document?—A. I may have seen it, but I have no recollection.

Q. You may have seen it?—A. Yes.

Q. If you were shown such a document in Mr. Hume's handwriting you would admit it is the same document I suppose?—A. I would know Mr. Hume's handwriting, I think.

By Mr. Lister:

Q. Will you state to the Committee whether the gates of the Cross-wall were included in the original contract made by the Government with Larkin, Connolly & Co.?—A. The gates?

Q. Yes?—A. My recollection is they were not.

Q. Was that a necessary portion of the work for the completion of the proper plans?—A. Yes.

Q. Then they were not asked for in the tenders that were published?—A. For the Cross-wall?

Q. Yes?—A. I think not.

Q. Was the contract for the gates let to your firm?—A. I think they were let to me; that is my recollection of it.

Q. They were let to you individually?—A. I think so.

Q. Was that before or after the dissolution of partnership with Larkin?—A. That was, I think, just before the dissolution of partnership; that is my recollection of it.

Q. Just before the dissolution of partnership?—A. That is my recollection.

Q. I want you to speak definitely?—A. I am doing so.

Q. The contract for the gates was let just before the dissolution of partnership of Larkin, Connolly & Co.?—A. That is my recollection of it—the year previous to it, I think.

Q. What year was it in?—A. I think it was in 1886.

Q. And you dissolved partnership at what time?—A. I think I bought Mr. Larkin out in the fall of 1886, but I don't remember the date.

Q. Then, this contract was let in the spring of 1886, and you bought Mr. Larkin out in the fall of 1886?—A. That is my recollection.

Q. Were tenders invited by the Department for the construction of these gates?—A. I don't know; I think not; that is my recollection.

Q. And the contract was let by the Department to you individually?—A. That is my recollection of it.

Q. Was it in writing?—A. I think there was a letter passed, or two, between Mr. Perley and me, so I came here to Ottawa to see Mr. Perley about it.

Q. You came to Ottawa?—A. I think so.

Q. And your recollection is that a letter passed between you and Mr. Perley?—A. Yes.

Q. And that was all the contract?—A. I think so.

Q. There was no formal contract drawn up?—A. There was a letter signed and sent by me to Mr. Perley—either to Mr. Perley or the Department.

Q. How did you come to send that letter?—A. According to the letter I received from Mr. Perley.

Q. Where is that letter?—A. I don't know.

Q. Have you ever looked for it?—A. No.

Q. When did you see it last?—A. I have not seen it since the time the gates were completed.

Q. Where was it then?—A. I think it was in the office.

Q. And you have never seen it since?—A. Not to my knowledge.

Q. You swear to that?—A. Yes.

Q. Have you searched for it?—A. I have not.

Q. You were ordered by the Committee to search for it?—A. To search for all papers, not for it alone. It may be in amongst the papers.

Q. Then the contract you entered into with the Government for the construction of that work was simply a letter from you to Mr. Perley or the Department, offering to do the work for a certain amount of money?—A. I think that was it.

Q. And that letter was written by you, in answer to the letter received by you from the Department?—A. That is my recollection.

Q. How did you first bring about negotiations with the Department?—A. I think I came to Ottawa, if I recollect right, to see Mr. Perley about the gates.

Q. You came to Ottawa to see Mr. Perley about the gates—about getting the work?—A. Yes.

Q. Mr. Perley was then Engineer-in-Chief of the Harbour works?—A. Yes.

Q. Did you see Mr. Perley?—A. I think I did.

Q. Where did you see him?—A. In his office, I think.

Q. What did you say to him?—A. I could not tell you the conversation.

Q. Mr. Perley knew, then, that you and Larkin and your brother and McGreevy were in partnership, did he?—A. Yes; I think so.

Q. Did he say anything about letting the work to you individually?—A. I don't know as he said anything about letting it to me individually, but that was the way my name went in for the work, and the partners all shared in the work.

Q. Yes; I know that. Your name went in for the work?—A. Yes.

Q. He knew at that time you were a member of the firm of Larkin, Connolly & Co.?—A. I think so.

Q. He did, did he not?—A. He must have.

Q. And he knew your firm had the contract for the construction of the Cross-wall.—A. Yes.

Q. He knew that, didn't he?—A. Yes.

Q. How was it you came to get him to give you—one member of the firm of Larkin, Connolly & Co.—a contract for this particular piece of work?—A. It was a small piece of work, and I suppose—I cannot tell you the particulars about that.

Q. You cannot tell anything about that?—A. I cannot tell the particulars about it.

Q. You cannot tell us anything?—A. I can tell you I got it, and my partners shared the same benefit as I did.

Q. You wrote him a letter?—A. Yes.

Q. Do you remember the contents of the letter?—A. I do not.

Q. Were your partners present when you wrote that letter?—A. I think they were.

Q. Was Larkin there?—A. I think Larkin was absent. Mr. Murphy and Robert McGreevy was present.

Q. Was it written by you?—A. No.

Q. Who by?—A. Mr. Hume.

Q. And the letter offered to do this particular piece of work?—A. It was written by either Mr. Hume or Connolly, our book-keeper.

Q. That letter provided that you would do the work?—A. Yes.

Q. Were there any specifications?—A. Yes; I think there was.

Q. Where were they?—A. They were sent by Mr. Perley to me at the time I received the letter to go on with the work.

Q. Was there anything provided as to when the work was to be done?—A. Yes.

Q. When?—A. I think it was provided that the work was to be done that spring or that winter, so as to have the gates ready in the spring.

Q. You had made up your mind at that time to have Larkin out of the firm?—A. I never made up my mind to put him out; I would be very sorry to have him out.

Q. Did you tell him at the time he sold out that you had a private contract?—A. I told him.

Q. Will you swear you told him?—A. No.

Q. But still the fact is that your two partners arranged to get this contract and in your name, and at the time you took it Larkin was your partner, and Larkin was not aware you had taken a contract from the Department?—A. I think Larkin knew everything that was going on that I done. I never kept anything back from anyone.

Q. Did he know that a contract had been let to you alone?—A. He knew it.

Q. Did you tell him?—A. I do not think I have denied anything from Mr. Larkin.

Q. Have you any recollection of telling Mr. Larkin you had received a contract for that piece of work?—A. I may have told him; I cannot call it to mind.

Q. Will you tell me how much you were to receive for that work?—A. I do not remember that. It was so much a foot.

Q. How much did it amount to—$35,000?—A. Fully that or more.

Q. Was it not $45,000?—A. I think it was.

Q. So this little contract was let to you, Nicholas Connolly, a member of this firm, for the benefit of the firm, without tender?—A. Nothing more than the letter.

Q. You say you divided up with your partners?—A. Yes; they got the full benefit of the work.

Q. You bought Larkin out?—A. Yes.

Q. He did not know you had a $45,000 contract at the time?—A. He must have known all about it.

Q. Did he know or not, to your knowledge?—A. I cannot tell you that.

Q. Now, a letter has been produced here by Mr. Tarte from your brother in British Columbia to you?—A. I saw a letter here. Do you mean the one he produced this morning?

Q. Yes?—A. I see that is written by my brother.

Q. And addressed to you?—A. Yes.

Q. I understood from you that on the receipt of that letter you took no steps whatever for the purpose of carrying out the suggestions contained in that letter?—A. Not that I remember.

Q. Not a thing? You did not see your old friend Thomas McGreevy?—A. Not to my knowledge.

Q. The man you relied upon on account of his knowledge?—A. Not to my knowledge.

Q. You swear you did not?—A. Not to my knowledge.

Q. You have no recollection?—A. I may state this with regard to my brother's letter from there: I considered the engineers were over-cautious.

Q. They were too cautious for you, of course. You swear you have no recollection of having seen Thomas McGreevy?—A. No recollection.

Q. Will you swear you did not see him?—A. I may have done so.

Q. Will you swear you did not see him?—A. I will not.

Q. Did you go up to Ottawa to see anybody?—A. Not to my knowledge.

Q. Will you swear you did not?—A. I may have come to Ottawa. To the best of my knowledge I did not come.

Q. Have you any recollection about it?—A. Not about coming.

Q. Did you see anybody about that letter?—A. Not to my knowledge.

Q. No person at all?—Not to my knowledge.

Q. It was a matter of some consequence?—A. I knew it was, but that we would get our measurement all right later, for I knew the engineers were rather cautious, and keeping back more than they ought to.

Q. And that these cautious engineers might be got rid of?—A. No.

Q. You considered that letter was a matter of considerable importance, did you not?—A. It may have been.

Q. Did you not think so? You were running behind $4,000 a month, according to the progress estimate?—A. That was during our starting of the work. We had not got building then.

Q. Did you not think that letter was a letter of considerable importance—did you or did you not?—A. I thought it was important.

Q. You say, in the face of that, you never, to your recollection showed that letter to anyone or consulted with any official regarding its contents?—A. Not to my knowledge.

Q. Can you recollect showing it to any one of your partners?—A. It must have been in the office.

Q. Have you any recollection of showing it to any one?—A. I have not.

Q. Then you pledge your solemn oath that you have no recollection of speaking to anybody about that letter?—A. I may have done so, but I have no recollection of it.

Q. Either to Mr. McGreevy, Mr. Perley, or anybody else in authority?—A. Not that I know of.

Q. You simply rested upon your oars, convinced that at a later period you would have what you considered justice done to you?—A. Yes.

Q. Did you reply to your brother in that way?—A. I do not know.

Q. Did you reply to him at all?—A. Yes; I think I did.

Q. Have you any recollection of what you said to him?—A. No.

Q. Do you know where that letter is?—A. I do not.

Q. Will you swear that you did not in that letter say you had seen Mr. Perley?—A. I may have done so. If Mr. Perley——

Q. Never mind Mr. Perley. You are the man. If you had said that you did see him it was true?—A. Yes.

Q. Will you swear you did not say so?—A. I will not.

Q. What countryman are you?—A. An Irishman.

Q. Born in Ireland?—A. Born in Ireland.

Q. It is a good, solid country to be born in. Have you lived in the United States?—A. Yes.

Q. For a good many years?—A. A good many years.

Q. You emigrated to the United States?—A. Yes.

Q. At what age?—A. About eighteen, I think.

Q. And when did you come to Canada?—A. I do not remember the date, but I think it was in 1875 or 1876.

Q. Had you lived in New York up to that time?—A. No.

Q. Where?—A. Several places in the United States.

Q. You were then in the United States for how many years?—A. Fourteen or fifteen years.

Q. Ever take the oath of allegiance to that country?—A. No.

Q. Swear to that?—A. Not to my knowledge.

Q. Did you ever take the oath of allegiance to the United States?—A. Not that I know of.

Q. Have you any recollection of that?—A. No; I never took the oath of allegiance.

Q. Did you ever take any oath to the United States?—A. No, I was in the volunteers in the United States.

Q. Did you hold office over there?—A. No.

Q. Did you vote there?—A. In municipal elections.

Q. Did you vote in general elections?—A. Not to my knowledge.

Q. Never voted for president?—A. No.

Q. Nor for member of Congress?—A. No; only in municipal affairs.

Q. Never voted for member of Congress?—A. I may have done so.

Q. Ever vote for a member of the State Legislature?—A. Not that I remember of. I paid no attention to politics, either in this country or that.

Q. And you never took the oath of allegiance to the United States?—A. No.

Q. You swear to that?—A. To the best of my recollection.

Q. That is your recollection. Where did you vote in the United States for municipal offices?

Counsel objected on the ground that a prosecution had been instituted against the witness for perjury.

By Mr. Lister:

Q. Were you naturalized in the States? Did you become an American citizen? MR. FERGUSON (to the witness): You need not answer that.—A. I refuse to answer that. I don't think it is in the enquiry.

Q. You have taken part in Canadian elections?—A. Very little.

Q. Voted?—A. Sometimes.

Q. Were you sworn?—A. Yes, I think I was sworn.

Q. Whether you were a British subject?—A. I took whatever oath was the customary oath, I suppose.

Q. But you remember being sworn?—A. Yes.

By Mr. Amyot:

Q. You were sworn at what election, please—the last general election?—A. Yes.

Q. In the election of Quebec West?—A. It was in the Centre or the West.

Q. Was it not in both?—A. I think it was.

Q. And do you swear you have not been naturalized in the States?

Counsel again objected.

Q. Do you swear, Mr. Connolly, you have not been naturalized in the States?—A. I won't answer that. I don't think it has anything to do with this enquiry.

Q. That is nothing to you. Do you object to answer because you fear to incriminate yourself in a trial for perjury?

Mr. FERGUSON.—You need not answer the question.

Mr. AMYOT.—I object to the attorney sitting near the witness. It is a very extraordinary course to speak in a low tone of voice, which I cannot hear and the witness may hear. This is most improper and against the ordinary rules followed in the courts. I object to counsel even speaking in a low tone of voice.

Mr. FERGUSON.—I will let you hear what I said. I have told the witness, as I have said three times, he need not answer.

Mr. AMYOT.—I want an answer to my question, and, Mr. Chairman, I do not want any inteference of any lawyers here. (To the witness). Do you or do you not refuse to answer the following question, to wit, whether you were or were not naturalized in the States? Do you refuse to answer that because you are afraid to incriminate yourself?—A. I refuse to answer.

Mr. FITZPATRICK.—It is not pertinent to this inquiry whether he is a British subject or a naturalized citizen of the United States. Whether he is a naturalized subject of the United States cannot affect his credibility.

Mr. AMYOT.—I would like an answer to my question? Will you state to this Committee why you refuse to answer the question if you have ever been naturalized in the United States?

Mr. FERGUSON.—I will tell the witness he need not state.

Mr. AMYOT.—What is your answer? Is it because you are afraid to incriminate yourself?

The CHAIRMAN.—If that is your reason, state it.

The WITNESS.—I refuse to answer that question.

The CHAIRMAN.—Why do you decline to answer?

Mr. FERGUSON.—He has answered the question already. He states he was not naturalized.

Mr. AMYOT.—Will you state why you refuse to answer the question?—A. You have accused me of being on trial for perjury, and I want to state to this Committee I never was on trial for perjury or anything else in this country or any other country. I hope you will be kind enough to apologise for that to the Committee as well as to myself.

Mr. AMYOT.—Answer my question, please?

The WITNESS.—I ask the Chairman to make him apologise for that, because I consider it an injustice to me.

Mr. AMYOT.—Answer my question, please?

WITNESS.—You apologise for that, and afterwards I will answer.

The CHAIRMAN.—Please answer the question or give your reasons?

The WITNESS.—I appeal to the Chairman to ask this gentleman to apologise.

Mr. AMYOT.—Have you been naturalized in the States?—A. I refuse to answer that question.

Q. Will you kindly state why you decline to answer that question?—A. It would require a statement.

Mr. FITZPATRICK.—Make your statement.

WITNESS—When I came to the United States with my father I was under age, and my father naturally got his naturalization papers in the United States; and, as I understand it, according to that his children that were under age would have the privilege to vote after they came of age.

Q. That is the only naturalization you ever had in the States?—A. I don't say anything about that.

Q. Had you any naturalization in the States, other than the one you speak of?—A. Only that my father was naturalized—that is the only naturalization papers I know of.

Mr. AMYOT.—With regard to the indictment I spoke of, there was an indictment but it was thrown out. That is all I said—nothing more.

The WITNESS.—I hope you will be kind enough to apologise to the Committee and me as well. I ask it from the Chairman and this Committee; I think it is nothing more than just.

Mr. AMYOT.—I don't want any misunderstanding.

The WITNESS.—I don't want any misunderstanding, Col. Amyot, outside the building; I want it to be settled here.

Mr. AMYOT.—Your threats do not influence me. Understand I said it was an indictment. I even signed the indictment myself against you for perjury, but it went before the Grand Jury and it was thrown out. That is what I said.

The WITNESS.—That is scarcely an apology.

Mr. AMYOT.—Take it as you like; these are the facts.

By Mr. Lister:

Q. When was it you say you sent the letter to Mr. Perley undertaking to do the job of constructing the gates of the Cross-wall?—A. I do not remember the date.

Q. Do you remember the year?—A. To the best of my recollection, it was in 1886.

Q. Do you swear it was 1886?—A. I will not swear.

Q. Was it not in 1887?—A. I think it was 1886.

Q. Was it in the spring or autumn?—A. I think it was in the autumn of 1886.

Cross-examined by Mr. Fitzpatrick:

Q. These gates for the Cross-wall, of which you have just spoken, are referred to in the contract which was made for the construction of the Cross-wall?—A. They may have been referred to in the contract for the Cross-wall, but they were not let under that contract.

Q. That contract is to be found at page 24 and following pages of the blue book which has been produced here?—A. I have not seen it.

Q. Clause 4 of that contract reads as follows:—"The Commissioners reserve to themselves the right to change the mode of closing the entrance to the Wet Dock from that by the caisson to that by gates, and to make any alterations in the width of the entrance or the shape of the side walls which such a change might render necessary." Was there such a reservation in the original contract?—A. Yes; and not only that, but I remember that Kinipple & Morris' plan showed a caisson instead of a set of gates.

Q. Then it was under the reservation in paragraph 4 that the other contract, or supplementary contract, for the gates was awarded to you?—A. Yes.

Q. Do you remember whether you consulted any of your partners with reference to the tender which you made for the gates in the autumn of 1886?—A. I always consulted my partners on the ground, and Mr. Larkin had sufficient confidence in me to know I would carry on the work as I thought best.

Q. Do you know whether any of your partners objected to joining you, or stated that they did not want to be partners in that contract?—A. I think Mr. Robert McGreevy and Mr. Murphy objected to joining me.

Q. That is the way you came to put in the tender in your individual name?—A. Yes; although I only received the share of my other partners.

Q. These letters that were produced here, that were written to you by your brother, will you explain if it was you who handed these letters to Mr. Tarte or his counsel?—A. I never handed a letter to Mr. Tarte.

Q. Did the letters reach Mr. Tarte with your consent?—A. No.

Q. How could they have reached Mr. Tarte or his counsel?—A. They must have been taken out of my office or house.

Q. And if they have been taken out of your office or house, was it with your consent?—A. No.

Q. Who could have taken these papers?—A. Mr. Murphy.

Q. Did you ever consent to Mr. Murphy taking these papers?—A. No.

Q. You first became connected with the work in question here in August, 1878?—A. Yes; or thereabouts.

Q. You were at that time doing some work in connection with Patrick Larkin, on the Welland Canal?—A. Yes.

Q. You were sent for by the Minister of PublicWorks with Captain Larkin, and asked to make a tender for this work?—A. I do not remenber if it was the Minister of Public Works.

Q. Who was Mr. Mackenzie?—A. He was Premier, and I believe acting Minister of Public Works at the time the contract was given for the Graving Dock at Lévis.

Q. It was in connection with these works that you and Captain Larkin and Mr. Nihan first became acquainted with the works in question here?—A. Yes.

Q. It was at Mr. Mackenzie's positive suggestion through Captain Larkin that you were brought in?—A. I cannot remember anything about that.

Q. Did not Larkin inform you of the fact at the time?—A. Yes; but I did not know it of my own knowledge.

Q. You were working on the Welland Canal? You were a stone mason?—A. Yes.

Q. You were a man of no education?—A. Not much.

Q. Your correspondence would show that. You are a relative of Owen E. Murphy, who was examined here?—A. Yes; I am sorry to say so.

Q. He is your cousin?—A. Yes.

Q. He came to you in the winter of 1878?—A. I think it was 1877.

Q. After he came, he has stated here that he gave you a cheque for $10,000 which you sent on to New York for collection. Will you state to the Committee the circumstances under which you became possessed of this cheque and if you knew anything of the career of Mr. Murphy when you took the cheque?—A. His career with regard to New York? I knew nothing of it at the time.

Q. Did you ask him to give you this cheque, or did he give it to you voluntarily?—A. He said he had so much money in New York—he said $20,000 and more—in different banks, as near as I can recollect.

Q. It was he who gave you the cheque, and you knew nothing of the circumstances under which he had left New York when you got it?—A. I knew nothing of the particulars.

Q. At that time, had there been any publicity given to his doings in New York?—A. I did not see any for some days after.

Q. Mr. Murphy admits to having started on a voyage of discovery around the universe, after he came to St. Catharines, with your brother Michael?—A. The first place he went to was——

Q. Never mind the details. He started for South America and then came back to St. Catharines?—A. Yes.

Q. While he was away did you purchase Nihan's interest in the contract?—A. Yes.

Q. How much did you pay for it?—A. $4,000.

Q. How much did you sell that interest for to Murphy?—A. I think it was $4,150. It was $150 more, I think, than I paid for it. If you will allow me to explain. Nihan was handling the cash at that time, and he was $500 or $600 short, and that shortage was charged to my account.

Q. Then Murphy came into the firm in Nihan's place, and assumed the position which Nihan held in the office?—A. Yes.

Q. And paid to you the same amount you had paid Nihan for his interest?—A. Yes; with the exception of some small amount.

Q. Nihan was taking care of the cash, and Murphy came in to do exactly what Nihan had been doing?—A. Yes; he took charge of the cash at that time. I think he did.

Q. Where was Larkin during all this time?—A. In St. Catharines, but visited Quebec occasionally in the summer—probably three or four times in the summer.

Q. We have now in the partnership two active members and one who was there occasionally—that is, yourself and Murphy were actively engaged in the business of the partnership?—A. With my brother.

Q. But he was not a member of the firm?—A. No.

Q. I am talking of members of the firm. You were the outside worker of the firm?—A. Yes

Q. Murphy was the financial man?—A. Yes.

Q. He took care of the cash and you did the work outside?—A. Yes.

Q. That is the way the business was managed?—A. Yes.

Q. Things went on in that way until 1882, when you made a tender for the dredging and the closing of the Louise Embankment?—A. Yes; in 1882 I think it was.

Q. In 1882 did Robert McGreevy appear on the scene?—A. First—yes.

Q. Had you any difficulties with your cash up to the time Robert McGreevy first appeared, or had any "suspense" or "expense" entered in your book?—A. No; not to my knowledge.

Q. Under what circumsances did he appear? Was it you who brought him into the firm or was it Mr. Murphy?—A. It was Mr. Murphy.

Q. He was brought in in connection with the dredging contract and the contract for opening and closing the Louise Embankment?—A. Yes.

Q. To carry on your dredging contract was it necessary to have large and expensive plant?—A. Yes.

Q. What reason did Mr. Murphy give you to induce you to take Robert McGreevy in?—A. As near as I can recollect, we had a large outlay to make in the way of building plant, such as dredges, scows, tug boat, &c., and he said that he would be of great assistance to us and save us paying in so much money—we were short at the time—and that he would pay in money and help us.

Q. He was to have 30 per cent. interest in the contract, and to contribute 30 per cent. of the capital?—A. Yes.

Q. Required chiefly for making those steam dredges?—A. Yes.

Q. Do you know whether or not at that time anything was done by Robert McGreevy to enable you to get the contract through any influence he may have had, or professed to have, over his brother Thomas McGreevy?—A. Not to my knowledge.

Q. Can you remember ever having heard it suggested by any one, that Robert McGreevy's influence with his brother would be useful in enabling you to get the contract?—A. I don't remember ever having heard any one say so.

Q. Would you recollect it if such were the case?—A. Yes.

Q. You said positively that Robert McGreevy was taken into the firm at that time simply to contribute 30 per cent. of the capital required?—A. That is the explanation given to me, not only by Murphy but by Robert McGreevy himself.

Q. Did you call upon Murphy and Robert McGreevy to have that 30 per cent. of the capital made good?—A. Yes.

Q. At different times?—A. At different times, to Murphy.

Q. Was there ever a positive refusal to contribute the amount or was it ever said to you he had not expected to contribute anything?—A. He never said to me he had not expected it. As it was, there was always excuses made.

Q. That he would give the money at some future time which never arrived?—A. I understood there was large amounts of money coming to him from the Government.

Q. In connection with these tenders of 1882, I understand your tender was not the lowest. There were two below you, were there not for the dredging contract of 1882?—A. I think there was two or three below us.

Q. Do you remember having heard of Fredette and Miller? Were they lower?—A. My recollection is they were.

Q. Do you not know as a matter of fact that the Harbour Commissioners offered to Fredette & Miller to take the contract?—A. I don't know that.

Q. Did you not hear at the time?—A. I heard something of that.

Q. And they refused to take it because they could not comply with the conditions?—A. My recollection is they could not comply with the conditions.

Q. Do you remember whether it was subsequently offered to a man named Askwith?—A. I don't remember whether it was or not.

Q. You did not hear anything about it?—A. No.

Q. Finally the contract was awarded to you by the Harbour Commissioners?—A. Yes.

Q. You complied with the conditions under which the contract was to be awarded, by depositing $10,000?—A. Yes.

Q. Do you remember whether Thomas McGreevy was present or took any active part in the proceedings of awarding the contract, the two lowest tenderers having failed to comply with the conditions?—A. No.

Q. Do you know whether he was present or not?—A. I cannot tell whether he was present or not.

Q. Is it not a matter of fact, that he was not present according to the books of the Harbour Commissioners?—A. I have not seen the books.

Q. In connection with the contract of the spring of 1883, the contract for the Cross-wall, do you know who made the tenders or prepared the figures for that tender for you?—A. Mr. Hume.

Q. Do you know whether or not at that time you had an interest in the tender of a man named Gallagher, which was put in?—A. Yes; I had an interest.

Q. You heard that a tender was put in by one Beaucage?—A. Yes.

Q. Did you have anything to do with Beaucage's tender?—A. Nothing whatever.

Q. In any way?—A. Nothing whatever.

Q. Do you recollect ever having heard that your firm had any interest in Beaucage's tender?—A. No interest whatever to my knowledge.

Q. Did you ever see Beaucage in connection with that tender?—A. I did not.

Q. Did you ever see his tender at all?—A. No; never saw his tender.

Q. Do you know Beaucage?—A. I know him.

Q. He is a French-Canadian?—A. Yes.

Q. Will you look at the letter marked Exhibit "R 2" and say whether or not that letter is in the handwriting of Charles McGreevy, son of Robert H. McGreevy?—A. I cannot swear that it is; but it looks very much like it.

Q. It appears to you to be in the handwriting of Charles McGreevy?—A. It seems so, but I would not swear. I have often seen Charles McGreevy write, and I have seen him change his hand, so that I could not tell his handwriting.

Q. He used to change his handwriting?—A. He had a faculty of changing it. I saw different handwritings of his that I could not recognize.

Q. The tenders for the Cross-wall were opened by the Harbour Commissioners?—A. Yes.

Q. When the tenders were opened in Quebec in 1883, the contents of the tenders would be known to each one of the eight Harbour Commissioners who may have been present at that time?—A. Yes.

Q. And after they had been opened in Quebec before the Harbour Commissioners, they were then sent up to Ottawa to be extended?—A. That is what I understand.

Q. In a tender of that sort would it be easy for any person having experience to know the relative positions of the persons tendering by looking over the larger items?—A. It would be a very easy thing to tell which would be the highest or lowest by looking at two or three of the largest items.

Q. With reference to the quantities to be applied to these items, how did you ascertain the quantities?—A. From the plan.

Q. Was that easy enough to ascertain by personal experience?—A. Our engineers would scale the plan and make up the quantities.

Q. That is, the engineer would base his estimate on the scale of the plan which he had prepared himself beforehand?—A. The plan was prepared by the Department.

Q. He would, from the plan, prepare his schedule of prices?—A. Yes.

Q. You took an active part in preparing that tender?—A. Yes.

Q. No tender of that kind could be made without taking your practical experience into account?—A. Mr. Larkin would not admit of any tender going in without me having a voice in it.

Q. Not only were you a practical man in connection with the work, but you were also one of those who were most largely interested financially?—A. I think I was.

Q. Do you remember that you must have had, and that you had a particular knowledge of the tenders that were put in for this Cross-wall contract. You must have been consulted with respect to everything that was done at the time?—A. Everything done at the time of preparing the tenders.

Q. Can you say in connection with your tender there was any suggestion of wrong doing or that any item should be falsely put?—A. Not the slightest.

Q. Was it at the time intimated to you, or do you recollect from hearing it before this Committee, that it was intimated at that time to do anything in connection with your tender that would give you a fraudulent preference in the awarding of the contract?—A. No; never.

Q. Do you remember if there was any mistake purposely made in connection with any of the items of that tender?—A. Not to my knowledge.

Q. Would anything of that sort have been communicated to you at the time if it had been done?—A. I would have known of it at the time. At the time the tenders were made Mr. Hume and I sat down and put down the prices and filled out the tender.

Q. If any such mistake was made at that time, and intimated to you then, would you have recollected it?—A. Yes.

Q. Was it during that time suggested to you in any way, that any improper information was given to you to enable you to obtain this contract fraudulently, by any person whatever?—A. No.

Q. Was it at that time stated to you by Murphy, Robert McGreevy or your brother, that they had information which would enable you to get that contract in preference to anybody else?—A. I never heard it.

Q. Do you remember if at that time you approached Thomas McGreevy, or did any person else approach him on your behalf, or on behalf of the firm to your know-

ledge, for the purpose of obtaining information with reference to the relative positions of those tenders?—A. I did not approach him, or anybody approach him, on behalf of our firm.

Q. It was never intimated to you that anybody did do that?—A. No.

Q. Are you aware that you got any preference in connection with that contract?—A. Not to my knowledge.

Q. That is very vague. If anything of that kind occurred it is a thing you would remember?—A. Yes, it is thing I would remember.

Q. You were then, in 1883, in possession of the Louise Basin for the purposes of the dredging contract of 1882?—A. Yes.

Q. You were carrying on your work?—A. Yes.

Q. And it would be extremely inconvenient for other people to do work there at that time?—A. It would be inconvenient for us and bad for the work.

Q. Assuming that at the time Mr. Perley's letter was written on the 17th of May, 1883, that Gallagher was the lowest tenderer, Beaucage was next, and that Larkin, Connolly & Co. was third, you at that time could control Gallagher's tender and get him out of the way?—A. Yes, that was a tender put in by my brother.

Q. Beaucage's tender you have nothing to do with?—A. Nothing whatever to do with.

Q. That tender being altered to bring it above Larkin, Connolly & Co., Gallagher's was the only one below Larkin, Connolly & Co.?—A. That is my recollection.

Q. Had you any interest, as a practical man, in giving $25,000 to obtain a contract for Larkin, Connolly & Co., when the only tender below you would be Gallagher's which you could withdraw or abandon by forfeiting the deposit of $7,500?—A. I do not understand the question.

Q. With Gallagher's tender a deposit of $7,500 had been made?—A. Yes.

Q. Next to that was Beaucage's and above that Larkin, Connolly & Co.?—A. Yes.

Q. To get rid of Gallagher's you had only to forfeit $7,500?—A. Yes.

Q. What interest had you in giving $25,000 for a contract which you could get by forfeiting $7,500?—A. The only difference was $7,500 between the two tenders.

Q. Now talking of that sum of $25,000, do you remember being a party to any agreement with reference to the payment of such an amount in any way, either by promissory notes or any other manner, to Thomas McGreevy to obtain his influence to enable you to get that contract?—A. No; I never had such an agreement.

Q. If such an agreement, by which you were to pay $25,000 to corrupt a member of the Harbour Commission Board and a member of Parliament had been made, you would be likely to remember it?—A. I would certainly remember the thing.

Q. Do you remember at that time or at any other time having any conference with your other partners, Mr. Larkin and O. E. Murphy at which it was decided to give a sum of $25,000 to Thomas McGreevy, in any way, to secure his influence in connection with that contact?—A. No, or any other agreement.

Q. If such an agreement had been made would you remember it?—A. Yes.

Q. Do you know where Thomas McGreevy occupies his office in the City of Quebec, over the St. Lawrence Steam Navigation Company's offices?—A. My recollection is he has no office. He makes his head quarters in the Richelieu Company's offices.

Q. But years before he was the President of the Richelieu Company had he an office in the St. Lawrence Steam Navigation Company's Building?—A. Yes.

Q. Do you remember going to his office and going down through a trap door of the cellar into an office beneath, and being a party to the making of $25,000 worth of notes—five notes of five thousand dollars each—or being a party to the making of a note under such circumstances as these?—A. Not to my knowledge and I must state I know that office very well. I have been in nearly all the rooms in the building and I know of no trap-door to this day in that building.

Q. If such a bargain had been made as that or notes signed under such circumstances as far back as 1883, would you be likely to remember it?—A. I think so.

Q. Do you remember any such meeting of that sort?—A. I would certainly remember such a thing if all the members were present, but there was never such a meeting.

Q. You had on the 23rd June, 1884, obtained the supplementary contract for the Graving Dock at Levis which was the first?—A. Yes.

Q. When you got the contract for the Graving Dock at Levis had you then been doing the work for some time?—A. Yes.

Q. Were you making large profits?—A. Yes, we were making a big profit on it by day work.

Q. Was it more beneficial to you to carry on the work under the system under which you were then carrying it on, than to change, and obtain this new contract of 1884?—A. I dont know as I ever looked over the difference, but we were making a very nice profit on our plant from day's work.

Q. And were you willing, so far as you were concerned, to carry on the work under the system under which you were then carrying it on?—A. Yes.

Q. Do you consider it would be more beneficial to carry it on in that way?—A. I knew we could not possibly lose anything in that way.

Q. And the other contract was suggested by the Public Works Department or the Harbour Commissioners, as being a more business-like contract for the Government?—A. I think so.

Q. They considered it a more business-like work to have it done for a certain sum than for a day's work?—A. Yes.

Q. So long as you carried on the work by day's work you assumed no responsibility for the work you were doing?—A. No responsibility whatever.

Q. Under the contract imposed upon you by the Harbour Commissioners and the Government you assumed the risk of the work?—A. We assumed the risk of the work of the cofferdam and everything in connection with it.

Q. Had you previously had great difficulty in connection with this work, in consequence of the water breaking through it, and the difficulty in the soil and foundation?—A. Yes.

Q. This contract work had been completed twice over, and when you came to pump out the dock the water would break in?—A. The water would break in and it was impossible to complete the work owing to the position of the cofferdam.

Q. So you then took this work at a lump sum, guaranteeing against all the difficulties, the existence of which you had already ascertained?—A. Yes.

Q. And it was in connection with that, that the estimate of Hume was prepared, that has been referred to here?—A. Yes.

Q. You have heard that estimate read here?—A. Yes.

Q. Was that estimate prepared to your knowledge at the time? Do you know it was prepared?—A. Yes.

Q. Did you at that time, when that estimate was prepared, ascertain what the figures that were put in that estimate represented?—A. That was, as near as I can recollect, the net cost of the work.

Q. There was nothing there, in so far as your legitimate profit was concerned, or nothing to secure you for the guarantee you were giving for the completion of the work?—A. No.

Q. After you began that work, did you, as a matter of fact, have considerable difficulty about the execution of it?—A. Yes.

Q. Did you meet with some of the same difficulties you had to contend against in the original contract, as to the foundation giving way at the entrance?—A. Yes, the coffer-dam gave way.

Q. Therefore, one of the difficulties against which you guaranteed the Goverment and the Harbour Commissioners, presented itself to you during the execution of the work?—A. A. Yes.

Q. In connection with that work, do you remember giving Thomas McGreevy, or giving to any person to give to Thomas McGreevy, any sum of money whatever to enable you to get that contract?—A. Not a cent.

Q. Do you remember, as a matter of fact, if at that time any bargain was made by which any sum of money was to be paid to any person to enable you to get that contract?—A. No. There never was any bargain made to pay any money for any contract we ever got.

Q. Under this new contract which you had for the completion of the Gravtng Dock—the supplementary contract for Graving Dock at Levis, were you engaged for a considerable period of time in completing the work?—A. Yes.

Q. How many years did it take you to finish it?—A. It took us five or six years to finish it.

Q. Referring to the Esquimalt Dock contract—did you ever go to Esquimalt before you tendered for the work?—A. No.

Q. Did you ever see the plant which you were supposed to take over before you assumed the contract?—A. No.

Q. Did any members of the firm examine that plant before it was taken over?—A. No.

Q. You took as accurate, the figures furnished to you by the Department as to the value of that plant?—A. Yes.

Q. Coming to the dredging contract of 1882 again—that contract was to be completed in part by the first of November, 1883?—A. Yes.

Q. And in part by the first November, 1884?—A. I think so.

Q. Had you an estimate prepared for the profits made on the contract of 1882?—A. I know nothing of it except what I saw here. I saw what Mr. Tarte exhibited to the committee.

Q. Did you not, yourself, have prepared at the end of the season of 1884, an estimate of the profits that you made on that work—the dredging contract of 1882?—A. I think there was an estimate made, and I think our first contract showed a loss.

Q. Is it not a fact that in connection with the contract for dredging given in 1882, the result to the firm was a loss of $4,456?—A. I think there was a loss, but I could not tell you the exact amount,

Q. But as far as you now recollect there was a loss.—A. There was a loss.

Q. Was that contract continued on after 1884?—A. I think it was.

Q. Think again and say?—A. I think there was a letter or something. I am not clear about it, but my recollection is that it was continued, I may be mistaken though.

Q. Is it not a fact that the contract was completed at the end of the season of 1884, and you began dredging again in July, 1885, under a new contract?—A. I could not tell that speaking from memory.

Q. Do you not recollect that on the 11th July, 1885, you were awarded the contract for extra dredging, 100,000 yards at 35 cents a yard on the report of Mr. Boyd the resident engineer?—A. I do not recollect, it may be.

Q. Try and recollect that?—A. I remember our second contract, but I do not remember the details.

Q. In 1885, you did no dredging at all from the early spring up to the 11th July?—A. We were most of the season idle.

Q. Is it not a fact that on the 11th July a new contract was given, and on the 18th it was cancelled, and you only worked seven days?—A. I do not remember the exact time we worked, but I know it was a very short time?

Q. Did you not on the 12th August write a letter to the Harbour Commissioners threatening them with legal proceedings, because they would not allow you to continue to work under the contract of the 11th July?—A. I remember such a letter was written.

Q Do you not remember that no work was done in 1885, under that contract, except what was done after the 19th August, and a very small portion at that?—A. I know that in 1885, and I think in 1884, we were bothered a good deal, and did not get a chance to go on with the work.

Q. Then in 1886, do you remember that Mr. Perley and Mr. Fleming were required by the Harbour Commissioners to make a report as to the dredging?—A.

I know there was a report made, but I do not know what engineer was with Mr. Perley.

Q. Do you not remember that from the 15th July, 1886, you were allowed to proceed with the additional dredging, and that that was allowed to be done under the joint report of Mr. Perley and Mr. Fleming ?—A. I know it was done under the report of the engineers, but I do not know whether it was Mr. Fleming who was with Mr. Perley, or who it was.

Q. On the 23rd May, 1887, you made a new contract for the dredging at an all round price of 35 cents ?—A. Yes.

Q. You said yesterday. if I mistake not, that the increased price was given for this dredging because of the increased difficulties connected with the doing of the work ?—A. Yes.

Q. Just explain to the committee and show how the difficulties connected with the work were increased ?—A. I would only be able to show that by the plan of the cross-wall. If it were here I could show it to you.

Q. Without the plan you cannot explain ?—A. No. You might understand it, but the other gentlemen would not.

Q. You stated at different times here when the statements about payments on "suspense" and "expense" account were referred to, that you knew nothing whatever about those payments ?—A. No.

Q. You said that in the course of business that you did the work and Murphy took care of the finances ?—A. Yes, that was it.

Q You said also that Murphy would want occasional advances or loans from the firm ?—A. Yes.

Q. Those advances and loans were against money to be earned by the firm ?—A. They were against him as I understood it.

Q. Murphy was constantly speculating, was he not ?—A. Yes.

Q. He was constantly wanting money in large amounts ?—A. Yes.

Q. Do you ever remember, besides the money which he drew in advance of from the firm, that you lent him money personally yourself ?—A. Yes.

Q. Did you lend him large amounts ?—A. Yes.

Q. In connection w th the moneys he obtained from the firm, these would be given by way of firm notes or firm cheques ?—A. Yes, or my individual cheque.

Q. In addition to the moneys he would want for loans and advances to himself and Robert McGreevy he would sometimes ask for other moneys ? And if you had not money you would give him notes ?—A. Yes.

Q. At that time was your confidence in Murphy such that you would sign a cheque or note expecting he would account to you at the general audit ?—A. Yes.

Q. In the course of business Murphy would take the notes or cheques and at the general audit he would account for the proceeds of notes or cheques ?—A. He would account in a kind of way. If they were private notes or cheques he would always pay them back, but for the moneys belonging to the Company, he never gave sufficient satisfaction to satisfy Mr. Larkin or myself.

Q. At the time he would get these sums he would say of this money from the firm, such a portion goes to myself personally ?—A. Yes.

Q. And such a portion to Robert McGreevy personally ?—A. Yes.

Q. And as to the balance he would tell you not to say anything about it ?—A. Yes.

Q. Or as he would say that it was coming back to you ?—A. Yes.

Q. Did it come back to you ?—A. No.

Q. When this explanation would be given to you at the audit, were you at that time ever told by Murphy, that this money, or any portion of this money, had ever gone to Thomas McGreevy, or to anybody else for corrupt purposes ?—A. No.

Q. Are you absolutely certain that neither at the time the contracts were awarded, nor at the time of the general audits when explanations would be given of these suspicious amounts it was ever said there was any portion, even to the extent of $1, went to Thomas McGreevy ?—A. Not $1. There were never any explanations

that showed anything was going to Thomas McGreevy or to anybody else for corrupt purposes.

Q. Was it ever intimated to you that this money was going to Thomas McGreevy, or that any money had been given to him either to enable you to get an unfair advantage in the awarding of the contract, or to obtain Thomas McGreevy's influence to secure the contract for you ?—A. No.

Q. Was it ever stated to you that this money ever went to Thomas McGreevy, or that he ever received any, portion of it for corrupt purposes or any other purpose ?—A. No.

Q. So that you state absolutely now—not that you do not recollect, but that you are certain—you were never told Thomas McGreevy got a cent or any portion of this money ?—A. No.

Q. You were never told by Robert McGreevy or Murphy ?—A. No.

Q. At the time the south wall contract was awarded it was awarded originally to Murphy and Gallagher ?—A. Yes.

Q. You and Larkin were security for the due execution of the contract ?—A. No, I don't know as Larkin was.

Q. You put up Larkin's cheque for it ?—A. I may have done so. I put up a certificate of deposit for Mr. Murphy, that is my recollection.

Q. You did not take part in the work on the south wall contract did you ?—A. No, I let Mr. Murphy have the plant from the other work.

Q. He managed it from the first of the year ?—A. Yes.

Q. How did his management result ?—A. To the best of my recollection he was about $10,000 behind at the end of the year.

Q. Then you got Michael on, and Michael took charge of the work at the completion of the year ?—A. Yes, I think Michael got through in British Columbia and came back.

Q. Finally the whole transaction resulted in your buying Murphy out ?—A. Yes, Murphy not McGreevy.

Q. At the time you bought him out, did you offer to sell out to Murphy ?—A. Yes, I offered to sell out to Murphy.

Q. For how much ?—A. $50,000—that is, I offered a 52½ per cent. interest for $50,000.

Q. By that you mean you had a 52½ per cent. interest in the contract, and you offered it to him for $50,000 ?—A. Yes, my brother and I.

Q. Did he agree to take it ?—A. He did.

Q. And what did he do ?—A He wanted to know how I wanted payment made, and my recollection is I told him he could make the payments just as he saw fitting, but there was only two conditions I wanted him to comply with. One was that Mr. Larkin should be released from responsibility by the Government and by the Harbour Commissioners, and me as well. These were in the conditions I wanted him to comply with. As for the payment of the money he could make that as he thought fit.

Q. Did he attempt to get you released from the Harbour Commissioners ?—A. I think he did.

Q. And what did they say ?—A. I did not hear the conversation, but I understood they said they could not release men that were responsible and whose names were in the contract, and put men on whose names were not in the contract.

By Mr. Geoffrion :

Q. From whom did you hear this statement, Murphy ?—A. I don't know whether Murphy told me or not.

By Mr. Fitzpatrick :

Q. It is in the official record of the Harbour Commission. Any way it resulted in the fact that Murphy could not comply with this contract about buying you out? —A. That was the result.

Q. Then did you buy him out?—A. After two or three weeks.

Q. And for his 47½ per cent. interest, what did you give him?—A. I bought a dredge from him first for $22,000, and I think we paid him after that $70,000 odd.

Q. You gave him for 47 per cent. interest $70,000 when you were willing to take $50,000 from him for 52½ per cent. interest?—A. Yes.

Q. Is that the deed of discharge and transfer (document produced)?—A. Yes, that is the deed of discharge and transfer.

Q. Up to that time had Thomas McGreevy to your knowledge—I think that Robert was a member of the firm of Larkin, Connolly & Co.—any connection with these particular contracts to which you have referred, or had Thomas McGreevy any knowledge that his brother was a member of the firm in connection with these contracts?—A. No, my belief is he had no knowledge.

Q. Have you any particular reason for saying that you know he had no knowledge?—A. Yes.

Q. Did anything occur to explain that to you?—A. Yes, there was something occurred in the office of our company.

Q. Explain what occurred. When was this?—A. I do not remember the date.

Q. Was it a short time before this transfer?—A. Yes, in that spring.

Q. That would be 1889?—A. Yes. I happened to go into the office one morning and Mr. Robert McGreevy and O. E. Murphy and my brother were in the back office. There were two offices, a front and a back. In the back office I heard some loud talking by Robert McGreevy, which was rather unusual on his part, and I asked what was the matter. Robert told me that my brother had said something that he ought not to say; that he had been telling some of the Commissioners something he ought not to say. I asked him what it was, and I said I was very sorry if my brother had said anything that would cause trouble between him and his brother; and I walked out. I came in later and he wanted my brother——

Q. Who wanted?—A. Mr. Robert McGreevy, to go back and apologize to Thomas McGreevy and tell him it was not so.

Q. What was not so?—A. What he had told him.

Q. What was it he had told him?—A. I understood afterward from my brother——

Mr. Geoffrion objected.

Q. What did you understand from the conversation which took place at the time?—A. I understood that Thomas McGreevy had found out that Robert had an interest in the firm and that Thomas was angry about it.

Q. You understood that Thomas McGreevy had found out at that time, through something Michael had said to him, that Robert had an interest in these different contracts, and that in consequence Robert McGreevy wanted Michael to go to Thomas and tell him that was not true?—A. Yes.

Q. This occurred in the same spring of 1889 that you bought out Robert McGreevy?—Yes.

Q. Up to that time, do you know if Mr. Perley knew that Mr. Robert McGreevy had any interest?—A. No; I believe he did not know.

Q. Nor did Thomas McGreevy?—A. No.

Q. This was the first intimation that you had of any difficulty about these transactions of Robert so far as his brother was concerned?—A. Yes.

Q. Up to that time had it ever been intimated to you that Robert was useful to the firm so far as his brother was concerned, in obtaining his influence or otherwise?—A. No.

Q. Who were present in the office in the spring of 1889, when this difficulty took place between Robert and your brother about what your brother had been telling Thomas McGreevy?—A. Mr. Murphy and my brother and Robert McGreevy. I forget whether Mr. Martin Connolly was in the outer office or not.

Q. Will you look at the notes marked Exhibit "X 7." Those notes all purport to be signed Larkin, Connolly & Co., per O.E.M. They are dated Quebec, June 2nd,

1884. Are they not?—A. Yes; June 2nd, 1884, signed Larkin, Connolly & Co., per O.E.M.

Q. They are in Mr. Murphy's handwriting so far as the face of the note is concerned?—A. Yes.

Q. You said that you were in the habit of working out on the Embankment; you were doing outside work all the time?—A. Yes.

Q. When you were asked to sign a note or a cheque what would be done—who would come to you?—A. Mr. Murphy generally, or else Martin Connolly would send out for me.

Q. You would come in from the work, and sign or endorse as the case might be?—A. Yes.

Q. Did you ask any questions as to what purpose he intended to apply the proceeds of the notes or cheques?—A. I generally asked what it was for, and I think Mr. Murphy would say he would account later.

Q. And would you consider that a sufficient justification for signing or endorsing the note?—A. Yes.

Q. Was it the practice to have all the notes and cheques of the firm endorsed by the firm?—A. Yes.

Q. What was the practice, or was there any practice required by the bank at which you were doing business, and by the members of the firm as to the course to be adopted in reference to the making, and endorsing of notes and cheques?—A. My recollection is that a letter passed from the bank to our firm asking that two members of the firm should sign cheques. I could not get two members of the firm to sign the cheques, so I had a letter written to the bank giving Murphy power to sign cheques for the use of the firm.

Q. In the name of the firm?—A. For the use of the firm and in the name of the firm.

Q. Was there an understanding between the members of the firm as to the course to be adopted for additional security in reference to the making and endorsing of notes?—A. Yes. Mr. Larkin wanted two to sign cheques.

Q. What do you mean by "two"?—A. Myself and another member of the firm, or the book-keeper.

Q. That is one to make and another to endorse?—A. Yes.

Q. Look again at these notes, Exhibit "X 7," especially the one endorsed by yourself, and say whether that note appears ever to have been discounted?—A. I do not know much about that business.

Mr. MONCRIEFF.—What group of notes is that?

Mr. FITZPATRICK.—They are the notes applying to the contract of the 6th June, 1884—the $22,000 notes. (To witness): Does this note appear to have been discounted?—A. I do not see that there is any bank mark upon it, but there is some pencil figuring on the back.

Q. But you do not see any bank marks upon it?—A. No.

Q. There is nothing to indicate that it has been through the bank?—A. No; but I do not know much about that business.

Q. Do you see the word "paid" on the back of the note?—A. Yes.

Q. In whose handwriting is that word "paid"?—A. Murphy's.

Q. Was Murphy authorized to endorse cheques in your individual name for you?—A. No. He never had any power of attorney from me for that.

Q. Had he either power of attorney, or authority, written or verbal, to endorse your name on cheques or notes?—A. No.

Q. Did you ever authorize the endorsation on the cheque 24th September, 1884, payable to the order of N. K. Connolly for $5,000, made and endorsed by O. E. Murphy?—A. No, I never gave him any authority for that.

Q. When did you see that endorsation for the first time?—A. The first time must have been when the audit took place?

Q. Did you see it then?—A. I think so.

Q. When the audit took place Murphy would be called upon to account for what had been paid out by cheques, cash or notes?—A. Yes.

Q. Would they be charged to him personally from the time of the last audit and he be asked to account?—A. Yes.

Q. Therefore, at the audit of 1885 Murphy would be charged personally with the amount of these notes, Exhibit "X 7"?—A. That is if the audit took place then. He must have been charged with the amount of these notes or there would be some understanding about it. I do not know what.

Q. He would be charged in the first instance with the amount of the notes?—A. The book-keeper would know more about that than I would.

Q. Then Murphy would account for the amount he would receive on these notes by producing the notes as his vouchers?—A. Yes; that is it, I suppose.

Q. Do you remember anything about changing the security or certificate in connection with the South Wall contract? Did you ever apply to get the certificate?—A. Yes.

Q. What are the facts connected with that?—A. Mr. Murphy wrote a letter to the Harbour Commissioners asking to have his cheque changed, and I put up a certificate of deposit for him instead of the cheque. The certificate of deposit was drawing interest, and of course I received the interest as long as it was in the hands of the Commissioners as security.

Q. At the time that was done, do you remember if you had a considerable portion of the work done, and if there was considerable plant on the work?—A. My recollection is that there was a considerable portion of the lower portion of the sewer done, and a little dredging. We had two or three steam derricks there.

Q. What was the value of the plant at that time, approximately?—A. I should think it would be about $2,000, probably.

Q. How much work had you done—what proportion?—A. It was a small proportion of the work.

Q. Among the exhibits produced here is a cheque marked "March, 1887, $5,000," and opposite to it the words "Three Rivers." Do you remember hearing about that?—A. No; only what I have heard here.

Q. Did you ever give a cheque, or have you any knowledge of a cheque being given in March, 1887, for $5,000, which went to Three Rivers or to any person connected with Three Rivers?—A. Not that I know of.

Q. Will you look at the cheque produced, dated 20th March, 1886, and signed by Murphy in the name of Larkin, Connolly & Co., endorsed by him in the same name for $5,000, and say whether that is the cheque referred to in Exhibit "E 7" as "March, 1887, $5,000, Three Rivers"?—A. I do not know whether this is the cheque referring to it or not, but I see that it is the date of the cheque.

Q. March, 1886?—A. Yes; March, 1886.

Q. You do not know whether that is the cheque for that particular item or not?—A. I know it is Mr. Murphy's signature and his endorsing.

Q. You know the cheque was paid or charged to the firm?—A. I believe it was.

Q. But you do not know anything about that particular cheque?—A. I do not.

Q. You do not remember having signed it?—A. I can see I did not sign it.

Q. You do not know anything as to the distribution of the proceeds of that cheque?—A. No.

Q. You were not consulted about that?—A. No.

Q. Can you swear positively that you have no knowledge of the giving of that cheque, or the proceeds of that cheque, to any person?—A. No.

By Mr. Henry:

Q. At page 183 of the evidence of Mr. O. E. Murphy there is a statement in respect to the alleged discovery of a payment said to have been made by you to Laforce Langevin and to Sir Hector Langevin of $5,000 cash. What have you to say with regard to that statement?—A. I never gave Sir Hector a dollar, neither his son, Laforce Langevin.

Q. Or to anyone for them ?—A. No; to no one for them, either directly or indirectly.

Q. Is there any truth in the statement of Mr. O. E. Murphy with regard to your having told him you had done so ?—A. There is no truth in that statement.

Q. At page 186 there is a statement to the effect that you were told by Owen E. Murphy he had made two payments of $5,000 each to Sir Hector Langevin? Is it true that he made that statement to you ?—A. He never made a statement. I never could get him to tell me how he paid the money.

Q. Did he ever tell you he had made payments of $5,000 each to Sir Hector Langevin ?—A. No ; he never told me such a thing.

Q. As detailed at page 186 of the Evidence ?—A. No; he never told me such a thing.

Q. You say he never told you he had paid money at such a time to Sir Hector ? —A. No.

Q. At page 187 there is a statement of an alleged payment to a son-in-law of Sir Hector Langevin's, the proprietor of a paper called *Le Courrier du Canada* of $3,000, in December, 1887 ? Did you ever make any such payment ?—A. I never did.

Q. Did you ever tell Murphy that you had ever made such a payment ?—A. No.

Q. You never did ?—A. No; I did not know this gentleman at that time.

Q. Which gentleman ?—A. This Chapais, a son-in-law of Sir Hector's.

Q. In Exhibit "B 5," to be found at page 109, being a statement of alleged payment in connection with Quebec Harbour Improvements, there is an item of $1,000 and another item of $4,000 in August. Mr. Murphy was asked what explanation he could give to the committee as to the item of $4,000; and at page 188 the answer is : " Mr. Connolly told me he had paid the $4,000 " ?—A. Who is that ?

Q. To Sir Hector Langevin ?—A. I never told him anything of the kind.

Q. Did you ever tell Mr. Murphy you had paid $4,000 to Sir Hector Langevin ? —A. No ; I never did.

Q. Did you make such a payment ?—A. Sir Hector never spoke to me about money and I never spoke to him.

Q. Did you ever state to him you had ever paid such a sum to Mr. Thomas McGreevy ?—A. No ; I never did.

Q. Were you made aware of the fact, or tell the fact to Mr. Murphy, at that time or afterwards, that these two payments of $1,000 and $4,000 were made as he states they were made in his evidence to Thomas McGreevy ?—A. No.

Q. You never were made aware ?—A. No; I never was aware ?

Q. I have to ask you a few questions with regard to dredging done under the second dredging contract of 1887. What was the value of the plant used by you in the execution of that contract ?—A. I cannot tell you the exact amount, but as near as I can, the plant that was used for the dredging, for conveying the material, and tugs, and so forth, together with the steam derricks for hoisting it on bank, is about from $175,000 to $200,000.

Q. That would cover the value of the plant used in execution of the dredging contract in 1887 ?—A. Yes ; that is the amount of the plant we had on the ground.

Q. And what you were using ?—A. We were not using all of that, probably.

Q. You might not use it all the same time ?—A. Occasionally we would use it and at others not.

Q. What would be the cost per day of using that plant for the purpose of executing the contract, the average cost per day ?—A. I don't know ; I could not give you that.

Q. You must have some idea—wages, repairs, fuel and so on ?—A. I cannot give you that anywhere correct. The books would be able to show that.

Q. Would you not, in making up your tenders, take this question into consideration ?—A. Yes ; but I have not these matters fixed in my mind.

Q. It might be an approximate estimate ?—A. As near as I can recollect, it would be about $2.50 a day.

Q. That would be the cost of using the plant ?—A. It would be fully that—probably more.

Q. I think you said you had three dredges then?—A. Part of the time we had three.

Q. That would cover the average cost of work?—A. I do not pretend to say that is accurate; but as near as I can tell that would be the average. It might be more; it might be less.

Q. Can you state the average number of yards per day throughout the season of, say 1887?—A. I cannot.

Q. Have you any idea?—A. I have no idea. It would be more or less irregular.

Q. Depending on various causes?—A. Yes.

Q. I think you stated early in the investigation the maximum amount of cubic yards which a dredge would remove in a day and deposit in this dumping ground?—A. With one or two of the dredges we have taken as high as 2,200 yards in a day. I think that is the highest.

Q. That would be the maximum?—A. It might be a little more or a little less.

Q. Were two of the dredges of similar capacity?—A. Yes; and the other was smaller. The machinery was the same size, but the hull was smaller.

Q. Can you state the date at which you would be able to begin work of this kind and the date at which you would have to close on account of the weather?—A. We could not start in the spring much earlier than the 1st of June.

Q. That would be the average time of starting?—A. Sometimes it would be late in June.

Q. And the time of ending?—A. About the 15th of November. We might have worked later.

Q. Can you tell us approximately the aggregate number of days you would have for work in the season?—A. No.

Q. To what extent did the weather interfere with the carrying on of that work?—A. The weather did not interfere with our dredging very much. We worked at the dredging unless the wind happened to be very high, and then we could not go out in the river nor work our derricks to advantage.

Q. Then with the exception of the days when there was a high wind, you could work every day?—A. Every day.

Q. The rain did not interfere?—A. No.

Q. The contract of 1887 was entered into as a new arrangement for carrying out the work which was contemplated under the dredging contract of 1882?—A. Yes.

Q. And a large amount of dredging had been done before the contract of 1887 was entered into?—A. Yes.

Q. Can you give any idea of the average depth of dredging in 1887?—A. I think that was sixteen feet below low water.

Q. Would that be a fair average?—A. That was the depth to which we dredged under our last contract.

Q. I want to know if you can state the average depth of all dredging in 1887?—A. I cannot.

Q. Can you come near it?—A. No; I do not know that. I have a memorandum, but I do not see anything that would show that. The last contract—that of 1887—was for any depth that the Commissioners required us to do.

Q. What I ask you is this, whether you could not tell what was the average depth of the dredging you did under the contract in 1887?—A. It was in all probability to a uniform bottom, when the tides were high it would be deeper.

Q. Did the reference to depths in the previous contracts refer to low water merely in the spring tides?—A. Yes.

Q. Can you say, speaking from that standpoint, what the average depth of the dredging was in 1887?—A. I think about 16 feet.

Q. That would be the average of the work you did in 1887?—A. I do not know the average.

Q. But that is all I am asking you?—A. I cannot tell the average.

Q. Have you no idea of it at all?—A. The average depth I could not tell you.

Q. But the depth from low water was 16 feet?—A. Yes, my recollection was that it was 15 feet below water, but we went little lower so as to get the depth.

Q. Have you not a sufficiently clear remembrance as to what the average depth would be, taking deep and shallow work together?—A. Some of that work was dry at low water, but most of it was covered. It was an uneven bottom, and it was dredged from that uneven bottom.

Q. To bottom it up, as you call it?—A. Yes, that is the term.

Q. That is not specially referred to in the contract. Leaving that out I would ask you once more what was the average dredging done by your firm in the season of 1887?—A. From low water?

Q. Yes.—A. It was from low water to 16 feet.

Q. But I mean as to the quantities?—A. I cannot give that.

Q. You cannot give any idea of the relative quantities?—A. No.

Q. In connection with the original cost which was estimated for the execution of this work, how much would you allow for a sinking fund on the class of plant used for dredging?—A. I could not give you that now.

Q. Surely you must have some idea?—A. Yes, I have some knowledge.

Q. Would 10 per cent. be fair?—A. No.

Q. You would allow more?—A. Yes, on such plant as that.

Q. But taking all the plant together?—A. Is it wear and tear you mean?

Q. Yes.—A. We generally allow 25 per cent.

Q. You then wear it out in four years?—A. Such plant as that has often to be repaired.

Q. I will have to ask you about repairs then as you are putting it in with the sinking fund. How much did you allow for repairs to the plant?—A. I do not remember the exact amount for repairs.

Q. How much would be fair?—A. I think 4 per cent. or 5 per cent.

Q. And the balance between 4 per cent. and 5 per cent., and the 25 per cent. would represent the depreciation of the property. Would not that be very large?—A. Yes; but it is a property which is of very little good after you have done your work.

Q. Simply because you may not get another job?—A. Yes.

Q. But it is capable of doing the work?—A. Yes.

Q. Leaving out repairs and the idea that you get no more work, would not 10 per cent. be a fair amount for depreciation?—A. I think 10 per cent. would not be enough.

Q. You still say it would be as much as 20 per cent.?—A. It would be fully 25 per cent.

Q. Including repairs?—A. Yes.

Q. I forget whether it has been explained to the committee yet what advantage the public would receive from substituting a circular head for a second entrance in the dock at Esquimalt, B.C. I ask that question in view of the conformation of the ground at the proposed inner entrance of the dock?—A. I do not know as I can explain that. I think it made it longer.

Q. But independently of making it longer what would be the advantage, or utility or availability of a second entrance to that dock? Having reference to the position of the dock and the ground where it was situated?—A. The second entrance would be no benefit to that dock.

Q. Why not?—A. Because there was a mountain at the upper end of the dock, and it would be impossible to build another dock at the end without great expense.

Q. In other words the ground at the inner end of the dock was unsuitable for the purpose of extending it to make more dock accommodation or a second dock?—A. Yes.

Q. The second entrance would practically have been into the mountain?—A. Yes.

Q. And it would have involved a very great expense for excavation?—A. Yes.

Q. Coming back to the cross-wall contract, did it provide for gates or contemplate gates, or did it provide for or contemplate a caisson ?—A. The first plans prepared by Kinipple & Morris were intended for the use of a caisson.

Q. That is, the entrance should be by means of a caisson ?—A. Yes.

Q. And then it was afterwards determined that instead of a caisson that gates should be used on the principle of dock gates ?—Yes, on the principle of dock gates.

Q. Would the schedule of prices in the cross-wall contract cover the nature of the work and the materials to be used in gates ?—A. No, the gates were not mentioned.

Q. So that under the cross-wall contract you had no provision made for the payment of such work provided gates were substituted ?—A. No.

The Committee then adjourned.

HOUSE OF COMMONS, TUESDAY, 14th July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour works, &c., resumed.

Mr. H. V. NOEL, Manager of the Quebec Bank, Ottawa, sworn.

By the Chairman:

Q. What is your name, Mr. Noel ?—A. Helier Vavasour Noel.

By Mr. Geoffrion:

Q. You are the Manager of the Quebec Bank in Ottawa ?—A. I am, sir.

Q. You have been for several years past ?—A. Yes; I have to say I am quite prepared to give evidence in this matter without concealing anything, but according to the by-laws of our bank I cannot divulge anything or give information without the consent of the directors, unless I am compelled to do so.

The CHAIRMAN.—You will have to answer, Mr. Noel.

Q. Have you been connected with Baie des Chaleurs Railway Company ?—A. Slightly. I collected some money for some banks.

Q. Did you act as trustee for the bondholders ?—A. No; the creditors generally.

Q. Only bank creditors ?—A. I had a power of attorney to draw certain moneys from the Government.

Q. That is to say, you were authorised by certain debtors of the company entitled to subsidies from the Government to collect from them ?—A. I had a power of attorney from the president of the company to draw certain subsidies. Here is a statement I got from the office the other day.

By the Chairman:

Q. That is your power of attorney ?—A. It is a statement I got from the Department the other day.

Q. Read it?

(Exhibit "W10.")

"$180,000 was paid to Mr. Burland.

"DEPARTMENT OF FINANCE,
"OTTAWA, 24th June, 1891.

"DEAR MR. NOEL,—The amounts paid to the Quebec Bank on account of Baie des Chaleurs Railway Company were as follows:—

1887, February 4th	$ 40,000
1887 do 5th	30,000
1887, August 17th	20,000
1887, December 29th	30,000
1888 do 4th	60,000
1889, March 1st	15,200
1889, August 5th	94,350
1889, October 23rd	54,325
	$344,175

"Yours faithfully,
"M. G. DICKIESON,
"*Accountant.*

"H. V. NOEL, Esq.,
"Manager Quebec Bank, Ottawa."

By Mr. Geoffrion:

Q. You said this was received from the Government by virtue of powers of attorney which were given to you?—A. Yes.

Q. Who were the parties upon whose behalf you received that money?—A. It was paid over to some banks in Montreal and Ontario, and the Bank of Halifax. Three banks got the whole of it.

Q. On whose behalf did you draw that money?—A. For the company.

Q. Who was the president of the company then?—A. I think it was the Hon. Mr. Robitaille.

Q. Do you remember who were the directors at that time?—A. I do not.

Q. You can only tell who was the president at the time the power of attorney was signed by him?—A. That is all.

Q. And all these amounts were paid to the different banks you had mentioned?—A. They were.

Q. What about that note at the top of the letter: "$180,000 was paid to Mr. Burland"?—A. I suppose he had an account for that; I merely wanted to know what had been drawn altogether, and they said so much had been paid to Mr. Burland—$180,000. I had nothing to do with it at all.

Q. You had nothing to do with Mr. Robert McGreevy in connection with the collection of that money?—A. Nothing at all. I think Mr. Burland sent me three cheques of $8,000, and I was to pay them over, according to the directions of the president of the company, Mr. Robitaille. I was to pay it to Robert McGreevy when I got Mr. Robitaille's letter.

Q. Three cheques for $8,000 each?—A. Yes; that was in 1886, I think.

Q. And you were instructed by the president to pay these amounts to Robert McGreevy?—A. I was.

Q. Have you these letters from the president?—A. I have some letters here.

The CHAIRMAN,—These are some letters addressed to the witness, three by G. B. Burland, three by Theodore Robitaille and the seventh sent by Robert H. McGreevy, to the witness.

WITNESS.—The letter from Robert McGreevy is a private one, merely asking me to get the money. The others are as follows:—

(Exhibit "X10.") "MONTREAL, 1st October, 1886.

"H. V. NOEL, Esq.,
"Ottawa.

"DEAR SIR,—As trustee of the Baie des Chaleurs Railway, I am instructed to send you cheque for $8,000, which sum you will be good enough to pay over to any person whom Hon. T. Robitaille, the president of the company, may direct.

"I remain, yours truly,
"G. B. BURLAND."

(Exhibit "Y10.") "OTTAWA, 4th October, 1886.

"H. V. NOEL, Esq.,
"Ottawa.

"DEAR SIR,—You will please pay over the cheque sent you by G. B. Burland, Esq., for eight thousand dollars for the Baie des Chaleurs Railway, to R. H. McGreevy, Esq., of Quebec.

"THEODORE ROBITAILLE,
"*President.*"

(Exhibit "Z10.") "QUEBEC, 12th November.

"H. V. NOEL, Esq.,
"Ottawa.

"MY DEAR SIR,—I have an order on you, from Hon. T. Robitaille, president Baie des Chaleurs Railway Company, for $8,000. Will you send it down or will I mail you the order.

"If by any means you have not the cheque, and cannot send it by return of mail, better keep it till I go up on Wednesday next.

"I remain, yours, &c.,
"ROBERT H. McGREEVY."

"THE SAINT LOUIS HOTEL,
(Exhibit "A11.") "QUEBEC, 12th November, 1886.
"H. V. NOEL, Esq.,
"Ottawa.

"DEAR SIR,—You will please pay over the cheque sent you by G. B. Burland, Esq., for eight thousand dollars for the Baie des Chaleurs Railway, to R. H. McGreevy, Esq., of Quebec.

"THEODORE ROBITAILLE,
"*President.*"

(Exhibit "B11.") "MONTREAL, 13th November, 1886.
"H. V. NOEL, Esq.,
"Ottawa.

"DEAR SIR,—As trustee of the Baie des Chaleurs Railway, I am instructed to send you a cheque for eight thousand dollars ($8,000), which sum you will be good enough to pay over to any person whom the Hon. T. Robitaille, the president of the company, may direct.

"I remain,
"Yours very truly,
"G. B. BURLAND."

(Exhibit "C11.") "QUEBEC, 9th December, 1886.
"H. V. NOEL, Esq.,
"Ottawa.

"DEAR SIR,—You will please pay over the cheque sent you by G. B. Burland, Esq., for eight thousand dollars for the Baie des Chaleurs Railway, to R. H. McGreevy, Esq., of Quebec.

"THEODORE ROBITAILLE,
"*President.*"

(Exhibit "D11.") "MONTREAL, 17th December, 1886.
"H. V. NOEL, Esq.,
"Ottawa.

"DEAR SIR,—As trustee of the Baie des Chaleurs Railway, I am instructed to send you a cheque for eight thousand dollars ($8,000), which sum you will be good enough to pay over to any person whom the Hon. T. Robitaille, the president of the company, may direct.

"I remain,
"Yours truly,
"G. B. BURLAND,
"J. H. B."

Mr. GEOFFRION.—The witness also fyles a statement showing the proportions paid to each bank for which he was acting as attorney, and which reads as follows:—
(Exhibit "E11.")

STATEMENT OF PAYMENT MADE BY THE DOMINION GOVERNMENT TO QUEBEC BANK ON PAYMENT ACCOUNT FROM THE BAIE DES CHALEURS RAILWAY COMPANY.

Section 0 to 20—Transferred to Bank of Toronto, Montreal—

Up to April 3	$ 99,000	
Aug. 5	18,950	
Oct. 24	1,850	
		$ 119,800

Section 21 to 30—Transferred to Halifax Banking Co., 1889—

Up to April 3	$ 53,600	
Aug. 5	1,700	
Oct. 24	325	
		$ 55,625

Section 31 to 40—Transferred to Ontario Bank, Montreal, 1889—

Up to April 3	$ 39,000	
Aug. 5	16,500	
Oct. 23	1,650	
		$ 57,150

Section 41 to 50—Up to April 3	$ 3,900	
Aug. 5	57,200	
Oct. 24	800	
		$ 61,900

Section 51 to 60—Up to Oct. 24	$ 49,700
	$ 344,175

Q. By this statement I see that the total amount paid by you to the Bank of Toronto, the Halifax Banking Company and the Ontario Bank at Montreal, is $344,175. Did this amount include the $24,000 mentioned in the letters just read? —A. No, sir. According to the statement put in from the Finance Department you will see what was paid in by Mr. Burland at the time. What I received is contained in that last statement.

Q. So that the amount you received as attorney was $344,175?—A. Yes.

Q. And you also were ordered by Mr. Burland to pay three cheques of $8,000 each?—A. Three cheques of $8,000 each that he sent me.

Q. Those cheques were not received from the Department?—A. No; they were from Mr. Burland—his own cheques.

Q. Are you aware for what purpose these cheques were sent to you?—A. No.

Q. Were there any other letters than those accompanying the transmission of the cheques to you by Mr. Burland?—A. There were no others. These are all the letters I have.

Q. And you have no verbal explanation as to the use to be made of the money? —A. No.

Q. You were a dumb servant, if I may say so; the money was handed to you and you paid it according to your instructions?—A. That is all I had to do with it.

Q. Is this all the money in connection with the Baie des Chaleurs Railway that passed through your hands?—A. That is all—$344,000.

Q. And the three cheques?—A. Yes.

Q. I think you also acted as treasurer of the Langevin testimonial fund, Mr. Noel?—A. Yes, I did; in 1880. There was a list opened in that year, but I could not give you much information about it. I never saw the list, and the receipt book has been out of my possession for six or eight years. That is all I know about it.

Q. How long was the list open with you?—A. I think from 1880 to the summer of 1883.

Q. Could you give us in round figures the total amount received by you for that fund?—A. About $22,000. The money is still in the bank, so, of course, I ought to know.

Q. You had receipt books?—A. I said that I gave the receipt book, which would show the names, to the secretary or collector to compare it with the amount in the bank. This was six or eight years ago. I have not seen it at all since.

Q. Who are the parties to whom you handed these books?—A. I could not swear, but I am under the impression it was to the secretary, Mr. Carrière.

Q. He was secretary of the fund?—A. Yes.

Q. He was the manager of the Banque Nationale?—A. Yes.

Q. As far as you recollect, it would be to him that the papers you had in your possession went?—A. I could not say. I wanted to get rid of them; I was anxious to get rid of them. I wanted the parties who had possession of the list to compare with the amount I had in the bank. Since then I have not seen them.

Q. Are there any other parties whom you can remember as being connected with that fund?—A. Two or three. There was a Mr. Morgan—I do not know him—and there was Mr. Gouin.

Q. Who is Mr. Morgan?—A. I do not know; he is in one of the Departments.

Q. And Mr. Gouin is postmaster here?—A. Yes.

Q. Will you look at this document, and say whether this is a receipt signed and given by you? –A. That is my signature.

(Exhibit "F11.")

"No. 112. "LANGEVIN TESTIMONIAL FUND,

"OTTAWA, 4th June, 1883.

"Received from Messrs. Larkin & Connolly the sum of one thousand dollars on account of above fund.

"H. V. NOEL,

"*Treasurer.*"

The CHAIRMAN.—In this receipt the following words are printed:—"Langevin Testimonial Fund," "Ottawa, —— 188 ," "Received from" "the sum of" "dollars, on account of above fund." "Treasurer"?—A. Yes.

By Mr. Geoffrion:

Q. This receipt also appears to have been detached from a stub?—A. Yes; I think this is one of the last.

Q. So this stub-book would be amongst the papers that you handed some of these gentlemen whom you have just mentioned?—A. Yes.

Q. You are satisfied you have not that stub-book?—A. I am.

Q. Are you sure it is one of those three persons whom you have mentioned?—A. Mr. Morgan had nothing to do with these things. I either gave it to the secretary of the fund, or I may have sent it to Sir Hector Langevin. It is now eight years ago since the fund was closed.

Q For the information of the Committee, could you name the persons to whom the papers went?—A. I could not.

Q. You say it might have been to Sir Hector?—A. It might have been.

Q. Did you report to him during the course of the subscription?—A. No; I had nothing to do with him. The only conversation I ever had with him, I think, was as to the rate of interest we should allow on the money.

Q. That was the only conversation you had with Sir Hector Langevin?—A. That is all.

Q. The testimonial was to remain with you, and you had a conversation with him as to the rate of interest which should be allowed?—A. That is the only conversation I had.

Q. He was therefore informed as to the amount to his credit at the bank?—A. Certainly.

Q. And you agreed to give a rate of interest so long as the money remained at your bank?—A. Yes.

Q. Has he drawn the interest?—A. I think not.

Q. It has accumulated?—A. Yes; at any rate, up to the 15th of May. We make our statements half-yearly, and I generally have to look over the books. The money was there up to the 15th of May to my recollection, and I think it is there still. I do not think Sir Hector ever drew a farthing of the interest.

Q. So that it is carried to his credit half-yearly?—A. Yes; half-yearly.

Q. Have you any objection to state the rate of interest?—A. Four per cent.

Q. Can you remember who came to you to pay this amount of $1,000?—A. No; I could not.

Q. Did you know the person who made the payment?—A. I do not remember. Sometimes I used to get letters. The secretary generally sent a note to the parties, and they sent that note to me with the cheque or money.

Q. That is to say, frequently a circular was sent to certain parties inviting them to subscribe?—A. No; to those who had subscribed to pay up.

Q. First of all a book was opened?—A. I do not know; I never saw the list.

Q. Sometimes you received cheques accompanied by letters that would have been sent to the parties by the secretary?—A. By a notice sent from the secretary.

Q. What would be the purpose of these notices?—A. Calling upon them to pay their subscriptions to me as treasurer of the fund.

Q. You cannot say whether this $1,000 was paid under those circumstances?—A. I think so.

By Mr Mills:

Q. Who were the subscribers to this testimonial?—A. I could not say; I have not got the list. It is so long ago—ten or eleven years.

Q. Do you know whether there were any other contractors who subscribed than those mentioned?—A. I could not remember at all. There were about 150 names on the list.

By Mr. Mulock:

Q. What does "112" mean on the receipt?—A. That is the number of the receipt; it is likely that about 150 subscribers would be near the mark.

By Mr. Mills:

Q. Were there many of them in the public service or not?—I think there must have been.

Q. Can you recall the fact?—A. I could not swear to it positively.

By Mr. Davies:

Q. Would not those names appear in your books in the bank?—A. No; they are not in the bank. I generally deposit the money on a cheque in the bank.

By Mr. Edgar:

Q. Have you no record whatever?—A. There may be. Sometimes I was absent, and in that case I always left blank receipts signed, so that the parties could get them.

By Mr. Geoffrion:

Q. But this receipt, Exhibit "F11," is all in your handwriting?—A. Yes.

Q. So that you must have received the money?—A. Yes.

By Mr. Edgar:

Q. Would not the accounts in your books show the different amounts and by whom paid?—A. They might. Some of these were paid in my absence.

Q. Have you no record, or do you know where any record is to be found of those names?—A. As I said just now, I gave up the books six or seven years ago. I gave up all the accounts in connection with this. It was a private matter; it did not go through the bank at all.

Q. No; but as treasurer of a private fund one would suppose you kept a record of your dealings?—A. Oh, no. I sent the receipt book to the party, whoever it was, so that he could compare it with the amount at credit in the bank.

By Mr. Geoffrion:

Q. You cannot recollect under what circumstances this amount of $1,000 was paid?—A. No; I cannot.

Q. Did you know a large contract had been given to Larkin, Connolly & Co. a few days before the payment was made?—A. No.

Q. Are you not aware that on the 26th May previous an Order in Council was passed, awarding the contract for the Cross-wall at Quebec to Larkin, Connolly & Co., and that payment of this $1,000 was made on the 4th June following?—A. I was not aware of it.

Q. You cannot connect that payment with the awarding of the contact?—A. No; I could not.

Q. Is this the only amount which Larkin, Connolly & Co. paid to that fund?—A. I could not tell you, unless I had the receipt book. They would have a receipt if they paid any money.

Q. Were not some of the subscriptions paid by different instalments?—A. I now remember that that money was paid to me by the secretary of the fund.

Q. Who was he?—A. Mr. Carrière.

Q. And it is to Mr. Carrière you probably delivered the receipts?—A. Yes.

By Mr. Mulock:

Q. Do you happen to remember the names of the firms under which some of this money was deposited in the bank? Do you remember any cheques coming to the bank?—A. It was all put down as cash.

Q. Do you remember the cheque of Cotton coming to the bank?—No; what Cotton?

Q. Cotton the contractor?—A. No.

Q. Do you remember seeing the name of Mr. Charlebois, at least?—A. No.

Q. Do you remember the names of any others except the name of Larkin, Connolly & Co.?—A. I think I remember one. That was the late Mr. Goodwin.

Q. That was the name I meant. You remember that cheque?—A. Yes.

Q. Do you remember to whose order that cheque was payable?—A. No; he gave me the money.

Q. There was no cheque?—A. No; he came in the office and gave me the money.

Q. Did he keep his account in your bank?—A. Yes. He paid the money and said "Here is $1,000 for that fund."

Q. Were all the cheques handed back to Mr. Goodwin's estate?—A. The books would show.

Q. Do you remember that the fund was transferred from your credit to Sir Hector Langevin personally?—A. It has not been transferred. It is just as the account was opened—Langevin Testimonial Fund.

Q. To whose order?—A. To the order of Sir Hector Langevin—at least, I suppose he has the right to draw it when he likes.

Q. You would recognize his cheque for it?—A. Yes.

Q. If he presented his cheque for the whole of it, it could be drawn out ?—A. Yes.

By Mr. Amyot :

Q. When you handed over your private books did you take a receipt?—A. No, sir ; I bundled them all up together and sent them to Sir Hector Langevin, but I do not remember.

By Mr. Davies :

Q. It is your recollection that it was either Mr. Carrière or Sir Hector ?—A. Yes ; but it might be that I gave them to Mr. Gouin. Mr. Gouin came often to my office.

By Mr. Amyot :

Q. Those papers show the name of every subscriber ?—A. The book does.

By Mr. Stuart :

Q. You did not act as the officer of the bank ?—A. Not at all.

Q. Purely in your private capacity ?—A. Yes; I am quite sure that is the only cheque from Larkin, Connolly & Co. to that fund.

Mr. Simon Peters sworn.

By Mr. Geoffrion :

Q. You are a contractor from Quebec ?—A. Yes, sir.

Q. Did you have anything to do with the works on the Harbour Improvements in Quebec ?—A. Yes ; I first built the outer ballast walk in 1864, and afterward built the Louise Embankment.

Q. Had you any partners ?—A. In the first work I had a brother and in the last I had two colleagues, by name Edward Moore and Augustus Wright.

Q. Then you would be working near the Embankment ?—A. Yes.

Q. Have you done any dredging ?—A. The dredging was done under our contract—a large amount of dredging.

Q. When was the dredging done ?—A. In 1878, 1879 and 1880.

Q. It was done under contract ?—A. Yes.

Q. What were your prices for the work ? What were you paid ?—A. We dredged 100,650 cubic yards at a depth of 29 feet, with a trench where the cribs of the tidal harbour were to be placed. Our price for that was 33 cents, including placing it to form the Embankment.

Q. You mean 29 feet below low-water mark ?—A. Yes ; below low water.

Q. Had you any other class of dredging ?—A. Yes ; in the trenches in the channel-way in the tidal harbour and the trenches where the cribs were to be placed in the tidal dock. There was considerably over 300,000 yards, and the price, including putting on the Embankment, was 25 cents.

Q. To what depth did you dredge ?—A. 24, and some 15 feet.

Q. It was between 15 and 24 ?—A. Yes.

Q. And you got how much ?—A. Of the 24 we had 90,250 and of the 15 we had about 250,000 yards. We then had a supplementary contract for dredging, the contract having been passed at the same time as the other. That was to deepen the tidal harbour by dredging it to 24 feet below low water, and place the material on the Embankment for 25 cents. That is 24 feet below low-water. We had another price then ; we had a price in connection with this last 250,000 yards, when it was to be put in scows and dumped in the river. Our price for that was 17 cents.

Q. Was that dredging to the same depth ?—A. 24 feet deep.

Q. What year was this work done in ?—A. In the year 1878, 1879 and 1880.

Q. At what distance did you dump the material in the river?—A. At that time the ballast ground—that is, where all the ships dumped their ballast—might have been probably between two and three miles from our works.

Q. Are you aware where the dumping was done since 1886?—A. Yes; I have noticed it several times. It was done over a supposed hole, opposite where the Indians used to encamp at Point Lévis.

Q. What would be the distance from the works carried on by Larkin, Connolly & Co. to that dumping ground?—A. Speaking roughly, about half the distance we would have to take ours to the ballast ground; but that makes very little difference when once it is in the scow.

Q. What is the average wear and tear of dredging plant, or sinking fund that ought to be allowed for wear and tear of plant for the year?—A. From about 15 to 20 per cent.

Q. Would that be including or excluding running repairs?—A. Including running repairs.

Q. In that sinking fund, what would you put for running repairs?—A. That would depend upon the character of the machinery. Our hoisting material was a heavy chain. I believe there were heavier running repairs in the subsequent dredges, because they subtituted steel wire ropes for the chain.

Q. Had you seen Larkin, Connolly & Co. doing the dredging during the course of 1882?—A. I merely noticed it *en passant* in 1884, 1885 and 1886.

Q. Well, since 1886 have you seen them dredging?—A. I saw them *en passant*, just as I passed.

Q. Do you know the place where they were working very well?—A. I know it very well.

Q. Have you a clear idea of the facility of access to the river or to the dumping ground in the river at the time of the work?—A. Yes; I think I have.

Q. By what you have seen, will you state to the committee whether the difficulties of dredging were increased in 1886?—A. No; they were less, because they had less water. They only dredged in 15 feet of water in the Wet Dock; that was all they had to dredge.

Q. But independently of the depth of the work, as far as the disposing of the material was concerned, were the difficulties increased?—A. None whatsoever, because the passage left for the passing of materials at the Cross-wall was larger than the outlet to the St. Lawrence from the tidal harbour by several feet. The tidal harbour outlet was 187 feet 6 inches and the other was over 230 feet. I measured it.

Q. Were you called to make a tender or say what would be your price for the dredging which was done subsequently to 1886?—A. No; I was not.

Q. From the knowledge you have, from the nature of the work to be done and the dumping that was done, what price do you think you would have charged for such a work if you had been called upon to make it?—A. I think I would have been very glad to have done it for 20 cents—that, is to dump it into the harbour.

Q. Will you take communication of the letter which was written by Mr. Perley to Larkin, Connolly & Co., under date of 27th April, 1887, printed at page 19 of the blue book, and say if such an application had been made to you what price you would have asked for it?—A. In answer to that letter, I should have said——

Mr. DAVIES.—Read the letter; we do not understand the question?—A. The letter reads as follows:—

"OTTAWA, 27th April, 1887.

"GENTLEMEN,—There remains a large quantity of material in the Wet Basin, Quebec Harbour works, a portion of which it is desirable should be removed during the ensuing summer and the propriety of proceeding therewith I desire to bring to the notice of the Commissioners. Before I can do this, I wish to obtain the price per cubic yard, measured in the same manner as was the dredging previously done by you, at which you will do what is required. I want only one price, which must cover the dredging to any depths required, which may not exceed fifteen feet below

low-water spring tides, and the conveyance of to a place of deposit, whether in the embankment or in the river. An early answer will oblige.

"Yours obediently,

"HENRY F. PERLEY,

"*Chief Engineer.*

"Messrs. LARKIN, CONNOLLY & Co.,
"Quebec."

I must state for the information of the Committee that the Embankment was pretty well filled at that time. It was quite evident that most of that dredging would have to be deposited in the St. Lawrence, and I should say our tender would have been, taking that all round, 20 cents a yard.

By Mr. German:

Q. Would that be considering the "bottoming up"?—A. That is always included.

Q. But this was the last of the dredging? Would it not, most of it, have been "bottoming up"?—A. It is always supposed when you undertake to dredge a certain area that you will finish it.

Q. The evidence is a large portion of this dredging was "bottoming up." In consideration of that, would the work be worth more than 20 cents?—A. The "bottoming up" should have been performed at the time.

Q. Yes, I know; but it was not done?—A. That is the fault of whoever superintended the duties. This work is implied. When we took 250,000 yards of dredging in the tidal harbour it was understood we were to sweep the bottom—to take it up clear.

Q. Well, you, as a practical man, would understand that if there was "bottoming up" to do it would be worth a little more?—A. If there had been, of course.

Q. Well, if there had been considerable "bottoming up," what amount would it be worth?—A. A few cents more.

Q. How much?—A. Perhaps four or five cents more.

Q. It would not exceed that?—A. No.

By Mr. Geoffrion:

Q. As a matter of fact, do you know whether it was only "bottoming up" to be done or whether general dredging was to be performed at the works indicated?—A. I should think Mr. Perley asked for general dredging. There was no "bottoming up" spoken of at all.

Q. As a general rule, dredging included "bottoming up." And the price you would have tendered for would have been 20 cents?—A. Yes.

Q. And only that Mr. Perley would have called your attention to do special work you would not have altered your tender?—A. No.

Q. Will you read the answer of Larkin, Connolly & Co. to Mr. Perley, under date of 28th April?—A. The letter reads:—

"QUEBEC, 28th April, 18-7.

SIR,—Your favor of the 27th instant is at hand. In reply we would beg to say that we are prepared to do what dredging is required, as mentioned in your letter, for the average price of our previous dredging, namely, thirty-five (35) cents, although the difficulties are greater than we have had to contend with during the progress of our previous dredging, inasmuch as the passage is narrow, the currents stronger and the distance to the place of deposit further.

"We are, Sir,
"Your obedient servants,

"LARKIN, CONNOLLY & CO."

Q. Are you able to say to the Committee whether the reasons assigned in that letter were well founded?—A. No; they were not well-founded at all.

Q. What about the passage first?—A. The passage giving access was much larger, as I have stated before, than the outlet to the St. Lawrence that existed before, and therefore there was no difficulty.

Q. As to the currents?—A. It made no difference at all; the currents were not changed at all.

Q. And was the distance further?—A. Of course, the wet dock is a little further than the tidal dock.

Q. How much?—A. Just a few acres.

Q. Would that make an important difference?—A. No.

Q. Well, according to your views and experience, those reasons were imaginary?—A. Yes.

Q. You know that gates have been put there?—A. Yes.

Q. Even with these gates, does it make a great difference—loes it increase the difficulty very much?—A. Well, the gates of course are narrower than the passage that was left during the construction of the Cross-wall, and at certain times when the tide is coming in, it is more difficult to get out, and *vice versa*. The current is stronger, but they were not used during this work of excavation, although they were a little towards the last.

Q. What difference would you have made at that time, 27th April, between dumping on the Embankment and dumping in the river, per yard?—A. Well, as seventeen is to twenty-five.

By Mr. Davies:

Q. That would be seventeen for the river and twenty-five for the embankment?—A. Yes.

Q. Will you explain why you make that difference?—A. To be put on the embankment the dredging material had to be emptied into tubs and the tubs had to be towed by scows to the wall of the embankment and hoisted by a revolving derrick that hoisted up and turned round the dredging material to wherever it was required within the radius of the derrick for the purpose of dumping the tubs.

Q. In other words, was there more handling by putting the material on the embankment than on the river?—A. Oh, certainly.

Q. And that is the reason of the difficulty?—A. Yes.

Q. Is there much more dredging left to be done in the harbour?—A. There must be, but I cannot say precisely.

Q. Did you put in a tender for the Cross-wall contract?—A. Yes.

By Mr. Edgar:

Q. Have you any idea of the dredging which you know was done by Larkin, Connolly & Co.?—A. I know that from having seen them at work. I think a very good average would be from seven hundred to eight hundred yards per day.

Q. It is a good average for a day's work for each dredge, is it?—A. Yes.

By Mr. Mulock:

Q. How many scows are there employed?—A. On dredging it takes two scows. They have plenty of time to deposit the material while they are filling the other.

By Mr. Edgar:

Q. By working economically and efficiently it would be 700 or 800 yards per day?—A. Yes; but they did not do so much as that at first, because having adopted this wire rope the sand would cut the wire ropes and they did not last long.

Q. There were delays for repairs?—A. Yes; very great repairs.

Q. You are not including any delays for repairs in what you estimate to be a day's work?—A. Oh, no.

Q. That is a fair day's work?—A. Yes.

By Mr. Geoffrion:

Q. You said you put in a tender for the Cross-wall?—A. Yes.

Q. Were you informed of the result subsequently, and was your tender accepted?—A. Some time after I was informed, but I might say that before the decision was given by the Public Works Department, after comparing notes with some other of the contractors I began to figure up, and I found that my tender was considerably lower.

Q. Than had been reported?—A. Yes.

Q. Can you remember and state to the Committee what were the tenders besides your own?—A. The only information I got about that was what I saw in the newspapers, that Mr. Gallagher, Mr. Beaucage, and Larkin, Connolly & Co. had tendered; each of the three tenders was supposed to be one and the same.

Q. Were you informed in any way how many tenders were lower than your own?—A. No; I never was informed.

Q. You were only informed officially your tender was not the lowest, without giving you the names, nor the quantities or the totals of the other tenders?—A. No.

Q. In connection with your tender, did you receive from the Public Works Department any official letter?—A. I will read a letter I wrote a short time before the tenders were opened to Sir Hector Langevin.

Mr. Osler.—If you have a reply?—A. Yes; I have a reply.

By Mr. Geoffrion:

Q. Have you an answer to the letter?—A. I think I had an answer.

Q. Or any answer showing it was received?—A. I am not sure if I have got an answer.

Q. From any member of the Department?—A. Oh, yes; I have got one from the Deputy Minister.

Mr. Osler.—If you had a reply identifying it, read it. If you have not, it should come from the Department, where the original should be?—A. You can substantiate my veracity by getting it there.

Q. Have you got anything from the Department acknowledging it?—A. I have got one acknowledging a letter from the Deputy.

Q. Have you got a letter showing it was received by Sir Hector, from the secretary or any one else?—A. Well, for the moment I have not got the reply.

By Mr. Geoffrion:

Q. You say you have some letters from the Deputy?—A. Yes.

By the Chairman:

Q. Do you know whether this letter to Sir Hector Langevin was ever received? Have you any doubt upon that matter?—A. No doubt, sir. Here is a letter I wrote to the Deputy and the answer I received.

(Exhibit "Gil.")

"Dear Sir,—Amongst the tenders for Cross-wall of Quebec Harbour works sent in on Wednesday last, you will find my tender. From information obtained since that day from the other tenderers, we have reason to believe that when the quantities are worked out the tender that bears my signature will be found to be the lowest; although one tender is below us on the lump sum for cofferdam and unwatering, this difference will be more than made up on the crib-work, stone filling, masonry backed with concrete, and earth filling, &c. I would ask you for old acquaintance sake to take a personal interest in looking into this matter for me. I have not the pleasure of knowing your Mr. Perley, or I would have written to him. We have all the plant and experience for this work.

"Believe me,

"Yours faithfully,

(Signed) "SIMON PETERS.

"G. F. Baillairgé, Esq.,

"Deputy Minister Public Works, Ottawa.

"Quebec, 5th May, 1883."

(Exhibit "H11.")

"OTTAWA, 16th May, 1883.

"DEAR SIR,—I duly received your letter of the 5th inst., on the subject of the tender submitted by you for the construction of the proposed Cross-wall in connection with the Quebec Harbour Works—and have communicated it to the Chief Engineer of the Department, Mr. Perley.

"The schedule of tenders has been handed to the Honourable the Minister.

"I am, dear Sir, yours very truly,

"G. F. BAILLAIRGÉ.

"SIMON PETERS, Esq., Quebec."

By Mr. Geoffrion :

Q. Have you a letter with you from Sir Hector Langevin, dated the 7th May ?—A. I have some letters here; it may be in it. I have some letters in my bag, which I did not bring up.

Q. I see that you wrote to Mr. Baillairgé, after the tenders were opened, stating that you were satisfied your tender was the lowest ?—A. Yes.

Q. On what statement did you base your letter ?—A. On the prices I had heard the others had put in in schedule compared with my prices. Taking the four principal items in the work, which consisted of crib work, stone filling, earth filling and concrete.

Q. You say you heard those figures. Had you occasion to see them ?—A. Since then I have. I have had communication of the original contract at the notary's.

Q. Did you find that statement correct ?—A. It was less than correct. They gave the crib-work prices as $2.20 a yard, and by looking at the original contract of Larkin, Connolly & Co. I saw that their figure was $2.25 per yard, as compared to $1.33⅓—my price.

Q. Tell us about the crib-work ?—A. That is a very large item. As regards the crib-work, I have got what is called the assumed quantities, but I think it would be increased by the final estimate. The assumed quantity was 32,250 yards.

By Mr. Davies :

Q. In each tender ?—A. I am comparing them now. For that work Larkin & Connolly's price was $2.25, as compared with mine of $1.33⅓ cents, which would give $29,670 in that one item. Then there was a quantity of stone filling to be done for holding the cribs down. The assumed quantity of that was 20,000 cubic yards. Larkin, Connolly & Co.'s price for that was $1.50 per yard. My price 65 cents, a difference of 85 cents per cubic yard, amounting to $17,000.

Q. What about the earth filling ?—A. There is a peculiar circumstance connected with the earth filling. In my tender we considered we would have to procure the earth filling, and we put in the value of dredging it and putting it in at 25 cents a yard. Larkin & Connolly's price was 45 cents for the same thing, which makes a difference of $28,000 on that item.

By Mr. Osler:

Q. You did not give the total number of yards—how many yards were there? —A. About 140,000.

By Mr. Ouimet :

Q. What is your price for earth filling ?—A. 25 cents against their price of 45, but I have been told since, I do not know whether it is true or not, that they got 45 cents and the dredging price of 35 cents besides.

By Mr Davies :

Q. Your price was for dredging and filling in ?—A. Yes. The next item, which is the fourth of any magnitude is the concreting under water. The quantity found

to be put in there will be found to be at least 30,000 cubic yards. Larkin, Connolly & Co's price for that was $8; mine was $6, so that that gave an item of $60,000. Summing up these four items, my tender was lower than that of Larkin, Connolly & Co, to the amount of $134,670. The next large item, coffer dams and unwatering, they were below me. Their price for that was $62,500 and mine was $90,000, which made a difference of $27,500 reducing to that extent on the four items, but leaving my surplus $107,170.

By Mr. Davies:

Q. Which you claim to have been lower than theirs?—A. Yes.

By Mr. Edgar:

Q. Have you compared the whole of the contract?—A. For the information of the committee, I may state that in a few minor matters they were lower than me, but it was mostly in small quantities, as for instance the entrances to the gate, a few stones here and there, they put at a lower price than mine.

Q. But you have examined the four large items, and you estimate upon them that you were $107,170 below them?—A. Yes, sir.

Q. Have you completed the comparison of your tender?—A. No, sir. I have not had the time to do so yet. Out of 83 items altogether, in regard to thirty-odd, they are a trifle below me, but these are items of very small magnitude.

By Sir John Thompson:

Q. What quantities are you applying to those figures?—A. I have applied all through the approximate quantities made at the time?

Q. Are they the quantities shown by the plans and specifications?—A. No. They are as near as we can make them out at the time.

By the Chairman:

Q. From what?—A. From the plans and specifications.

By Mr. Edgar:

Q. Did you examine the plans and profiles?—To make the tenders we did.

Q. And you consider your quantities correct?—A. I could not call them absolutely correct.

Q. Where did you get them?—A. From having seen the plans and specifications at the time.

By Sir John Thompson:

Q. To make that clearer I would ask you are the quantities you are using now for the purpose of that calculation, the quantities the plan will show?—A. The plans will show more. We were within the mark.

By Mr. Kirkpatrick:

Q. What quantity of concrete did you estimate?—A. The concrete I took from the final estimate—about 30,000 yards.

Q. You had no figures showing what was the estimated quantity to be done when you put in the tender?—A. No, sir; because in making a tender there was no bulk sum. It was only afterwards that we worked this out. Having ascertained the price I made a rough estimate to find out how much it came to.

Q. Are all your figures copied from the final estimate?—A. No, sir.

By Mr. Edgar:

Q. How about the crib work?—A. That is not from the final estimate.

Q. You made that from the plans at the time?—A. Yes.

Q. And before the final estimate was in existence?—A. Yes, with the exception of the concreting.

Q. Had you not made an estimate of the concreting at the time?—A. We could not arrive at that sufficiently close then.

By Mr. Wood (Brockville) :

Q. You wrote a letter to Mr. Perley stating that you had heard that according to the quantities you were the lowest tenderer. What did you mean by "quantities"? —A. The four estimates I gave you. I think, however, I said "price."

Q. The letter distinctly states "quantities." Now what did you mean by "quantities" there in that letter?—A. The quantities in the different items.

Q. But you must have made a calculation to be able to say in your tender, that on the whole you were the lowest? What did you base it on?—A. I based it on what I have stated.

By Mr. Edgar :

Q. Will you tell us if, when you wrote that letter, you had made a calculation as to the crib work?—A. Yes. If the Committee will allow me I will explain how this was. In looking over the plans, they were useful to the tenderers, not so much as a whole, but as to how the work was to be done, and we regulated our prices per cubic yard on that basis. We had the length of the cribs in the specification and the data to work out these approximate quantities from.

By Mr. Curran :

Q. Your first figures were supposititious?—A. They could not be exact.

Q. They had to be supposititious?—A. They were approximate. I want to correct myself about the concrete.

By Mr. McLeod :

Q. Did you know the amount of concrete at that time?—A. The amount of our estimate was 14,000 yards. It is now nearly 30,000. The crib work is a thing you can calculate in a short time. There were 830 feet of such a height and such a width. The amount I have here for crib work is 32,250 cubic yards. That is one of the items upon which I based my letter to the Department.

By Mr. Davies :

Q. Give us the other two items?—A. The stone filling at 20,000 cubic yards That is the quantity I based my letter to the Department upon.

Q. And the earth filling?—A. 140,000 cubic yards.

Q. Those are the same figures you had at the time you wrote to the Department?—A. Yes.

Q. It was upon those figures you stated to the Department your tender was lowest?—A. Yes.

By Mr. German :

Q. How would your figures compare on the basis of 14,000 feet of concrete?—A. It would still make us below.

Q. How much below?—A. Upon these four items it would make us $50,000, below. It would make my difference $85,170.

By Mr. Kirkpatrick :

Q. Is that the original document you had at the time of tendering?—A. There was no bulk sum given in the tender. These are original figures made up by me after I ascertained the prices of some of the other tenders.

Q. And from the estimated quantities you made?—A. No sir; there was none made. Nobody made any.

Q. Where did you get those quantities ?—A. Knowing the work.

Q. When did you get them ?—A. Immediately after getting this information after some of the other tenders.

Q. And stone filling the same ?—A. Everything.

Q. And you figured it up to the total amount of your contract ?—A. No sir ; I never did that; it was an itemized contract.

By Mr. Wood (Brockville) :

Q. That does not include all the items. You say that making allowance for the additional quantity of concrete you would still be $81,000 lower than Larkin, Connolly & Co. ?—A. I should have said $75,000.

Q. That does not include all the items ?—A. That statement is correct as far as those four items go.

By Mr. Mills (Bothwell) :

Q. You mentioned that there were a great many small items upon which Larkin, Connolly & Co.'s tender was lower than yours. Do you know what the sum total of all those items taken together is ?—A. I did not make them up. To make those up one would require to have the plans. But I beg to say that I could make them up as well as any engineer in the Dominion.

By Mr. Curran :

Q. What would be the result ?—A. It would still be found I would be the lowest tenderer by a large amount of money. If the Committee will put me in possession of the plans, I will guarantee to do it with as much accuracy as any engineer in the Dominion of Canada.

By Mr. Mulock :

Q. Would you tell me again what your tender was for the crib work in the cross-wall ?—A. $1.33\frac{1}{3}$ per cubic yard to $2.25 by Larkin, Connolly & Co.

Q. Was yours a fair price ?—A. Yes. I built the crib work for the Louise embankment.

Q. The reason I asked you the question was, some person here in the room told me that after the contract was let to Larkin, Connolly & Co. you had offered to do their crib work at the price you had tendered to the Department. Is that correct ? —A. Yes; I did.

Q. Did they accept your offer ?—A. No, sir. Mr. Murphy gave me his reason. He said that some of them were willing, but they had come to the conclusion that they might not be ready to receive the cribs because the dredging might be behind, and I might have claims for damages against them.

Q. Is it a fact that you offered to do that crib work at $1.33 per yard ?—A. I offered to do it at my tender.

By Mr. Tarte :

Q. What is your price for sheet piling ?—A. "Eight inches thick driven from six to eight feet, of white pine, per foot lineal in line of work." This schedule asked for sheet piling measured on the line of work—so the whole value was to be put down in a gross sum.

Q. Was the specification clear on that ?—A. Clear as possible.

Q. Explain that again about sheet piling ?—A. "Sheet piling, eight inches thick, driven six to eight feet, per lineal foot in line of work." After the pile is driven you measure on the line of work.

By Mr. Weldon :

Q. How long were the piles ?—A. It does not give the length. It gives the length driven into the sand. They varied from twenty to thirty feet. My price was $10. and Larkin, Connolly & Co's price was twenty-five cents.

By Mr. Tarte:

Q. Would twenty-five cents be a reasonable price?—A. No. This sheet piling was given by me at $9., four inches $8. and six inches $8. They gave twenty-five cents. That was a catch. I had been fifty years a contractor and this was the first time in my experience when a tenderer was asked if he had made a mistake. A tender like that is generally thrown in the waste paper basket.

By Mr. Amyot:

Q. What is your age?—A. I am 76 years old.

By Mr. Weldon:

Q. What was the diameter of the pile?—A. They are not round.

Q. Would it be eight inches?—A. They would be eight inches or 6 inches in width. You see they are flat.

Q. So it would be per pile then?—A. Yes, per pile.

Cross-examined by Mr. Osler:

Q. What was your department in carrying out the contracts that you had?—A. Which work?

Q. The contract you had prior to your tender for the Cross-wall?—A. That contract was awarded to me individually and I took and gave a share to Moore and Wright. They were to be my sub-contractors.

Q. And you separated the work?—A. Yes.

Q. What work did you have?—A. I had all the wood, iron and cut stone. They had the dredging and the concrete.

Q. And you were at the cost and receipt of the profit on the one; they were at the cost and receipt of the profit on the other?—A. Decidedly.

Q. So that while it was the firm of Peters, Moore & Wright your works were divided? And that was well understood by the Harbour Commissioners?—A. We had a contract between ourselves.

Q. You had an agreement between yourselves and your estimates were in that way?—A. Yes.

Q. Then your own experience in the Quebec Harbour works was that confined to general observation, or were you ever interested personally in the execution of any dredging contract?—A. No.

Q. You were not interested personally in any dredging contract?—A. No.

Q. Then you speak from the general information you would have as a contractor, and not from the particular result of any work you were interested in?—A. No.

Q. Then can you tell me about what the value of dredging plant would be to execute such a work as this?—A. Well, the dredging plant that we had was built in my yard.

Q. About what would be the value?—A. The dredge we had there cost about $15,000.

Q. I am told, but I don't know whether it is correct or not, that it appears from Larkin, Connolly & Co's books that their dredging plant which they had at the time of the 1887 contract or perhaps in 1885, stood them in $100,000. How would the dredging plant on the contract that your firm executed compare with that?—A. The dredging plant we had would have cost between $28,000 and $30,000.

Q. Had you more than one?—A. We had a dipper dredge, and what is called a clam shell dredge.

Q. And are you able to compare the capacity of your plant with the capacity of Larkin, Connolly & Co's plant?—A. I think our Quebec dredge was fully equal to it, if not better.

Q. It would give just as good results?—A. Just as good results. I would like to state that, because in four seasons we performed about 850,000 yards of dredging.

Q. You were in a better position because you had less expensive plant ?—A. Yes.

Q. And produced just as much results in the season ?—A. Yes.

Q. So they were perhaps not so fortunate as you were in the selection of their more expensive and less efficient plant ?—A. I don't believe the company knew as much about it as my firm.

Q. What would be the cost of the dredging plant per day, including running repairs ? Have you gone into that at all ?—A. I have not.

Q. You could not inform the committee as to that ?—A. No.

Q. That is an important element in getting at your cost per yard. First you get how many days in the season, how many days the dredge will work during that season, what your per diem running expenses will be, how much your sinking fund should be and then how much your gross yards, these are the elements which go to show the cost per yard. Can you give me any of the elements personally ?—A. No, I cannot. But I can state that after that dredge of mine had performed she was considered to be just as good as ever.

Q. That may be the result of it having been built in your yard?—A. No, No.

Q. What the committee want to get at is on what basis you make these estimates? It is one thing to make a theoretical estimate, and another to make it from actual result?—A. I could estimate from the tender from the Louise embankment.

Q. Well that will be figured out by Mr. Wright perhaps not by your self?—A. No.

Q. So, that you were giving to us the information you got from them?—A. I got it from our books.

By Mr. Mulock :

Q. Have you got your money for the dredging?—A. We are trying to get our money yet.

By Mr. Osler :

Q. Do you know as one of the firm tendering for the cross wall whether you obtained from the Department of Public Works any information as to the quantities under the various heads on which you were to put prices?—A. No.

Q. No such schedule or approximate estimate was given to you?—A. All that was given was the specification and those schedules.

Q. When you were called upon to tender for your earlier works, the Louise embankment, you had an approximate schedule of quantities?—A. We had the quantities made up.

Q. Approximately? Was there any such corresponding document in the cross wall papers?—A. The only thing that would apply gives the length of the cross wall.

Q. Then the only things from which you could get at the quantities were in the first set of the specifications, giving the length of the cross wall and the width of the entrance, and you had of course plans to scale?—A. Yes.

Q. Of course there was no dredging work under the cross wall contract. Did you as a matter for your own information before tendering work out the quantities? —A. Not before tendering.

Q. You did not work out the quantities at all. For instance you were tendering $6 a yard for concrete. Did you ascertain how many yards there were to be?—A. I may mention that tendering for concrete those were Col. Moore's prices we were tendering.

Q. He is an expert on concrete?—A. Yes; those are the prices.

Q. You state that before you sent in your tender you did not figure up the quantity in concrete? Did you figure out any of these principal items you have been speaking of before sending in your tenders?—A. No.

Q. Then, had you put an Engineer on for instance to measure out the quantities? —A. No; I measured them myself.

Q. You measured them yourself and you measured them after you heard the result of the tenders?—A. Yes; not after the result, after I heard from some of the other tenderers of their prices on those particular things.

Q. But you had heard from some other tenderers what their prices had been on the leading item? You then applied your prices to your estimate of quantities?—A. Yes.

Q. And concluded you were lower on the whole?—A. Yes.

Q. Have you got your calculations in their original form?—A. It is in a very crude state.

Q. No doubt it would be, this is your original calculation that you made at the time when you heard the other contractors' prices and before you had heard the result?—A. Yes.

Q. Then this sheet in pencil, which has been put in as Exhibit "L11," is the original calculation sheet on which you based your knowledge that you were the lowest tenderer?—A. Yes.

Q. And this other paper now produced and marked Exhibit "J11," which is in ink, and refers to the cross-wall tenders, is the result of a calculation or application of the figures in Exhibit "I11" and giving the result?—A. Yes; made by myself.

Q. These figures will perhaps be useful to the engineers, so I ask you to allow us to put them in. What is this sheet, Mr. Peters? (Sheet produced.)—A. It is a copy with the quantity of concrete as per final estimate.

Q. I see; we will add the two together and call them Exhibit "I11." One is with the concrete carried in as per final estimate, the other is your original calculation?—A. Yes.

Q. Who was the party figuring out? Was it Col. Moore, or did you figure it out yourself?—A. All there was figured out by me.

Q. Did you take the estimates of the quantities from Col. Moore?—A. No.

Q. They are yours, and you got up those figures by measurement in the plans?—A. By measurement, yes.

Q. But as you have already said, you never did figure out the result of the contract as a whole?—A. No, never.

Q. And as a matter of fact in one of the items—the coffer-dam item—you were $27,000 higher?—A. Yes.

Q. And in a good many of the smaller items—speaking generally—you would be higher?—A. In the 1883 tender there were some 45 items that I am the lowest and the other they are higher.

Q. What difference would there be between your $10 a running foot on the sheet piling and the 25 cents a foot of Larkin, Connolly and Company? Have you figured that out?—A. I have not. But it will be very soon done.

Q. It would be a very considerable item would it not?—A. Yes.

Q. About how much?—A. The sheet piling altogether might make a difference of $12,000 or $15,000.

Q. Would it not be more than that?—A. It might be.

Q. Would it not be double?—A. No.

Q. It would be quite an item?—A. Oh, yes.

Q. I noticed that Mr. Boyd's figures, in the working out of the tenders, have put the concreting at 15,500 yards. You taking the plans and working it out from them made it 14,000?—A. I did not work it out from the plans; I worked it from memory.

Q. And you worked it at 14,000 yards?—A. Yes.

Q. But your information was based on the plans?—A. Yes.

By Mr. Stuart:

Q. You were one of the contractors for the construction of the Louise Embankment?—A. Yes.

Q. Your figures for the dredging were derived from that contract?—A. Yes.

Q. I want you to produce before the committee a copy of that contract?—A. Our books are now in the hands of the judges of the Supreme Court.

Mr. GEOFFRION—We will accept a copy of it as taken from the books.

Q. You were also tendering with Col. Moore for the dredging for which tenders were asked? Were you not?—A. No.

Q. Are you aware that Col. Moore did tender?—A. I think he did, but I was not connected with him.

Q. The tender put in by Col. Moore assuming he was one of them, was put in with Mr. Wright?—A. I think so.

Q. And they did tender?—A. I think so, but I cannot say.

Q. Previous to their putting in the tender in 1878, did you discuss this matter with these gentlemen at all?—A. Oh, no.

Q. Naturally not having a common interest in it, you did not discuss the question of tendering?—A. No.

Q. And naturally you did not discuss the tender of 1882?—A. No.

Q. So that the information you have given us is not derived from them?—A. No.

Q. It is derived from the contract of 1878 solely?—A. Yes.

Q. And you have stated you did not know how that contract terminated on the subject of dredging?—A. Yes.

Q. As to what profit was made?—A. I could not say.

Mr. OWEN E. MURPHY, re-called.

By Sir John Thompson:

Q. Are you able to give us the name of the clerk who borrowed $50 from you and to whom you gave $100?—A. It would be Mr. Lightfoot.

The Committee then adjourned.

HOUSE OF COMMONS, WEDNESDAY, 15th July, 1891.

The Committee met at 10 a. m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. H. V. NOEL, re-called.

By Sir John Thompson:

Q. You have made an examination of the books of your bank?—A. I have.

Q. Are you able to tell us whether Larkin, Connolly & Co., or any member of the firm, made any other contribution to that fund than the one you mentioned yesterday?—A. I cannot tell you. I examined the books yesterday, and all the bordereaux, and I made out a list, if it is required, of the names. But that name does not appear at all.

Q. Not even for one subscription?—A. No.

Q. The list which appears in the books of the bank, is that a complete list of the subscriptions or only a list of the contributions that were made in your absence?—A. All the contributions, amounting to $22,700.

By Mr. Edgar:

Q. Larkin, Connolly & Co.'s name is not there?—A. No; it does not appear there.

Q. Then how can it be a complete list?—A. As I said yesterday, the receipt book would show all the names. I sent it to either Sir Hector or Mr. Carrière.

By Sir John Thompson:

Q. In what way do you mean it is a complete list?—A. As to total amount only.

Q. The names do not appear in the list you have?—A. A good many of them do.

Q. Does the list show the name of everybody who subscribed, or does it only show the names of persons who subscribed during your absence?—A. The names of those who paid in my absence. There are a good many entries in the books, as you will see. I have examined all the bordereaux.

By Mr. Geoffrion:

Q. The name of this firm does not appear, or any member of the firm?—A. I do not know who the members are.

Q. Mr. Larkin, Mr. Connolly, Mr. Murphy or Mr. Robert McGreevy?—A. No.

Q. Have you any recollection of having received from any of these persons any further subscription than the $1,000 you mentioned yesterday?—A. No.

By the Chairman:

Q. How is it that the name of Larkin, Connolly & Co. does not appear in the list?—A. I think the cheque was sent by Mr. Carrière through the bank for collection. I had given a receipt.

Q. You gave receipts?—A. Yes. There was a draft for $1,800 drawn on Thomas McGreevy, and I notice that amount will agree with the date of the receipt.

By Mr. Geoffrion:

Q. What did you say about the draft?—A. There was a draft for $1,800, made out by the Secretary upon Thomas McGreevy for moneys he had collected in Quebec, and I think that $1,000 receipt, as given by me, was included in that. It is about the same date in June, 1883.

By the Chairman:

Q. Does the name of Thomas McGreevy appear in your list?—A. No.

By Mr. Mulock:

Q. Have you brought the list with you?—A. Yes; as prepared from the bordereaux.

By the Chairman:

Q. You have no objection to presenting that list?—A. Not at all.

Q. Is it complete?—A. Complete as to amount.

By Mr. Edgar:

Q. Had Mr. Thomas McGreevy made other collections for the fund?—A. I think not; only the $1,800.

Q. What makes you think this was in that?—A. By the date of the receipt that I gave and the date we received the amount from Quebec. The draft was drawn on the 2nd of June.

By Mr. Mulock:

Q. From the way the business appears in your books?—A. Yes.

By Mr. Geoffrion:

Q. Then the 4th June, the date of the receipt, was the date, the return of the draft of $1,800, came here?—A. I could not say that positively. It is about that time.

Q. Have you no idea when the draft was drawn?—A. Yes; I said the 2nd of June.

Q. And it was returned on the 4th?—A. I could not say; it appears in our journal; I think it is the 4th.

Q. Does not your journal in the bank show the 4th June as the return of the draft?—A. Yes; I suppose it must, as I sent down the receipt.

Q. You cannot say by whom the other $800 was subscribed?—A. No.

By Mr. Davies:

Q. You told us yesterday that Mr. Carrière, the secretary of the fund, had paid the $1,000?—A. Oh, no. It was he who drew the draft. He paid me sums at different times, and I gave him a receipt for the parties from whom he got the money.

By the Chairman:

Q. You state that the name of Mr. McGreevy does not appear on that list. Will you look at the list again?—A. It appears there as $1,800 collected by Mr. Thomas McGreevy.

Q. That is the only way his name appears?—A. That is all.

By Mr. Lister:

Q. Your impression is that Larkin & Connolly's subscription was included in that draft?—A. I should say so from the date of the receipt. We got the return from the head office on the 4th June, and it is very likely that I then sent down the receipt for it, or else I gave it to the secretary to send down.

By the Chairman:

Q. Did you ever show that list to Sir Hector?—A. No.

Q. You never did?—A. No; as I stated yesterday, I made out a complete list of all the names in the receipt book, and sent it with the receipt book, either to Sir Hector or the secretary. I am positive I have not got the receipt book.

By Mr. Lister:

Q. So that Sir Hector or his secretary knew who the subscribers were?—A. No; not his secretary—the secretary of the fund.

Q. Do you know if some of those subscriptions were made by cheque payable to Sir Hector himself?—A. No; not one.

Q. Was not the Goodwin subscription payable to Sir Hector himself?—A. No, sir; Mr. Goodwin paid me that subscription in my office.

Q. In cash?—A. In cash.

By Mr. Mulock:

Q. Are you sure it was cash?—A. It must have been a cheque to cash.

Q. Are you sure it was paid to you in cash?—A. Perhaps it would be a cheque; but I am certain I did not get it from Sir Hector. I never got any money from him. I may state, however, that there is in that list an entry of $1,000, paid by one "Langevin," but I could not say who he was. It is put down there as paid by "Langevin," but I could not say who paid it.

By the Chairman:

Q. Was it Sir Hector?—A. I could not tell. I think by the stem of the receipt the money was received in my absence.

Mr. F. C. Lightfoot, sworn.

By Sir John Thompson:

Q. You are an officer in the Public Works Department, are you not?—A. I am, sir.

Q. What position do you hold in that Department?—A. I am a first-class clerk.

Q. In what branch of it?—A. In the Chief Engineer's branch.

Q. And you have been so for some years?—A. Since 1874.

Q. I want to call your attention to some evidence given by O. E. Murphy, a few days ago, before this Committee, and which he has since stated applies to yourself. (*See* page 322 of printed evidence.) Subsequently Mr. Murphy stated that you were the clerk to whom he referred. Afterwards, on the same day, he said that the clerk to whom he had referred asked him for a loan of $50, &c. Have you any statement to make to the Committee on that subject?—A. Nothing further than to say that what Mr. Murphy states is substantially as it transpired. It was not, however, in the Windsor House. It was on Metcalfe street, at the corner of Sparks, when Mr. Murphy loaned me that amount. I said to Mr. Murphy at the time: "When you want it, will you draw on me and the draft will be paid."

Q. He has not drawn?—A. He has not drawn.

Q. Was it at the time he stated?—A. I do not remember the time at all.

Q. Can you give any explanation as to why you applied to Mr. Murphy for a loan of $50?—A. That afternoon I overtook Mr. Murphy on my way up Metcalfe street. I had some bills to pay that day, and I was going to a person from whom I had borrowed money before, and Mr. Murphy, who said he was about going down to the Russell House, said: "Will you come with me." I said: "No; I am in a hurry to get this business done." He said: "You need not go; I will lend you this amount." I then asked him to draw on me when he required it.

Q. Then you did not apply to him in the first instance?—A. No.

Q. Had you any acquaintance with Mr. Murphy, otherwise than when connected with the business of the office?—A. I never had any business to do with Mr. Murphy connected with the office.

Q. Were you acquainted with him?—A. I had been introduced to him.

Q. You had no contact with him in the office?—A. None whatever.

By the Chairman:

Q. You knew he was a public contractor, under contract at the time?—A. I did not know it, except by hearsay.

Q. You knew it by hearsay?—A. Yes.

Q. Had you not seen by the papers in your office that he was a member of the firm of Larkin, Connolly & Co.?—A. No.

Q. It was only by hearsay that you knew of it?—A. It was only by hearsay that I knew he was a contractor at all.

By Mr. Geoffrion:

Q. Have you anything to do with the extending or moneying out of tenders?—A. Never.

Q. Never had?—A. No, sir.

Q. You had no occasion to help Mr. Boyd in doing that work?—A. No.

By Mr. Tarte:

Q. Nor Mr. Perley?—A. No.

Q. You are quite positive about that?—A. Quite positive.

By the Chairman:

Q. Are you in the habit of doing that kind of work?—A. Very seldom; latterly I have helped Mr. Perley.

Mr. Simon Peters, re-called.

By Mr. Stuart:

Q. Yesterday you gave us certain prices for dredging. Will you kindly repeat them now for the Committee? What were the prices that, according to you, the first work was done for, and what were the prices that you would have been prepared to do the work for in 1887? Those were the figures you gave yesterday.

—A. For dredging in 29 feet of water and depositing material on the embankment, the price under the contract for the Louise Embankment was 33 cents. I have copied these from the contract.

Q. This was the contract that has been produced?—A. Yes. For dredging in trench, in 24 and 15 feet below low water, and depositing material on embankment, 25 cents; dredging 10 feet below low water and depositing material on embankment, 20 cents. Then, for supplementary dredging, 250,000 yards, that is, in 24 feet of water, and depositing the material on the embankment, 25 cents. The same dredging, if conveyed into the harbour, 17 cents—that is, if dumped in the harbour.

By Mr. Stuart:

Q. These last two prices given by you, are they the prices in the old contract, or the prices which occur to you, you would have been willing to do the dredging for in 1887?—A. They are the prices of the old contract.

Q. But which you were willing to do the work for in 1887?—A. Willing to do the 1887 work for.

Q. Do you know what dredging was done under the contract of '78; without giving it in detail?—A. Only from hearsay.

Q. In general terms, then, it was part of your contract?—A. Oh, yes.

Q. In 1887 you knew in a general way what was done?—A. Yes.

Q. You also knew in a general way what was necessary to do in 1887; you saw the dredges at work?—A. Certainly.

Q. Do you know the amount of dredging that was done in 1882 by Larkin, Connolly & Co.—speaking generally?—A. I know there was some dredging going on.

Q. For which tenders were called?—A. Oh, yes; but I did not tender.

Q. The first dredging that was done there, was it more difficult or less difficult, in your opinion, than the subsequent dredging?—A. It was much easier after there was the shelter.

Q. Were the conditions of dredging in 1887 more difficult or less difficult than in 1882, when the Embankment was finished?—A. I should say it was more difficult.

Q. More difficult in 1887?—A. Yes.

Q. You have already told us that Col. Moore was the practical man in the dredging?—A. Yes; Moore and Wright.

Q. They were interested in the dredging—not yourself—in the 1878 contract?—A. Yes.

Q. Col. Moore owned the plant?—A. Yes.

Q. And knew more about it than you did?—A. It was their special business.

Q. Will you kindly look at the tender put in by Col. Moore, dated the 3rd July, 1882, and read the prices that he tendered to do the whole dredging for?

"QUEBEC, 3rd July, 1882.

"A. H. VERRET, Esq.,

"Secretary-Treasurer, Quebec Harbour Commissioners.

"DEAR SIR,—I will do the dredging as advertised by the Quebec Harbour Commissioners in the daily papers for the following prices:—

"All dredging requiring a depth at low water of 15 feet @ 47c. per cubic yard.

"	"	"	20	"	50c.	"
"	"	"	26	"	56c.	"
"	"	"	36	"	63c.	"

"I will place the dredged material in the embankment as directed by the engineer in charge, completing the same on or before the 1st of November, 1883. Will commence the dredging, if awarded to me, as soon as the contract is signed.

"Yours respectfully,

"EDWARD MOORE."

The Schedule of Tenders reads as follows:

(Exhibit "U.")

(Exhibit "U.")

TABULAR STATEMENT of Tenders received by the Harbour Commissioners of Quebec for certain Dredging and Timber Work.

DREDGING.

Number of Tender.	Names of parties Tendering.	Residence.	Gradation of price per Cubic Yard.	Total Quantities per rate per Cubic Yard.	Total number of Cubic Yards.	Totals at per Rate.	Total Amount.	Remarks.
							$ cts.	
1	John E. Askwith..	Ottawa.....	26 ; 30 ; 33 ; 37 ; 40..	168,500, 90,000, 90,000, 55,000, 20,000.....	423,500...	43,800, 27,000, 29,700, 29,-350, 8,000.....	128,850 00	
2	George Beaucage..	Quebec. ...	25½ ; 27½ ; 33 ; 43 ; 51.	do do ..	do ..	42,967-50, 24,750, 29,700,		
3	Larkin, Connolly & Co.....	do	27 ; 29 ; 35 ; 45 ; 55..	do do ..	do ..	23,650, 10,200..... 45,495, 26,100, 31,500, 24,-750, 11,000	131,267 50 138,845 00	
4	Edward Moore....	do	47 ; 50 ; 56 ; 56 ; 63..	do do ..	do ..	79,195, 45,000, 50,400, 30,-800, 12,600....	217,995 00	Apparently impracticable.
5	Fradet & Miller...	do	20 ; 20 ; 25 ; 25 ; 30 .	do do ..	do ..	33,700, 18,000, 22,500, 14,-750, 6,000.	94,950 00	
6	Blake & Co.....	Portland, U. S.....	60 ; 60 ; 60 ; 60 ; O ..	do do ..	403,500...	242,100 + 20,000.....	242,100 + 20,000	Not in terms of the advertisement.

TIMBER WORK, &c.

1	George Beaucage..	Quebec.....	....	....	... .	....	12,900	
2	Larkin, Connolly & Co.	do	....	... .	....	....	14,785	
3	Simon Peters.. ...	do . .	....	....	.. ....	....	21,195—18,000	
4	Samson & Dickey	do	....	....	.....	.....	25,000	
5	H. Hatch.....	do . ..	....	....	.....	.....	23,700—19,300	
6	Poupore&Charlton	do ...	....	....	.....	....	9,000	Impracticable and void.

HARBOUR IMPROVEMENT WORKS,
RESIDENT ENGINEER'S OFFICE, QUEBEC, 7th July, 1882.

WOODFORD PILKINGTON, M.I.C.E.,
Resident Engineer.

Q. Will you kindly look at this schedule and state what the prices were that Larkin, Connolly & Co. got for the same dredging for which Col. Moore tendered?—A. About the same.

Q. According to this schedule, Larkin, Connolly & Co. got 27 cents, where Edward Moore asked 47 ; 29 cents where Edward Moore asked 50 ; 35 cents where Edward Moore asked 56 ; 45 cents where Moore asked 56; and 55 cents where Moore asks 63—is not that so ?—A. Yes.

By Mr. Kirkpatrick:

Q. Had you a tender in, Mr. Peters?—A. Oh, no.

Q. Was Colonel Moore's your tender?—A. No; I did not tender at all.

By Mr. McLeod:

Q. Colonel Moore is your partner ?—A. He was in the first contract; he owned the plant.

By Mr. Ouimet:

Q. Was that tender of Mr. Moore's which you have read for the same work for which Larkin, Connolly & Company got 35 cents?—A. No; that was a subsequent work—a new contract altogether.

By Mr. Curran:

Q. But at the same place?—A. Exactly.

By Mr. Stuart:

Q. You have already told us that the conditions of dredging in 1887 were more difficult than the conditions of dredging in 1882. Is it not a fact that in 1882 Colonel Moore wanted 47 cents for 15 feet dredging, whereas all that Larkin, Connolly & Company got in 1887 was 35 cents?—A. Yes.

Q. You have already told us that after the dredging contract of 1878 was completed that Colonel Moore removed his dredges to Portland?—A. Yes.

Q. What year was that?—A. In 1883.

Q. So that in 1887 Colonel Moore's plant was not in Canada?—A. No.

Q. I think you have already stated, or it has been stated that Larkin, Connolly & Company's plant was the only plant of the kind in Canada capable of dredging in tidal waters?—A. Yes; capable of dredging in tidal waters.

Q. Kindly look at the statement fyled by you as Exhibit "I11," and state what part of it was made at the time that the tenders went in, or after they had gone in, and before the contract was awarded?—A. It was after the tenders went in.

Q. What part of that was made at the time?—A. The writing at the bottom.

Q. The writing in the lower part of the page on the side of which is the endorsation of your name?—A. Yes.

Q. The rest of it was made at what time ?—A. Since that.

Q. Since this investigation?—A. Quite recently.

Q. Since the investigation?—A. Yes.

Q. I notice you have taken four items of your own tender, in which you consider that you were lower than Larkin, Connolly & Co., the difference being on cribwork, masonry, stone filling and earth filling. Now, those four items, according to your calculation, amount to $55,032 in your favour?—A. Yes; but I may state, as I told the Committee, that this was not correct. It is merely guess work.

Q. These were made out, I understood from you, from the estimated quantities upon which you prepared your tender?—A. No, sir.

Q. For your own purposes you had estimated the quantities?—A. No.

By Mr. McLeod:

Q. Did we not understand you that these were estimates made out at the time you wrote?—A. No; they were made from memory. When we heard about the tenders I put a few figures down, and without any plan.

Q. Then you did not have these figures at the time you wrote that letter to the Department?—A. I had these figures when I wrote to the Deputy.

By Mr. Stuart:

Q. These figures were made after your tender went in and before the contract was awarded?—A. Yes; they were made from the specification, which gave the length of the wall. That was all the data I had. Having built the previous work, I knew about the the height. It was merely a guess estimate.

Q. These were the figures upon which you based your statement in the letter you wrote to the Deputy Minister, and you believed your tender was lower than Larkin, Connolly & Co.'s?—A. Yes.

Q. You have told us that on cofferdam and unwatering of the cofferdam there was a difference in favour of Larkin, Connolly & Co. of $27,500?—A. Yes.

Q. Will you kindly look at the fourth item of the schedule in these words: "Masonry in walls at entrance, generally fit to receive either caisson or gates or swing bridge, including granite coigns, all complete." What was the difference between your price and Larkin, Connolly & Co.'s?—A. $12 for Larkin, Connolly & Co. and $16.60 for Peters & Moore.

Q. On the estimated quantities as moneyed out the sum that Larkin, Connolly & Co. would receive for this work would be $68,400, and the sum of the work according to your figures would be $94,620. Is that not so?—A. Yes.

Q. That makes a difference of $26,220?—A. Yes.

Q. Now, you have already told us that your sheet-piling was quite different?—A. Yes.

Q. The mistake which Larkin, Connolly & Co. made represented a very great difference in the amount?—A. Yes.

Q. Taking those five items altogether, which were the principal items, what would be the difference?—A. I do not admit that they are the principal items.

Q. They were the principal items upon which you founded your assertion to the Deputy Minister that you believed your tender was the lowest. But you had carefully omitted No. 4?—A. I had no information as to that. I only saw this paper yesterday for the first time; but I am prepared to give the Committee the proper data as to this paper, and to show that there has been wrong done by somebody.

Q. You have been through these since yesterday?—A. Yes.

By Mr. McLeod:

Q. Were these the five items on which you based your calculation?—A. No; I based my calculation upon crib-work, stone filling and earth filling. That masonry is wrong.

Q. Did you have concrete in it?—A. There is none in it, but I have it now.

By Mr. Stuart:

Q. You did not, in making this statement, take into consideration the concrete at all?—A. Not at all.

Q. As a matter of fact, in a subsequent statement you made you allowed for 14,000 feet of concrete, and the tenders were moneyed out at 15,000?—A. Whereas the plan shows that quantity, or a little more.

Q. You said you took the figures from the plan?—A. You are mistaken. I never took them from the plan. It was merely a trial thing, to see how I would come out. I found I was lower after I had had a fair opportunity.

Q. Your memory was derived from something, and you told us it was the previous investigation of the plan?—A. Yes; the previous investigation.

Q. Your memory, then, was that the plan showed 14,000 feet?—A. No; it was merely an assumed thing without any data.

Q. You preferred to assume half the concrete?—A. I would have assumed the whole if I had known at the time.

Q. You had some means of arriving at the quantity when you used these figures?—A. I had no concrete data.

Q. I notice that two of the calculations on Exhibit "J11" have been struck out?—A. Because they were wrong; it was an error. That shows that the memory was not infallible.

Q. You had rectified your memory by a subsequent investigation of the plan?—A. No; it is by examining the total.

Q. The firm of Peters, Moore & Wright, who had the contract for 1878, have had litigation with the Harbour Commissioners on the subject of that contract, have they not?—A. Yes, sir.

Q. And it is now before the Supreme Court, is it not?—A. Yes, sir.

By Mr. Kirkpatrick:

Q. What contract was that?—A. The Louise Embankment contract.

Q. The contract of 1878?—A. Yes.

By Mr. Stuart:

Q. You have frequently expressed yourself as having been ill-used by the Harbour Commissioners and Mr. Thomas McGreevy in this matter?—A. I think I have reason to believe so.

Q. And you have frequently said so?—A. I believe so.

Q. You have frequently expressed the opinion that Mr. Thomas McGreevy did not behave well to you?—A. Yes.

By Mr. Tarte:

Q. Still you voted for him?—A. At the last election I voted for him. He accused me of having taken an active part against him, but nevertheless I voted for him. I told him I voted for him for the sake of the party, but I would just as soon have voted for the devil.

By Mr. Edgar:

Q. You say you saw that sheet (Exhibit "X3") yesterday for the first time?—A. Yes, sir.

Q. That sheet, as I recollect it, purports to show a complete statement of the different items of the tender?—A. Yes, sir.

Q. Is it a complete statement?—A. No, sir. It is a garbled statement, a statement to deceive.

Q. Does it show all the items?—A. It shows not all the items.

Q. It purports to show a comparative statement of all the items with regard to the tenders for the cross-wall, and now you say that it does not include all the items. I see the items are taken here apparently from the specifications?—A. Yes.

Q. Show us, please, what has been omitted here?—A. I have the statement in my hand of what has been omitted. This is the schedule which is described as "day work." For instance, "dredging, including machinery, wages and depositing spoil, where ordered," our tender was $12.50 per day, while Larkin, Connolly & Co.'s was $20 per day.

By Mr. Kirkpatrick:

Q. What items were omitted. Read them?—A. I am about to do so. There is "mason or stonecutter, masons' laborer, blacksmiths, blacksmiths' helper, carpenter, painter, machinist, machinist's assistant, engine driver, foreman, diver, including all apparatus, driver's assistants, foreman of labourers, labourer, horse and driver, horse, cart and driver, pumping during erection; fitting and fixing of caisson or gates, including use of machinery, fuel and wages; and lastly, dredging, including machinery, wages and depositing spoil where ordered."

By Mr. Edgar:

Q. Is that all?—A. That is all.

Q. You tendered on all those items?—A. Yes, sir.

Q. And you have examined the tender of Larkin, Connolly & Co. on all those items?—A. Yes, sir.

Q. Were they lower or higher than you?—A. Higher. For instance, on the blacksmith's helper I charged 15 cents and they charged 18.

Q. Are you higher than they in any item?—A. Not one. In some instances they are double the price that I am. For instance, I offered to supply a diver, including all apparatus, for 50 cents an hour, and they charge a dollar.

Q. And the whole of those were left out?—A. Yes.

By Sir John Thompson:

Q. Can you tell us what they would money out?—A. The final estimate would tell that.

Q. Could you money out the difference?—A. It is not very easy, because it would depend on the number of hours they were employed.

By Mr. Kirkpatrick:

Q. What did you estimate that work at when you tendered?—A. I could not say.

Q. Did you make any estimate as to the number of days work?—A. Oh, no; there was no means of doing that.

By Mr. Curran:

Q. You could not say?—A. No.

Q. The engineer could not say?—A. He might have stated what was probable.

By Mr. Edgar:

Q. And you say, in regard to all these which were omitted, you were lower in all cases?—A. Yes.

Q. You were asked just now as to the measurement of quantities for the plans?—A. Yes.

Q. Have you been able since you were here yesterday to make any careful measurement of any of the items of those quantities from the plans?—A. Yes, sir.

Q. What items can you give us?—A. I can give the principal items in the two tenders.

Q. And the result between yourself and Larkin, Connolly & Co. in regard to the contract?—A. Yes; I measured the crib-work from the plans, and measured it in the same way as if making a bulk sum tender. I find that there were 47,672 yards of crib-work. Larkin, Connolly & Co.'s price for that was $2.25, and mine $1.33⅓, which gives a difference of $43,700. The next large item is the stone filling. I might say, perhaps, as I go along, that I have the engineer's estimate for the crib-work, as this thing was eventually figured down for a purpose, and I find that this estimate was 30,140 yards, instead of 47,672 yards, as the plans show.

Q. Repeat that again?—A. From the plans, I see that there were 47,672 yards of crib-work to be done, and the engineer's estimate in this is 30,140 yards. The money difference of that item between Larkin & Connolly's tender and my own amounts to $43,700 in my favour. That is according to the plans. Stone filling is the next item. I find 16,070 yards.

Q. I want to ask with reference to this question, and then you will understand the others. If the quantities you found on these plans had been put in this paper here by the engineer this estimate at the time would have shown the real difference between the two tenders?—A. Yes.

Q. How much difference?—A. It would have made the other tenders $730,605.

Q. This one item, I mean, what difference would it have made?—A. The other tender was $634,034.

Q. Take that item of crib-work. How much higher would it have made Larkin, Connolly & Co.'s than yours if it had been put in correctly?—A. That item would have made their tender read $678,040.

Q. How much more is that than it was?—A. I told you the difference—$43,700 added to their tender of $634,034.

Q. Now wait. That would have added so much more to your tender. Allowing for that, what is the difference?—A. On 46,670 yards of crib-work at $2.25 cents it comes to $107,262; and at $1,33⅓ it comes to $64,362—making a difference of $43,700.

Q. But it would have raised your tender also if the figures had been correct?—A. It would have raised mine also; I have estimated the quantities in the same way.

Q. You are right as to the totals, but in this tender Larkin, Connolly & Co. was $27,000 higher than you on this thing; they were $67,800 and you were $40,000. The difference was $27,000, which you have to take off the total difference to find what the change would have been?—A. I think if you take the total of 47,672 yards the difference between the two quantities will be found to be $43,700.

Q. Go on with your statement?—A. The next is stone filling. I find by the plans that it took 16,073 yards. At $1.50 that amounts to $24,109.50; but at my price of 65 cents it would be $10,447, which makes a difference of $13,662.50 on that item.

Q. In your favour?—A. That should have been added to Larkin, Connolly & Co.'s tender. The next thing is earth filling. That is a large item.

By Mr. Edgar:

Q. I see earth filling in this estimate is 80,000 cubic yards?—A. I find by the measured plan it is 191,901 yards—more than double.

Q. What were your prices?—A. Their price 45 cents, mine 25 cents. At their price it would come to $86,355.45, and at my price it would come to $47,975—a difference of $38,380.20 in my favour. The next item we come to is concrete. As I said yesterday, the rough estimate I had was quite out. Measuring the plan, I find 29,949 cubic yards of concrete, and the schedule shows 15,500. This, at $8 per yard, would make Larkin, Connolly & Co's total $239,592; and at my price of $6 the total would be $179,694—a difference in favour of my tender of $59,898 on that item. So the total difference amounted to $155,640.70.

By Mr. Kirkpatrick:

Q. What plans were those you examined?—A. They were the plans prepared for the execution of the work; they were the plans shown at the time.

Q. Were they the finished plans?—A. Yes; they were finished plans.

Q. Were these the plans after alterations had been made, or were they the plans which you saw at the time you tendered?—A. At the time we tendered.

By Sir John Thompson:

Q. How do you account for the difference? You figured for your tender at 14,000 yards?—A. It was afterwards when the quantities had been made up that I saw I was $2 per yard less. I took these figures, but it was mere guess work. It was not from actual measurement.

By Mr. Weldon:

Q. The Committee cannot follow your figures on earth filling. How much was the amount named in Mr. Perley's list?—A. Mr. Perley's list was 80,000 yards; but I say it is 191,901.

Q. The difference would be 111,000 yards, and your price was 20 cents lower?—A. Yes.

Q. Twenty cents on 111,000 yards would be $22,000 ?—A. I am taking the difference on the gross quantity—191,901 yards of earth filling, at 44 cents comes to $86,355.45.

Q. But you said you lost on that item ?—A. I was misrepresented in the schedule.

Q. But the real figure is $22,000, according to your statement ?—A. I beg your pardon.

Q. You were prejudiced by $22,000 ?—A. I was prejudiced by the difference between 80,000 yards and 191,901 yards.

Q. In money, how much is that ?—A. $38,000.

Q. You are evidently wrong ?—A. I do not admit I am wrong.

Q. You still say your difference was $38,000 ?—A. Arrived at in the following way : 191,901 yards at 45 cents, comes to $86,355.45. The same quantity of earth work at 25 cents, which was our price, would be $47,975. The difference is $38,000.

Q. You do not say you are prejudiced by this to the extent of $38,000 ?—A. I could answer that in time; I do find that I am prejudiced by $38,000.

Q. Do you say you were prejudiced by that increase in quantity from 80,000 to the extent of $38,000 ?—A. That is by the difference in the price.

Q. Were you prejudiced to that extent by that increase of quantity ?—A. I consider I was.

By Mr. Davies:

Q. I want to understand Mr. Weldon's point fully. Do I understand you to say that you consider the change in the document prejudiced you, or that the difference in the two tenders was $38,000 ?—A. The difference in the two tenders.

Q. How much would you be prejudiced by the false entry in the extension sheet ?—A. I would have to take a little time to ascertain that.

By Mr. Chapleau:

Q. You say that the quantity put in the schedule is 80,000 yards ?—A. Yes, sir.

Q. And you were 20 cents lower than they ?—A. Yes, sir.

Q. And 80,000 yards at 20 cents makes $16,000 ?—A. Yes, sir

Q. What was the difference in quantity you have ascertained from the plans ?—A. 191,901 yards.

Q. And the difference between the two quantities was therefore 110,000 yards ?—A. Yes.

Q. Which, at 20 cents, makes $22,000 increase ?—A. Yes.

Q. And therefore this $22,000 and the $16,000 gives the total of $38,000 which you have mentioned ?—A. Yes; the total amount of these four items which should be added to Larkin, Connolly & Co.'s tender is $155,640.70. Now there is the credit side. Deduct for difference on cofferdam, in which they are lower than I was, $27,500; deduct also in favour of sheet pile trick, $24,875, which makes a total of $52,375.

By Mr. Edgar:

Q. That is, of credit to them ?—A. Yes; credits to them. Now if you deduct $52,385 from $155,640.70 it leaves the sum of $103,265 70, or in other words, their tender would be that much higher than mine. Their tender as figured up by the engineer was $634,340, and adding to that $103,265.70 leaves a total of $737,605.70. My attention was drawn to an item of stone, which I am not prepared to admit, because that was one of the items in which there was a great opportunity for the engineer, to write up; but supposing I admit that, which amounts to $26,220, it would still leave Larkin, Connolly & Co.'s tender $711,385.70, instead of $634,340, the amount at which it is given.

By Mr. Kirkpatrick:

Q. What was the total amount paid them ?—A. I could not say; I have not seen the final estimate.

By the Chairman:

Q. What is the total amount of your tender?—A. They were brought in $7,000, or $8,000 before me. My tender was $643,071.16.

By Mr. Edgar:

Q. On the old quantities?—A. On the old quantities, of course. No, no; that is my tender as figured out by the engineer.

Q. On those quantities?—A. Yes.

Q. Have you got the amount of your tender on the new quantity?—A. I have not added that, because I thought if I established the difference between the two tenders that would suffice.

By Mr. Mills (Bothwell):

Q. Have you compared your estimate of quantities as worked out from the plans, with the final estimates?—A. I have not seen the final estimates.

By Mr. Stuart:

Q. Will you say, Mr. Peters, what would be the difference in the value of dredging put into the embankment and dredging dumped into the river per yard? What would you consider a fair difference in value?—A. Between 7 and 8 cents.

By Mr. Mills (Bothwell):

Q. Mr. Stuart put a question to you, in reference to a tender made by Mr. Moore for dredging that was 47 cents a yard. A recent tender, five years later, put in by Larkin, Connolly & Co., proposed to do the same work for 35 cents a yard. That is what you said?—A. That is what I understood from the paper he read.

Q. In the tender at 47 cents a yard, was it a tender for dredging earth or to be dumped into the river?—A. I was not a party to that tender at all. Mr. Moore made his tender altogether independent of me.

Q. And you do not know?—A. I do not know.

By Mr. Geoffrion:

Q. Are you aware that besides the 35 cents which was paid under the contract of 1887, another amount of 45 cents was allowed for dumping in the embankment?—A. I only know it from hearsay; but the final estimate will show that.

By Mr. Ouimet:

Q. When the contract for dredging was awarded in 1882 to Messrs. Connolly & Co., instead of being continued with Moore & Wright, had Larkin, Connolly & Co. a dredging plant at the time?—A. No; none whatever.

Q. You knew they had no dredging plant?—A. We knew it; Col. Moore knew it.

Q. Had you any reason to suppose you were alone in the tender?—A. I think he must have felt that; but I was not interested in it.

By Mr. Langelier:

Q. You have spoken of your first contract on the tender of Peters, Moore & Wright. Did you lose money on that dredging?—A. The dredging appertained entirely to Moore & Wright; but I do not think they lost. I could not say whether they did or not. It was not a firm. We signed jointly before the Harbour Commissioners, but we had private papers which separated us.

By Mr. Edgar:

Q. You were shown this schedule, and were told to look for Col. Moore's tender, and say whether it was higher or lower than Larkin, Connolly & Co.'s. I want you

to look at Nos. 1, 2 and 5, and say whether or not they are lower than Larkin, Connolly & Co. ?—A. Askwith's tender, No. 1, is $128,850.

Q. How much is Larkin, Connolly & Co.'s ?—A. $138,845.

Q. That one is lower ?—A. Yes; $10,000 lower.

Q. Look at No. 2 ?—A. No. 2 is $131,267.50.

Q. That is lower, also ?—A. Yes.

Q. No. 5, what is that ?—A. Fradette & Miller.

Q. How much is that ?—A. $94,350.

By Mr. Fitzpatrick :

Q. Do you know whether or not that contract was offered to Fradette & Miller by the Harbour Commissioners as the lowest tender ?—A. I am not aware of any circumstances except what I see there.

Q. Do you know that, as a matter of fact, it was offered to them ?—A. I do not know.

Q. Do you know that on the refusal of Fradette & Miller it was offered to Askwith ?—A. I do not know.

Q. Now, do you not know that Askwith declined to accept that contract, because he did not have the dredging material ?—A. I did not know that at all.

Q. Did you not know that Beaucage withdrew his tender ?—A. I knew nothing at all about it.

Q. You knew nothing at all about that matter ?—A. Nothing, except what I see from the figures there.

Mr. Fitzpatrick.—I might as well at this stage give the facts, as shown by the minutes of the Harbour Commissioners, in connection with the letting of that contract. On the 10th July, 1882, it was : " Moved by William Rae, Esquire, seconded by the Hon. Thomas McGreevy, and *Resolved*, That Messrs. Fradette & Miller be informed that the Commissioners are prepared to accept their tender for dredging, provided they make a cash deposit of ten thousand dollars ($10,000), on or before 3 o'clock p.m. on Wednesday next, for the due performance of the work they have tendered for, and provided also, that if the contract is awarded to them they will undertake to commence the work on or before the 1st August next, and that they will deliver the whole on the 1st November, 1883, it being understood that the award of the contract must be ratified by the Honourable the Minister of Public Works."

The record continues on page 362, under date 13th July, 1882 :

" Read a letter from Mr. George Beaucage, contractor, requesting to be allowed to withdraw his tender for dredging in connection with the Harbour Works in course of construction and for closing the opening of the inside end of the Princess Louise Embankment.

Request granted."

Also, on the same date, 13th July, 1882 :—

" Read a letter from Messrs. Fradette & Miller, contractors, complaining, in reply to the letter of the 10th instant, of the conditions imposed to them of depositing ten thousand dollars in cash for the acceptance of their tender for dredging and stating that they will adhere to the conditions of the advertisement."

Again on 13th July, 1882 :—

" Messrs. Fradette & Miller, and Messrs. Poupore & Charlton, having failed to comply with the condition imposed at the meeting held the 10th instant for the acceptance of their respective tenders it is thereupon *Resolved*, That Mr. John E. Askwith be informed that the Commissioners are prepared to accept his tender for dredging, provided he makes a cash deposit of ten thousand dollars ($10,000) on or before Wednesday next, at 3 o'clock p.m., for the due performance of the work he has tendered for, and provided also that if the contract is awarded to him he will undertake to commence the work on or before the 1st August next, and that he will deliver the whole on the 1st November, 1883, it being, however, understood that the award of the contract must be ratified by the Honourable the Minister of Public Works."

On the 19th July, 1882, we find the following :—

" Read a letter from Mr. John E. Askwith, contractor, transmitting a cheque for ten thousand dollars ($10,000) as security for the due performance of the dredging work he has tendered for, and stating in a *post-scriptum* that since writing his letter he has been informed that lake dredges cannot be changed to suit tidal waters, and therefore asking a week to examine and satisfy himself, and determine whether to bind himself or not.—*A draft of a letter, in reply to same, by which the delay asked for is refused, is thereupon dictated, with instructions to the secretary to submit it to the legal advisers to the Commission and to make all changes they may recommend.*"

Again, on the 26th July, 1882, the record continues :—

" Read a telegram from Mr. John E. Askwith, dated Ottawa, 24th inst., stating that he regrets that the plant is not suitable, and that he withdraws his tender for dredging."

On the 26th July, 1882, with the following members present :—William Rae, Ferdinard Hamel, John Sharples, Julien Chabot and J. Bell Forsyth—you will see that Mr. McGreevy was not present when the minutes were read :—

" Read a letter from Messrs. Larkin, Connolly & Co., transmitting certified bank cheque for ten thousand dollars ($10,000) as security for the performance of the dredging work they have tendered for, and stating that they hold themselves in readiness to enter into an agreement with the Commissioners at their convenience."

And on the same date :—

" Moved by Julien Chabot, Esquire, seconded by John Sharples, Esquire, it is *Resolved*, That Messrs. Larkin, Connolly & Co., having made the required cash deposit of ten thousand dollars for the due performance of the dredging work they have tendered for, their tenders for the execution of the said work, amounting to one hundred and thirty-eight thousand eight hundred and forty-five dollars ($138,845) be and is hereby accepted, and the contract for said work accordingly awarded to them, subject to the ratification of the Honourable the Minister of Public Works."

By Mr. Osler :

Q. In making these calculations—the figures you have given us—were you aided by anybody ?—A. I had some one to help me with the checking.

Q. Who was it ?—A. Mr. Charles McGreevy.

Q. He is a son of Robert McGreevy ?—A. Yes. He assisted me in the checking.

By Mr. Curran :

Q. In answer to Mr. Tarte you stated that at the last election you voted for the Hon. Thomas McGreevy ?—A. Yes.

Q. And after having voted for him, you told him you would just as soon vote for the devil ?—A. Yes.

Q. Was that because you had been badly treated by the Harbour Commissioners ?—A. It was on account of the provoking way he had spoken to me for not having worked at the elections.

Q. That was your reason ?—A. Yes.

Q. You had known Mr. McGreevy a great many years ?—A. Yes.

Q. And lived in Quebec all the time ?—A. Yes.

Q. You also knew Mr. Tarte ?—A. Yes.

Q. And you knew he had been publishing certain statements ?—A. That had nothing to do with the matter. I knew Mr. McGreevy for years had been smiling before my face and then stabbing me behind my back. I knew that for ten years.

By Mr. Langelier :

Q. I understand that the result of your calculations of the actual quantities, from the plans which the tenders were made, is that your tender was $103,000

below that of Larkin, Connolly & Co.'s tender. Is that what I understand you to mean ?—A. Yes.

By Mr. Chapleau :

Q. That is, it would have been ?—A. Yes; would have been. There is an item of stonework where Larkin, Connolly & Co. were lower than my tender, but I do not admit the quantities are right, because there is an opportunity for one man to be pulled down and theirs shoved up. That amounted to $26,220 to be taken off, leaving their tender about $710,000, provided it was carried out properly. That is what I said.

By Mr. Osler :

Q. You have merely treated of seven items, I see ?—A. Yes; but there is enough all through to counterbalance them.

Q. But you are only speaking of the seven items ?—A. Yes; the large items.

Mr. NICHOLAS K. CONNOLLY re-called.

By Mr. Geoffrion :

Q. In your cross-examination, by Mr. Fitzpatrick, you stated you did not know how two letters written by your brother Michael, and which are fyled in this ca-e, came into the possession of Mr. Tarte or his counsel. Is it not a fact that you gave those letters to Mr. Murphy to come to Ottawa and act according to what was requested in those letters ?—A. Not to my recollection.

Q. At page 395, one of these letters is printed, and I read the following words : "I wish as soon as this letter comes to you, you would go to Ottawa and see Sir Hector and explain the matter to him, who, I believe, when the situation is explained to him, will apply the necessary remedy." Would you not, upon such a recommendation as that from your brother, either go to Ottawa or send one of your partners ?—A. I do not know; I may have gone to Ottawa ; I have no recollection.

Q. You swear you had not gone to Ottawa to see Sir Hector ?—A. I had no recollection.

Q. You had no recollection the other day that you came to see Sir Hector ?—A. That is my recollection.

Q. Is it not a fact that you sent some of your partners ?—A. I do not know as I have.

Q. Is it possible you did ?—A. I won't swear to it.

Q. You did not think this letter important enough for your partners to attend to ?—A. I do not think it was of sufficient importance. It was complaining of things at that time which I thought unnecessary.

Q. It was complaining of progress estimates. You found your brother was complaining without any reason ?—A. The estimates were small.

Q. Was this letter not referring also to the re-coursing, and that the re-coursing was altered ?—A. I think there was a letter referring to the re-coursing.

Q. Was it not after this re-coursing had been suggested by your brother that you, or some member of the firm, acted upon it ?—A. I have no recollection of having acted upon it.

Q. You stated that Mr. McGreevy was taken into the partnership because you wanted more capital. Did you state so ?—A. I think so.

Q. It is about two or three days ago you said that. Is it a fact you took in Robert McGreevy because you wanted capital ?—A. I know that we complained about his large interest, and Mr. Murphy said he would have to put up in proportion to his interest.

Q. You swear that Mr. Murphy had been taken in for the purpose of increasing your capital ?—A. I believe that was the purport of my testimony.

Q. You said positively that Mr. McGreevy was taken into the firm at that time simply to contribute 30 per cent. of the capital required. Your answer to the

question was: "That is the explanation given to me, not only by Murphy, but Robert McGreevy himself." Now, did you take him for his capital?—A. Yes.

Q. How much money did he put in?—A. I do not think he put any money in; he put in some timber later.

Q. How much was he to put in?—A. Thirty per cent.

Q. Of what amount?—A. Of his interest.

Q. An interest in a contract amounts to nothing?—A. He had 30 per cent. interest, and he was to contribute 30 per cent. of the capital to carry on the work.

Q. Contribute 30 per cent. of the expenses?—A. He only contributed what I am trying to tell you—only timber to the amount of $3,000 or $4,000. That is the only thing I remember him contributing.

Q. To the value of three or four thousand dollars?—A. Yes; something in that neighbourhood.

Q. What he contributed would appear in the books?—A. I think so.

Q. Is it not a fact that Mr. McGreevy was not to put in capital, but it was understood that he was only to receive an interest in the contract, without contributing anything to the expenses?—A. I never heard of any such agreement. The agreement was both with Mr. Larkin and I. Why, he said himself that he had a large interest, and that Mr. Larkin and I objected to giving him a large interest; that if he got a larger interest he would have to put in a larger amount of money.

Q. Was your brother Michael in Texas then?—A. I think he was in Texas.

Q. At the time it was agreed that Mr. McGreevy should put in capital, was he in Texas?—A. I think he was in Texas when Mr. Murphy brought Mr. McGreevy to our office.

Q. When Mr. McGreevy first became interested in your contracts was your brother in Texas or Quebec?—A. I think he was in Texas.

Q. If he was aware of anything it would be from correspondence with you?—A. Not with me.

Q. Did you correspond with your brother?—A. Not with regard to that. He was about coming home, and I do not remember corresponding with him with regard to it.

Q. Are you aware of a letter written by your brother to O. E. Murphy, dated 12th October, 1882, printed at page 216, and in which we read the following:—"Yours of the 2nd instant was here in San Antonia before I arrived. I am glad to hear you have got along so well with the work the past season. You do right in keeping in with Hon. Thos., as just at present he has the whole thing in the hollow of his hand. You tell me you have the contract signed for the Harbour work; but I think you have given Bob more than he is entitled to, especially as he is not furnishing any capital. But, of course, you, who are on the ground, ought to know best, and it would be better to make a hundred thousand dollars with him in than fifty thousand dollars with him out." Can you explain that letter?—A. I never saw that letter only here. I knew nothing of it.

Q. Does your brother write the truth when the said that Bob was putting no capital into the concern?—A. Does my brother speak the truth do you mean?

Q. Was he speaking the truth when he wrote?—A. I do not know what Mr. Murphy may have written to my brother.

Q. Your brother writes that Bob was putting no money into the concern?—A. He did not write that letter to me.

Q. Would it have been true if he had written it to you? Is the truth always told between you brothers?—A. A pretty good average.

Q. Who is "Bob" there?—A. Robert McGreevy.

Q. You have stated in your cross-examination by Mr. Fitzpatrick that the letter attached to the schedule of prices prepared by Mr. Boyd, and marked "W 2," was in the handwriting of somebody else than Beaucage?—A. I do not know Beaucage's handwriting.

Q. In whose handwriting is the letter?—A. I do not know. It looks like Charles McGreevy's—Robert McGreevy's son. I may be mistaken; I would not swear to it.

Q. Did you not swear positively that it was in the handwriting of Charles McGreevy?—A. I think not; I do not think I swore positively to it. I am not an expert in handwriting.

Q. At page 407 you were asked by Mr. Fitzpatrick the following question: (reads from the evidence). Having sworn so much already, are you prepared to say this letter was in the handwriting of Charles McGreevy?—A. I would not swear; it might be or it might not be.

Q. Were you present when the tenders were prepared?—A. Which tenders?

Q. For the Cross-wall?—A. I think so.

Q. How many tenders were prepared when you were so present?—A. Only one tender that I really took part in preparing.

Q. But in the same room was not Gallagher's tender prepared?—A. It is my recollection that Gallagher's tender was prepared in the outer room and ours in the inner.

Q. Where was Beaucage's tender prepared?—A. I do not know anything about Beaucage's tender.

Q. You have not seen that letter written by Charles McGreevy?—A. I did not see it.

Q. Was Charles McGreevy in the room, or in one of the offices, when both tenders were prepared—that is, Gallagher's and Larkin, Connolly & Co.'s?—A. No.

Q. He was not present?—A. Not that I saw.

Q. Are you sure he was not there?—A. He was not there in the room that I was in.

Q. Are you not sure he was not helping in preparing the tenders?—A. No.

Q. Where were those tenders prepared?—A. Our tender was prepared in the inner office.

Q. In what house?—A. In Quebec or in Levis, I do not remember which it was.

Q. If you can remember that it was either the inner or the outer room, cannot you remember which room it was?—A. My recollection is that it was in Quebec.

Q. In what house in Quebec?—A. In Dalhousie street.

Q. At the office of the firm, the same office that had put A to the end of your contract?—A. We had two offices; one on the Louise Embankment and one on Dalhousie Street.

Q. And you say it was in Dalhousie street?—A. That is my recollection of it; I may be mistaken.

Q. And one tender was prepared in one room and the other tender in another room?—A. Yes.

Q. Is it not a fact that you had no office, in 1882, in Dalhousie street, Quebec?—A. I did not understand that it was in 1882.

Q. I correct myself; it was 1883. Is it not a fact that you had no office in Dalhousie Street in 1883?—A. I do not recollect that, but we had an office on the embankment or at Dalhousie Street.

Q. And at Levis?—A. Yes, at Levis while the work was in progress.

Q. Then the tenders were prepared in two different rooms?—A. Yes.

Q. There was only one room in the office on the Louise Embankment?—A. There was only one room there.

Q. So you were sure the tenders would not be prepared in the office on the Louise Embankment?—A. They may have been. I tell you it is simply my recollection.

Q. You stated that the tenders were prepared in two different rooms?—A. I stated there was only Mr. Hume, the engineer, and myself in the room, when the tender of Larkin, Connolly & Co., was being prepared.

Q. And in the other room where Gallagher's tender was being prepared?—A. I said the other tender was prepared for Gallagher in the other room.

Q. Who was preparing Gallagher's tender?—A. I think my brother.

Q. Being satisfied the tenders were prepared in different rooms, are you sure it was not on the Louise Embankment?—A. It may not be at the same time.

Q. But why then did you say it was in one room?—A. That is my recollection. It took us some time.

Q. The two tenders were put in on the same day?—A. Yes, I suppose so.

Q. And Gallagher's cheque was made good by the firm's money?—A. Gallagher's tender was accompanied by a cheque either of mine or Mr. Larkin's.

Q. Is it not a fact that it was a cheque on the Imperial Bank of St. Catherines?—A. I think it was, but I do not remember.

Q. Is it not a fact that cheque of $7,500, which was put in by Gallagher is credited and charged in the books as being from the money of Mr. Larkin?—A. I think it was.

Q. And it was upon his funds in St. Catharines?—A. I think that is the way it was. It was either Captain Larkins' or mine.

Q. And do you remember when the cheques were returned, Mr. Perley would not return Gallagher's cheque to Gallagher, but kept it until Mr. Larkin gave his consent that it should be returned?—A. I do not remember that circumstance; Not of that.

Q. Did you help in preparing the Gallagher tender?—A. I only helped to prepare the tender of Larkin, Connolly & Co.

Q. You made it out in your name?—A. Yes.

Q. You did not help Gallagher with his tender?—A. No.

Q. Who was working at that?—A. I do not remember, but I think my brother had most to do with it. Probably Mr. Murphy helped him, but I am not sure about that.

Q. Your brother was in the habit of preparing tenders for others like that?—A. I think that was his first.

Q. Has he done it since?—A. That I do not know.

Q. This man, Hume, is he still in your employ?—A. Yes.

Q. Where is he now?—A. He is at Kingston at present.

Q. In what capacity is he in your employ?—A. He is our engineer.

Q. In what capacity was he employed in Quebec?—A. He was our engineer in Quebec.

Q. When did he come to your employ in Quebec?—A. Hume has been in our employ ever since we commenced in Quebec.

Q. Had he charge of all the works, or only some of the works?—A. He was our engineer for all the works.

Q. Had he anything to do with the dredging?—A. No, I do not know that he had anything more to do with the dredging; more than that, if engineering was required in that connection he would look after it.

Q. What about payments? Had he anything to do with payments to employés? Or did somebody else do that?—A. I do not think Mr. Hume had anything to do with the payments; he may have had.

Q. It was not his occupation; not his charge?—A. No.

Q. He had nothing to do with the payments?—A. When I said he had nothing to do with the payments I meant nothing regular. He may have paid both at Quebec and at the quarries, in the absence of one of the members of the firm, Mr. Murphy, myself or my brother.

Q. But when he was taking the place of a member of the firm, or in any special circumstance like that, he would report to some member of the firm?—A. What do you mean?

Q. He had no power to give an order to the paymaster or the book-keeper to pay?—A. No; he was not a member of the firm.

Q. And any order given by him would have to be checked or verified by you, whilst you had charge of the cash?—A. He would give it to the book-keeper as a

general thing. I had perfect confidence in Hume, and whatever he gave to the book-keeper it was charged to the books as he directed, I suppose.

Q. You stated also that Mr. Murphy had no experience in that class of work?—A. Yes.

Q. You said you knew him in New York for several years?—A. Yes; I knew him.

Q. Had he not been superintending similar works in New York?—A. Not to my knowledge.

Q. Or in the neighbourhood of New York?—A. Not to my knowledge.

Q. Did he help on the work at Quebec?—A. Some portions of it.

Q. You stated that you loaned money out of your personal funds to Mr. Murphy. Did he reciprocate and loan you some money occasionally?—A. I do not remember him ever loaning me any.

Q. Would you be surprised to find in the books many entries of money charged in your favour?—A. To the Company he may have.

Q. No, money loaned to you and reimbursed out of the funds of the Company?—A. It was generally the other way.

Q. Then, if these loans were made it was probably for the purpose of making donations?—A. To me?

Q. Yes, and then re-imbursed by the firm?—A. I do not know anything about Mr. Murphy's matters.

Q. You said he was in the habit of speculating. Did you not do some of it too?—A. Yes, very often with his advice.

Q. He tempted you?—A. Yes, two or three times, probably twice.

Q. Can you name some of the stocks you speculated in with Mr. Murphy?—A. He induced me to buy some gas stock. I think it was Manhattan gas.

Q. Anything else?—A. I think he was instrumental in taking me into the Richelieu.

Q. It was a good speculation. You became director of that Company?—A. It was not a good speculation to me. It was good for Mr. Murphy, I think.

Q. Then, you said you never paid a dollar in connection with your contracts for corrupt practices. Did you pay any money or subscribe any money for political purposes?—A. At what time?

Q. Since you are a public contractor, from 1882 to 1889; start from 1879?—A. I subscribed one little amount that I know of to a gentleman in Montreal at the last election.

Q. Was that for political purposes?—A. It was friendship towards him.

Q. Was that the only amount you paid for political purposes?—A. That is the only amount. I am speaking of my personal money.

Q. Now I am asking you of the firm's money. Did the firm of Larkin, Connolly & Co., to your knowledge and with your consent, ever pay or disburse any money for political purposes during the same period?—A. Not to my knowledge.

Q. Were you informed by any members of the firm that such disbursement or subscription had been made?—A. No.

Q. Did you ever agree or consent to entries being made in the books showing that money had been paid for political purposes?—A. Only such entries as after these disputes.

Q. And from the fact there was disputes the more knowingly you consented. Did you agree or consent to donations being entered in your books for political disbursements?—A. No.

Q. Was there during such discussion any mention made by your partners that money had been paid for political purposes?—A. Not that I remember.

Q. What were the disputes about?—A. About vouchers. About the amount of money Mr. Murphy paid out without giving what we considered proper vouchers for it.

Q. What did he say he paid the money for?—A. He would never tell.

Q. You never guessed what it was for?—A. I may have guessed.

Q. He said it would come back?—A. Sometimes he would say it would come back.

Q. Did you not understand they were political subscriptions?—A. He never said so.

By Mr. Davies:

Q. Did he say to whom they were paid or any of them?—A. No; never to me.

By Mr. Amyot:

Q. Had you no idea whatever what these amounts were for then?—A. I may have had an idea, but I do not know as that would be evidence.

Q. Can you not give us that idea now?—A. My idea was that most of it went into his own pocket and Robert McGreevy's.

Q. And the balance?—A. Just as likely to go for the colonel's election as for anybodyelse's election.

Q. No, you say that on your oath?—A. I say I have no doubt that if you came across Mr. Murphy having the money you would ask help for your election.

Q. Everything is possible in these times. You say you thought part of the money went into his pocket and remained there for his own purposes. The balance you say may have gone to me?—A. I am not singling you out, any more than any one else.

Q. Your idea then was that to some special order or purpose the balance of the money that he did not keep for his own use was devoted—some other purpose which you understood then to exist?—A. I may have had an idea that a small portion of it went for political purposes; but I never could find out where it went to. My suspicion was that it would go to the executive committee to Quebec, and they would distribute it.

Q. Now, as to the executive committee, did your impressions then originate from what Mr. Murphy said—from explanation?—A. From his explanation, I think.

Q. Of course, that executive committee is the one you mentioned the other day, composed of some gentlemen you named?—A. I think I said I did not know any of the gentlemen that formed the committee. I would not know them if I met them.

Q. You understood the executive committee was the Quebec executive, from what Mr. Murphy told you?—A. I do not know that Mr. Murphy ever told me anything about the committee.

Q. At all events, whether he told you or not, you said you thought there was an executive committee, and the balance of the money he did not keep for his own use went there?—A. That is my own idea. I supposed that if he gave any for political purposes it would go there.

Q. Would that apply to every amount mentioned as "donations" in the books of the firm or in the letters fyled before this committee? Does that answer apply to every one of them?—A. Yes; that answer would apply to every one.

Q. Can you tell us the proportion between the amount Murphy kept and the amount he subscribed to the "Executive committee" at Quebec?—A. I could not tell you anything about the amount he gave to anything. I could not find it out. If you could find it out, you could do more than I can.

Q. Will you kindly tell us from what party that executive committee was. Was it the party that gave the contract?—A. I supposed, of course, if he gave any money to the executive committee there it would be to the Conservative party. But that is only my own imagination. I am not giving that as testimony.

Q. Is it not a fact that every time Mr. Murphy came in with these accounts, $5,000—$25,000—these large amounts, he pretended, whether rightly or wrongly, that these amounts had been used as subscriptions for political purposes, or the executive committeee?—A. Oh, no.

Q. Not on each occasion?—A. No.

Q. How many times?—A. I could not tell you. I do not think he said it was going to any party or to any person; I never could get him to tell me.

Q. You swear to that positively?—A. I am on my oath.

Q. Is it only your recollection?—A. That is my recollection, and it is positive.

Q. You positively swear that he did not tell you in every circumstance. Did he tell you in any circumstance?—A. Tell me what?

Q. That he had used that amount which he wanted to charge on any occasion?—A. No.

Q. For a political party, I mean?—A. No.

Q. He never told you that?—A. No.

Q. Then from what did you derive your idea?—A. From my imagination. I was telling you all the time it was my imagination. You asked me and I told you.

Q. Are there not facts which tended to bring your imagination to that?—A. No facts.

Q. The explanation then that the charity or donations which are found in the books or letters of the firm—the only explanation of them is, that they were charity to Mr. Murphy?— A. It is charitable in that way. Murphy handled the cash, and this I suppose is his explanation of it. What it was I never could tell.

Q. When you yourself handled the cash, and when the same word "donation" was used, what was your understanding about it?—A. I never gave any orders to charge any money in that way. When I was handling the cash I often signed a cheque and endorsed it, and either gave it to the book-keeper or Mr. Murphy, not knowing what it was going for. Not only that, but I often signed a cheque in blank and left it to be filled out.

Q. Were you in the habit of looking at the books when they were being audited?—A. No.

Q. Not at all.—A. No.

Q. You went blind at it?—A. I knew little about them, and I had perfect confidence in the book-keeper and auditors, and took their statements.

Mr. AMYOT.—Before I sit down, I might make a personal explanation. I stated before the committee the other day that there was an indictment against Mr. Connolly which had gone before the Grand Jury and had been thrown out. I was right as to the indictment, but not that it was put before the Grand Jury. That thing has not been done yet. Perhaps I took Nick for Mick.

Mr. KIRKPATRICK.—Well, say you are sorry for it?

Mr. AMYOT.—Well I am very sorry if I have attributed anything that was wrong to the witness.

By Mr. Geoffrion:

Q. Did you not yourself, on the 17th February, 1887, deliver to young Robert McGreevy the sum of $5,000, to be taken to his uncle, Thomas McGreevy?—A. No, I never did, unless it was a sum sent for by his father. There may have been a sum sent for by his father. The book-keeper would know about that. I remember nothing about it.

Q. Do you remember the naked fact that some time in February, 1887, having sent young Robert McGreevy with $5,000 to be delivered to his uncle Thomas?—A. There might be an order given from Robert McGreevy.

Q. I want a direct answer, an answer to a question of respecting a physical act—did you give $5,000 to young Robert McGreevy to be taken to his uncle Thomas on the 17th February?—A. I may have done so if Robert McGreevy ordered it so. If he sent his son there I would certainly send it where he directed.

Q. During the month of November—the first half of November, 1887—did not you again send the same young man, Robert McGreevy, with $5,000, to be taken to his uncle Thomas McGreevy?—A. I have no recollection of it.

Q. Is it possible that you should have given $5,000 to this young man Robert McGreevy during the first half of the month of November, 1887, to be taken to his uncle, Thomas McGreevy?—A. If ordered by his father, I may have done so; not otherwise.

Q. You appear to remember now that sometimes money was to your knowledge taken from the office of the firm to Robert McGreevy by messengers, and the money sent directly to Thomas McGreevy, without asking for what object. I want to ascertain if you sent any money by young Robert McGreevy at the time mentioned ?—A. I have no knowledge of it myself, but I say that if Robert McGreevy ordered it so to be sent I have no doubt it was sent according to his order.

Q. Why should you give the order, if it was Robert McGreevy who gave the order ?—A. He gave me the order, but Robert McGreevy may have given the order and I signed the cheque.

Q. My question is positive, and I ask you again—did not you yourself hand the money to young Robert McGreevy for that purpose ?—A. Not to my knowledge.

Q. You do not undertake to swear you did not do it ?—A. If Robert McGreevy sent for money to me I have no doubt I gave it to the son.

Q. Then it is possible you gave money to the son to take to Robert or Thomas ?—A. To take to Robert.

Q. Not to Thomas ?—A. No.

Q. You swear you did not say to the young man : "Take this to Thomas" ?—A. No.

Q. Supposing Robert wrote you a letter, or met you on Dalhousie street, and said : "Connolly, I will send you my son for $5,000 to take to Thomas McGreevy"—if you had received such a message would you have handed the $5,000 to the young man to take to Thomas ?—A. Possibly I would.

Q. Now, seeing that you would have done it, do you remember whether such a request was ever made to you by Robert McGreevy to send money to Thomas ?—A. I do not remember of it.

Q. But you would not deny that it took place ?—A. Such a thing may have taken place, but it is very improbable. I have no recollection of it.

Q. In September, 1886, did not Mr. Thomas or Robert McGreevy come to you, and in the presence of O. E. Murphy ask you for $8,000 for the elections that were about to come off in the Province ?—A. No.

Q. You swear that a sum of $8,000 was not with your consent asked for and delivered to Robert H. McGreevy for the local elections in September, 1886 ?—A. No.

Q. Did Thomas make similar request and get the money ?—A. No ; he never made a request for money.

Q. For elections ?—A. For anything.

Q. Whenever he wanted money for elections he sent his brother Robert ?—A. I do not know what dealings were between him and his brother Robert.

Q. Whenever he wanted money for elections he sent his brother Robert—that is, money from your firm ?—A. Not to my knowledge.

Q. If Mr. Thomas McGreevy has admitted to having received from Larkin, Connolly & Co., from 1882 to 1889, between $50,000 and $60,000 for election purposes, would you believe him ?—A. My opinion is that Thomas McGreevy never received anything from the firm. Whatever he received it was from Robert McGreevy, and I do not know how he received it, or anything about it.

Q. When you say from the firm, do you want the Committee to understand that the three partners were all present with the book-keeper and handed over the $5,000. When you are talking before this Committee, and you say "the firm," do you understand that the three partners must be present when you say that ?—A. Yes.

Q. So, when only one member acts for the firm it is not the firm ?—A. No ; it is not the firm.

Q. That is the way you swear you did not give anything ?—A. I say neither me or Mr. Larkin ever gave anything for political purposes at any time.

Q. Mr. Murphy and Robert McGreevy were also acting for the firm ?—A. Yes.

Q. And if Thomas McGreevy admits to having received $50,000 or $60,000 in the name of the firm, and if these amounts are charged in the books of the firm, would you believe those amounts were paid to Thomas McGreevy ?—A. I know nothing about the

transactions of Robert and Thomas McGreevy. Mr. Robert owed Thomas, and was paying him as often as he got it.

Q. If Mr. Thomas admits to having received that money, not for his private affairs, but for political purposes, from the firm of Larkin, Connolly & Co., represented by his brother Robert, and if these amounts are found charged in the books of the firm, would you now believe that the amount was paid ?—A. I would not. I will explain that. I would not believe what Robert McGreevy might say about it. If Thomas McGreevy would say that I would believe they had dealings together, and the money may have come from the company with the understanding that it would be charged to Robert's share.

By Mr. Mulock ;

Q. You expected there was something coming back from these donations ?—A. Mr. Murphy said so at times.

Q. That kept you from protesting a little ?—A. Both Mr. Larkin and I protested on many occasions.

Q. Still you consented to the settlement ?—A. Yes.

By Mr. Curran :

Q. Because you did not want the firm broken up at that time ?—A. Yes.

By Mr. Flint :

Q. Did Mr. Larkin agree with you in your suspicions ?—A. Yes.

By Mr. Geoffrion :

Q. When did Martin Connolly come into the employment of your firm ?—A. I do not remember the year. I was in British Columbia at the time. I think it was in 1884 or 1885.

Q. Now, your signature on the paper of the firm—you stated to Mr. Fitzpatrick that you had never authorized Mr. Murphy to sign your name under his initials. I think you also stated that at the audits of the firm you were made aware that such signature had been given ?—A. Yes.

Q. Is it not a fact that those few signatures were given when, at the request of the firm, you had requested your bankers to take two signatures on all your cheques. That is, the signature of your firm countersigned by a member of the firm ?—A. I remember that the manager of the Union Bank wanted such a thing done.

Q. Is it not a fact, rather, that by a letter written from them that it was on your request he informed you that henceforward he would require two signatures ?—A. There is a letter which I remember being received by the firm from Mr. MacEwan, then manager of the Union Bank, stating that he would allow Mr. Murphy to draw no more money without power of attorney or authority from the company.

Q. Where is that letter ?—A. It must be amongst the company's letters.

Q. That letter cannot be found ?—A. It must be here ; Mr. Murphy may have it.

Q. After a time, is it not a fact that you found out this double signature plan would not work, and not because the bank requested it. You found it inconvenient, and you cancelled that agreement, and subsequently, as before, a single member of the firm signed ?—A. My recollection is that two members of the firm never signed cheques. It may have been done, but I do not remember two members ever signing cheques.

Q. That is, the firm's name was signed by one member and endorsed by another ? —A. There may have been some, but as you say we found it was inconvenient, for this reason: I would be on the work and other members would be away.

Q. Once or twice Mr. Murphy, wanting money for the firm, and all the members being away, he had to sign for you—that is, he signed your name ?—A. I suppose so.

Q. Having found it inconvenient, you decided that all cheques should be made out by a single member of the firm ?—A. There never was any understanding about that. Mr. Murphy took that upon himself, and it was allowed to pass in that way.

Q. The bank must have been informed that this alteration had been agreed upon ?—A. There was a letter sent ; I think I dictated the letter.

Q. So you took some part in that alteration?—A. If you will allow me, I will explain. The bank, after saying they would require the power of attorney, or power from the company, before they would give Mr. Murphy any more money for the company, we wrote them and I dictated the letter. It was something like this—that moneys required for the use of the firm, Murphy's signature would answer.

Q. Subsequently to that letter Murphy began to sign cheques?—A. I think he was signing all the time and at that time.

Q. In 1887 did not you begin to sign cheques instead of Murphy?—A. Yes.

Q. Is it not a fact that the cheques were always signed without being made to the order of any partner except in peculiar circumstances—the rule was, that they should be made payable to the order of the firm or to the parties to whom the money was due?—A. I never made out the body of any of the cheques, I think. I only signed the cheques after they had been made out by Murphy or the book-keeper.

Q. What would be the object of making out some of these cheques payable to you—that it was necessary to pass them at the bank?—A. I do not know the object.

Q. Was it not to identify the cheque on account of the peculiar purposes for which it was required?—A. No; I do not know that it was.

Q. Was it not when the money was paid for the usual purposes of the partnership, then?—A. I think the book-keeper, when the cheque was made out, charged it to me until such time as Murphy explained it. Murphy might take the cheque, get the money, and use it, and then tell the book-keeper how to charge it. That is my recollection.

Q. So, even cheques for charters would be charged to you?—A. I think so, for the time being.

Q. You would make an entry when the cheque would be charged to your order? —A. I think so, but I think the book-keeper would be better able to explain that than I.

Q. You are asked by Mr. Henry whether you had ever made the statement printed at page 183. The statement is to the effect that Mr. Murphy claimed to have paid to you two amounts of $5,000 each for Sir Hector Langevin and had them charged in the books. Do I understand you to swear that no such charge of $10,000, paid to Sir Hector Langevin, was ever made in the books to your knowledge?—A Not to my knowledge.

Q. Was there any mention of those payments made, and was the charge explained to you?—A. No.

Q. It was never explained to you?—It was never explained in that way.

By the Chairman:

Q. In what way?—A. The $10,000 you say there is in the books?

Q. Yes?—A. I do not remember he ever gave me any explanation about that.

By Mr. Davies:

Q. What do you mean by "it was never explained in that way"?—A. He generally explained in his usual way. It was not for me to ask, or he knew it, and that was enough, or it would come back.

Q. Mr. Geoffrion asked you about two cheques for $5,000 each, alleged to have been paid to Sir Hector Langevin. And he asked if it was explained to you what the charge was, and you said "No, not in that way." What do you mean by "not in that way"?—A. I said that that was in regard to Murphy's explanation. He never gave me any explanation of those cheques or of any of the moneys paid out, only as I tell you.

Q. You said "No, not in that way." What do you mean by "not in that way?"— A. That is Mr. Murphy's general explanation I am referring to. I was giving that as my answer. I thought Mr. Geoffrion had reference at the time to the entries in the books.

By Mr. Mulock:

Q. For what purpose would those sums be paid to Sir Hector, if they were paid at all?—A. I never knew that any money was paid to Sir Hector.

The Committee then adjourned.

VOLUME II.

FROM 16TH JULY TO 24th July

1891.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

CONTENTS:

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OTTAWA:

PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY.

1891.

THE

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

ORDER OF REFERENCE

AND

MINUTES OF PROCEEDINGS.

1891.

OTTAWA:
PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY

1891.

THURSDAY, 16th July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman.*

Amyot,	Flint,	Moncreiff,
Baker,	Fraser,	Mulock,
Beausoleil,	German,	Ouimet,
Chapleau,	Kirpatrick,	Pelletier,
Choquette,	Langelier,	Tarte,
Costigan,	Lavergne,	Thompson (Sir *John*),
Curran,	Lister,	Tupper,
Davies,	Masson,	Weldon,
Desjardins (*L'Islet*),	Macdonald (*Victoria*),	Wood (*Brockville*).—32.
Dickey,	McLeod,	
Edgar,	Mills (*Bothwell*),	

The Minutes of Wednesday were read and confirmed.

The Clerk reported that he had communicated with a brother of Mrs. Boyd with a view of ascertaining her present address, and had been informed that Mrs. Boyd was at present in England, and that he believed that any private notes or papers which Mr. Boyd might have had in connection with the Quebec Harbour Works were destroyed after his death.

At the request of Mr. Geoffrion, Q.C., it was

Ordered, That summonses be issued for the attendance before this Committee of George Benson Williams, of Quebec; G. B. Burland, of Ottawa; Charles N. Armstrong, of Montreal, and Honourable T Robitaille, Senator.

Resolved, That the Chairman do move in the House that a message be sent to the Senate, requesting that their Honours will be pleased to grant leave to the Honourable Theodore Robitaille, one of their members, to appear before this Committee and give evidence.

Mr. Nicholas K. Connolly was recalled and his examination before the Standing Committee concluded.

Mr. A. Hector Verret, late Secretary Treasurer of the Quebec Harbour Commissioners, was sworn, examined and cross-examined. Mr. Verret was discharged from further attendance before the Standing Committee, but ordered to be in attendance before the Sub-Committee this afternoon.

The Chairman presented the Fourth Report of the Sub-Committee appointed to examine the books of account, which was read. (For Report and Evidence referred to therein *See* GRANITE PAPER.)

Mr. Robert H. McGreevy, sen., was called and examined as to the producing of the books and papers mentioned in the order of the Committee of Tuesday, the 7th instant.

After some discussion, it was decided that Mr. R. H. McGreevy's books be open to the inspection of Mr. Osler, Q.C., Mr. Geoffrion, Q.C., and the accountants, Messrs. Cross and Laing, in the presence of Mr. R. H.McGreevy.

The Committee then adjourned till to-morrow at 10 a.m.

FRIDAY, 17th July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman.*

Adams,	Dickey,	Masson,
Amyot,	Edgar,	McLeod,
Baker,	Flint,	Mills (*Bothwell*),
Barron,	Fraser,	Mulock,
Beausoleil,	German,	Tarte,
Choquette,	Kirkpatrick,	Thompson (Sir *John*),
Costigan,	Langelier,	Tupper,
Curran,	Lavergne,	Weldon,
Davies,	Lister,	Wood (*Brockville*).—29.
Desjardins (*L'Islet*),		

The minutes of Thursday's meeting were read and confirmed.

Resolved, That the Chairman do move in the House for a message to the Senate, requesting that one of their Committee rooms may be placed at the disposal of the House, for the use of the engineers and accountants employed by this Committee.

On motion of Mr. Tarte, it was

Ordered, That the Clerk do obtain from the Secretary of the Department of Public Works, all Annual Reports to the Department, of the Quebec Harbour Commissioners from the year 1877, inclusive.

Mr. St. George Boswell, Resident Engineer, Quebec Harbour Works, was sworn.

Mr. P. V. Valin, ex-Chairman of the Quebec Harbour Commissioners, was sworn, examined and cross-examined in French. Mr. Valin was then discharged from further attendance, subject to being recalled.

Mr. Archibald Campbell, Quebec, was reported as present for Mr. Malouin, summoned to produce original record in *re* Thomas McGreevy *versus* R. H. McGreevy.

The Committee took recess at 1 p.m.

---

3 o'clock p. m.

The Chairman mentioned that the House had reduced the quorum of the Committee to eleven members, in accordance with the recommendation contained in their 2nd Report.

Mr. Julien Chabot, Manager Richelieu and Ontario Navigation Company, was sworn and examined as to the steamer "Admiral." During his examination certain letters and papers were filed and marked as Exhibits "L11" to "Q11" inclusive.

Mr. Chabot was directed to produce at the next meeting of the Committee certain contra letters from N. K. Connolly in connection with the mortgage on the steamer "Admiral."

Mr. G. B. Burland, Ottawa, was sworn and examined on Baie des Chaleurs Railway charges.

Mr. Burland was discharged from further attendance.

Mr. John G. Billett, local Manager of Union Bank of Canada, Quebec, was sworn, and produced statements of accounts with the Bank, of Hon. Thomas McGreevy, O. E. Murphy, N. K. Connolly, and Larkin, Connolly & Co., marked as Exhibits "R11" "S11," "T11" and "U11," respectively.

Ordered, That the statements now produced by Mr. Billett be subject to the order applied to Exhibit "Z9" (statement of account of R. H. McGreevy with the Quebec Bank) by the Sub-Committee, as contained in their Fourth Report.

At the request of Mr. Stuart, Q.C., it was

Ordered, That a summons be issued to Peter Hume, Engineer, Kingston, to be in attendance before this Committee on Tuesday next the 21st instant.

The Committee then adjourned till Tuesday next, the 21st instant, at 10 a.m.

TUESDAY, 21st July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Adams,	Desjardins (*L'Islet*),	Milis (*Bothwell*),
Amyot,	Flint,	Moncrieff,
Baker,	Fraser,	Mulock,
Barron,	German,	Ouimet,
Beausoleil,	Kirkpatrick,	Pelletier,
Chapleau,	Langelier,	Tarte,
Choquette,	Lavergne,	Thompson (Sir *John*),
Coatsworth,	Lister,	Tupper,
Curran,	Masson,	Weldon,
Davies,	McDonald (*Victoria*),	Wood (*Brockville*).—33.
Desaulniers,	McLeod,	

On motion of Mr. Tarte, it was

Ordered, That summonses be issued requiring the attendance before this Committee of Onézime Thibault, Quebec, and L. J. Riopel, Quebec.

On motion of Mr. Tarte, it was

Resolved, That George Benson Williams and Onézime Thibault, being unable to advance the amount necessary to pay their expenses to Ottawa, a cheque sufficient to cover their expenses be sent to each of them.

Mr. C. N. Armstrong, Montreal, was sworn and examined on the charges respecting Baie des Chaleurs Railway. Mr. Armstrong was then discharged from further attendance.

Mr. Martin P. Connolly was sworn and examined. During his examination two telegrams were produced and marked Exhibits "V11" and "W11." He was also ordered to compile a statement of all irregular payments and items marked in cypher, or otherwise, appearing in the books of the firm, and to hand the same to the accountants, Messrs. Cross and Laing.

At the suggestion of Mr. Osler, Q.C., it was

Ordered, That a summons be issued for the attendance to-morrow of Mr. W. F. Cluny, St. Catharines.

At 1 o'clock p.m. the Committee took recess.

3.30 o'clock p.m.

The Committee was resumed.

Mr. L. C. Marcoux, Secretary-Treasurer of La Caisse d'Economie de Notre-Dame de Quebec, was sworn, and produced a statement of the account of Robert McGreevy, in trust, from 1885, marked Exhibit "X11," and a statement of the account of Robert H. McGreevy from 1882, marked Exhibit "Y11."

Ordered, That the statements now produced by Mr. Marcoux be subject to the order applied to Exhibit "Z9" by the Sub-Committee, as contained in their Fourth Report.

Mr. Jennings, C.E., was called and explained the mode of his procedure in carrying out the work referred to him by the Committee.

Resolved, That Sir John Thompson and Mr. Langelier be authorized to confer with counsel as to the appointment of a second Engineer to be associated with Mr. Jennings, which was in accordance with the terms of the Resolution, adopted by the Committee on the 14th instant.

Mr. Tarte laid on the Table a comparative statement of Larkin, Connolly & Co.'s tender with that of Peters, Wright & Moore in connection with the Cross-Wall which was marked Exhibit "Z11."

Ordered, That the said Exhibit "Z11" be referred to the Engineers employed by the Committee.

The examination of Martin P. Connolly was then resumed. During his examination a statement of cheques paid to O. E. Murphy, to the amount of $6,750, from 17th February to 21st February, 1887, was produced and marked Exhibit "A12"; also, a receipt from E. J. Milne for the sum of $1,600, marked Exhibit "B12," and a receipt from Jos. Richard for $740, marked Exhibit "C12."

On motion of Mr. Tarte, it was

Ordered, That summonses be issued for the attendance on Thursday next of Mr. F. X. Berlinguet, C.E., and Mr. C. Vincelette, both of Quebec.

The Committee then adjourned till to-morrow at 10 a.m.

WEDNESDAY, 22nd July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Amyot,	Desjardins (*L'Islet*),	McDonald (*Victoria*),
Baker,	Edgar,	McLeod,
Barron,	Flint,	Mills (*Bothwell*),
Beausoleil,	Fraser,	Mulock,
Cameron (*Huron*),	German,	Ouimet,
Chapleau,	Ives,	Pelletier,
Choquette,	Kirkpatrick,	Tarte,
Coatsworth,	Langelier,	Thompson (Sir *John*),
Curran,	Lavergne,	Tupper,
Davies,	Lister,	Weldon,
Desaulniers,	Masson,	Wood (*Brockville*).—34.

The Minutes of Tuesday's meeting were read and confirmed.

The Clerk read a letter from Edward Moore, of Portland, Me., stating that he would endeavour to come to Ottawa in obedience to the summons sent him, but stating that he would greatly prefer to be examined by a Commission at Portland, as he could not leave at present without great inconvenience.

The letters and papers which Mr. Chabot was ordered, on 17th instant, to produce, were read by Mr. Geoffrion, and marked as Exhibits "D12" to "H12" inclusive.

Mr. Martin P. Connolly was recalled and his examination continued. A pencil memorandum of final division in connection with the Esquimalt Graving Dock was filed, and marked Exhibit "I12."

Mr. L. J. Riopel was sworn and examined as to Baie des Chaleurs Railway charges. Notarial copy of protest, Hon. T. McGreevy, was filed, and marked Exhibit "J12."

At the request of Mr. Stuart, Q.C., it was

Ordered, That counsel for Hon. Thomas McGreevy have access to the books and papers produced by Mr. R. H. McGreevy, sen., on the 16th instant, and that Mr. Geoffrion, Q.C., have access to books and papers produced by Hon. Thomas McGreevy.

At 1 o'clock p.m. the Committee took recess.

3.30 o'clock p.m.

On motion of Mr. Tarte, it was

Ordered, That a summons be issued to A. A. Taillon, of Sorel, to appear before the Committee and give evidence to-morrow (Thursday), and to bring with him all papers, notes, cheques, vouchers, bank books, etc., in connection with the Baie des Chaleurs Railway.

Mr. Riopel's examination was resumed; he was also cross-examined by Mr. Stuart, Q.C., and others. Mr. Riopel was then discharged from further attendance.

Mr. Robert H. McGreevy, sen., was recalled and examined by Mr. Geoffrion, Q.C. During his examination certain letters and papers were filed, and marked as Exhibits "L12" to "S12" inclusive.

The Committee adjourned at 6 o'clock till to-morrow at 10 o'clock a.m.

THURSDAY, 23rd July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Amyot,	Desjardins (*L'Islet*),	McLeod,
Baker,	Edgar,	Mills (*Bothwell*),
Beausoleil,	Fraser,	Moncrieff,
Cameron (*Huron*),	German,	Mulock,
Chapleau,	Kirkpatrick,	Ouimet,
Choquette,	Langelier,	Tarte,
Coatsworth,	Lavergne,	Thompson (Sir *John*),
Curran,	Lister,	Tupper,
Davies,	Masson,	Weldon,
Desaulniers,	McDonald (*Victoria*),	Wood (*Brockville*).—31.

The Minutes of Wednesday were read and confirmed.

The following witnesses were reported as present, viz., R. H. McGreevy, jun., G. B. Williams, W. F. Cluny and F. X. Berlinguet.

Mr. Archibald Campbell, Assistant Prothonotary, Superior Court, Quebec, was sworn, and produced copies of original record in *re* Thomas McGreevy *vs.* R. H. McGreevy, which were deposited with the Clerk.

On motion of Mr. Davies, it was

Ordered, That the evidence given before this Committee by Mr. P. V. Valin, on Friday the 17th instant, be translated into English and printed as part of the record in this case.

Mr. Robert H. McGreevy, sen., was recalled and his examination continued. During his examination certain letters and papers were filed and marked as Exhibits "T12" to "Y12," inclusive.

At one o'clock the Committee took recess.

4 o'clock p.m.

The following witnesses were reported present: O. Thibault and C. Vincelette.

The Sub-committee appointed to examine the books of account handed in by Mr. Michael Connolly, in obedience to the order of the House, presented their Fifth Report, recommending that the books be not open to the inspection of members until the accountants have finished their work, &c. (For report and evidence attached, *see* GRANITE PAPER.)

At the suggestion of Mr. Osler, Q.C., it was

Resolved, That it be referred to the engineers to ascertain and report on the Esquimalt Graving Dock as follows:

1. As to the changes made in the plans for the said works.
2. As to the changes made in the execution of the works, and
3. As to the cost of the several changes made.

On motion of Mr. Edgar, it was

Ordered, That a summons be issued requiring the attendance before this Committee of H. Laforce Langevin, Quebec.

At the suggestion of Mr. Osler, Q.C., it was

Ordered, That a summons be issued requiring the attendance before this Committee of E. J. Milne, St. Joseph, Lévis.

Mr. Clement Vincelette was sworn and examined, and subsequently discharged from further attendance.

The examination of Mr. Robert H. McGreevy, sen., was then resumed, during which four letters were filed, and marked as Exhibits "A13" to "D13," inclusive.

The Committee then adjourned till to-morrow at 10 a.m.

FRIDAY, 24th July, 1891.

The Committee met at 10 a.m.

PRESENT:

Messieurs Girouard, *Chairman*,

Amyot,	Fraser,	Moncreiff,
Beausoleil,	German,	Mulock,
Cameron (*Huron*),	Kirkpatrick,	Ouimet,
Choquette,	Langelier,	Pelletier,
Coatsworth,	Lavergne,	Tarte,
Davies,	Masson,	Thompson (Sir *John*),
Desaulniers,	McDonald (*Victoria*),	Tupper,
Desjardins (*L'Islet*),	McLeod,	Weldon,
Edgar,	Mills (*Bothwell*),	Wood (*Brockville*).—29.
Flint,		

At the request of Mr. Osler, Q.C., it was

Ordered, That a summons be issued for the attendance of George E. Perley, Kingston, on Wednesday next.

Mr. R. H. McGreevy, sen., was recalled and his examination in-chief concluded. During his examination three letters were filed and marked as Exhibits "E13," "F13" and "G13," and also copies (10) of records from Superior Court, Quebec, in Thomas McGreevy *vs.* Robert Henry McGreevy, marked as Exhibits "H13" to "Q13," inclusive. The cross examination of Mr. McGreevy was then begun by Mr. Stuart, Q.C., during which the following Exhibits were filed: "R13," Blotter from 1st September, 1889; "S13," Loose sheet of blotter from 10th June to 23rd July, 1887; "T13," Loose sheet of blotter from 7th January, 1887, to 2nd May, 1889; "U13," Journal; "V13," Ledger.

Ordered, That Mr. McGreevy make further search for the blotters from 1883 to 1887.

Mr. McGreevy being asked why he had not complied with the order of the Committee of the 7th instant, requiring the production of all his books and papers, read a statement giving reasons why the said books and papers should not be open to the inspection of the whole Committee.

Resolved, That Mr. R. H. McGreevy produce all diaries and papers in his possession before the Sub-Committee for their inspection.

At one o'clock the Committee took recess.

3.30 p.m.

The cross-examination of Mr. McGreevy was resumed. A copy of the judgment of the Superior Court in the case of Thomas McGreevy *vs.* Robert H. McGreevy was filed and marked Exhibit "W13."

Mr. J. B. Williams, C.E., Quebec, was sworn and examined as to the proposition made in 1885 to appoint him Resident Engineer at Esquimalt. Mr. Williams was then discharged from further attendance.

Resolved, That Mr. Allan McDougall, C.E., of Toronto, be appointed as associate engineer with Mr. Jennings, C.E., in the work referred to him by this Committee.

Ordered, That the Clerk do telegraph to the General Managers of the Quebec Bank, and of La Banque Nationale, requiring them to prepare for the use of the Committee a statement of the account of Hon. Thomas McGreevy at their respective banks from 1882 to date.

The Committee then adjourned till Tuesday next at 10 a.m.

FOURTH REPORT

THURSDAY, 16th July, 1891.

The Sub-Committee of the Select Standing Committee on Privileges and Elections, to which was referred for the purposes of examination, the books of account handed in by Mr. Michael Connolly in obedience to the order of the House, beg leave to present the following as their Fourth Report:

That your Sub-Committee met at 3 o'clock on Wednesday afternoon.

That the following witnesses were in attendance, viz.: Robert McGreevy, Charles McGreevy, Nicholas K. Connolly and Patrick Larkin.

That in obedience to the order of the Committee adopted on the 10th instant, Charles McGreevy produced the bank books, stubs, notes, &c., required of him, and Patrick Larkin produced a ledger and subsequently some letters.

That Nicholas Connolly was unable at present to produce his bank books, &c., being in attendance as a witness before your Committee.

That Robert H. McGreevy declined to produce the bank books and other papers required of him, for the reasons assigned in his evidence attached hereto.

Your Sub-Committee have ordered Mr. Martin P. Connolly to go to Quebec and make further search of the papers and books of Larkin, Connolly & Co., having special reference to those which Mr. Cross indicates as missing, Mr. Cross furnishing a list to Martin P. Connolly of those that he does not find; that in the event of the bank books of the firm for any period not being found, Mr. Martin P. Connolly go to the bankers of the firm and obtain from them a transcript of the account for the period for which there is no bank book produced, Mr. Nicholas Connolly here present, authorizing Mr. Martin P. Connolly to procure the information and a transcript of accounts from the banks; that Mr. Martin P. Connolly, now instructed by Mr. Nicholas Connolly, do proceed to Quebec and make search for, and produce to the Committee, all Mr. Nicholas Connolly's private books of account, cheques and papers, bearing upon the inquiry, which has been described in evidence here to-day by Mr. Nicholas K. Connolly, and return to Ottawa without delay.

With regard to Exhibit "Z9," referred to your Sub-Committee, and the books and papers submitted to them by Charles McGreevy and Patrick Larkin, your Sub-Committee have decided as follows:

Ordered, That the Exhibit "Z9" be now opened and remain with the Clerk, Mr. Todd, for inspection and examination by the Accountants, Messrs. Cross and Laing, and the members of the Sub-Committee; and, further, that the books and papers now produced by Charles McGreevy and Patrick Larkin remain in the Clerk's possession for inspection of the members of the Sub-Committee, the Accountants Messrs. Cross and Laing, and the Counsel of both parties.

All which is respectfully submitted.

D. GIROUARD,
Chairman.

FIFTH REPORT.

THURSDAY, 23rd July, 1891.

The Sub-Committee appointed to examine the books of account handed in by Mr. Michael Connolly in obedience to the Order of the House, beg leave to present their Fifth Report.

Your Sub-Committee, having examined under oath Mr. Cross, one of the accountants employed by your Committee, beg leave to recommend that the said books of account be not open to the inspection of members of the General Committee until the said accountants have finished their work, which will be in the course of a few days.

They have also adopted the following Resolution:

That the Chairman direct Martin P. Connolly to go over the said books and indicate to the Sub-Committee at the earliest possible moment which pages he considers should not be open to the inspection of the members of the Committee.

The evidence of Mr. Cross alluded to above is annexed hereto.

All which is respectfully submitted.

D. GIROUARD,
Chairman.

WEDNESDAY, July 15th, 1891.

The Sub-Committee met at 3 p.m.

Present: Messrs. Girouard, (Chairman), Adams, Baker, Davies and Edgar.

Mr. Thomas McGreevy, M.P., was called.

Mr. Stuart, on Mr. McGreevy's behalf, stated that he was ill in bed. He proceeded. I have not got his papers, but I have telegraphed him to Quebec, that if he is not able to come here, to send them to me.

MR. GEOFFRION.—Meanwhile you are without instructions?

MR. STUART.—I am, except that Mr. McGreevy told me he is having all his papers prepared and would bring them up with him. Since he has been taken ill. I have telegraphed him to send them direct to me.

MR. EDGAR.—I would ask for the production, from the Union Bank, of Thomas McGreevy's bank account. Are there not other banks he has dealings with?

MR. STUART.—Not that I am aware of during that time. Mr. McGreevy told me that from the period in question the Union Bank was the only bank he dealt with. He had, however, other accounts while he was carrying on the North Shore work. So far as I know the Union Bank is the only one with which he dealt during the period.

MR. ROBERT H. MCGREEVY, sworn.

By Mr Osler:

Q. You know the order that the Committee has made with reference to the production of your papers—"Ordered that you, amongst others, forthwith produce on oath before the Sub-Committee all your books of accounts, bank books, cheque stubs, notes, draft and all other documents and papers bearing upon the question under inquiry, and that when so produced, the same shall be placed at the disposal of the said accountants for the purposes aforesaid." What books of account do you produce under this order, Mr. McGreevy?—A. Not any.

Q. Do you produce any bank books?—A. No.

Q. Do you produce any cheques?—A. No.

Q. Do. you produce any cheque stubs?—A. No.

Q. Do you produce any notes?—A. No.

Q. Do you produce any drafts?—A. No.

Q. Do you produce any other documents or papers?—A. No.

Q. Will you kindly tell us why not?—A. Because I do not think that as a witness I have any right to divulge my private affairs before this Committee or any Committee of the House. I am called in this investigation as a witness and not as an accused, and, therefore, my business and bank books covering various other transactions, and very little of these, I refuse to produce them.

Q. You have considered the matter of the order?—A. Yes. That was my decision up to, I may say to-day, when I will relax one of them, and that is with reference to the bank books and accounts in connection with the bank which I will produce when the others do it.

Q. You put the conditions that the others must produce theirs simultaneously with yours?—A. Yes, at the same time.

Q. Then you decline to obey the orders of the committee, for the reasons you have given. And you do that advisedly, presuming it is within your right.—A. Yes.

Q. Seeing you do not produce them I desire to ask you what books of account you have covering the period in question and bearing on this inquiry?—A. I have nothing but the bank books and the cheques.

Q. That is not what I mean. Under the head of books of account, whether nominally or not referring to this transaction, had you in use a bank book ledger and cash book?— A. My books of account have nothing in them at all concerning—

Q. I would ask you have you books of account?—A. Yes.

Q. Did you during the period in question keep a cash book?—A. No.

Q. Did you keep a journal?—A. Yes.

Q. And a ledger?—A. Yes.

Q. Did you make the entries yourself or the book-keeper?—A. I mostly made the entries in the blotter.

Q. And the book-keeper?—A. The book-keeper carried them forward.

Q. Carried them forward from the blotter to the journal?—A. Yes.

Q. So that you have not only had the journal, but the blotter as your original book of entry?—A. Yes.

Q. Your habit is to keep a blotter always?—A. Yes.

Q. And during the period covered by this inquiry have you more than one blotter, can you say how many you have?—A. I do not think I have more than one one or two perhaps.

Q. Then with regard to bank books, what have you?—A. I have nothing but the Quebec Bank book.

Q. Was that the only bank with which you dealt during the period in question? —A. Yes. I had however, some little transactions in the Caisse d'Economie, but in trust.

Q. Were you concerned with others in trust?—A. No, in trust for my children only.

Q. In the Caisse d'Economie?—A. Yes.

Q. Moneys in trust for your children originating with yourself?—A. Yes.

Q. Gifts made by yourself and which you put in trust for them?—A. Yes.

Q. You have the bank book?—A. Yes.

Q. As well as the bank book in the bank you have named?—A. I have the bank book of the Caisse d'Economie with me.

Q. And you have the Quebec bank book?—A. Yes.

Q. And on the conditions named you are willing to produce it to the Committee?—A. Yes.

Q. Are you also willing that that which is probably a transfer of it from the books of the bank—the paper produced by Mr. Brown—should be considered as your production, and put in the hands of the accountant in lieu of the bank book?— A. No, I would give them the bank book that they held with my account. I do not know the production here.

Q. The bank produces, and it is here, a transcript of your account with them? —A. They said it was wrung from them under a threat from this Committee.

Q. And it is under the protection of this sub-committee now?—A. The bank told me they had a threat to produce it.

Q. It would remove any difficulty in the matter, presuming that paper to be a mere transcript from the bank book, if it could be put in the hands of the accountant?—A. If I am ordered to do it I will produce what I have.

By the Chairman:

Q. About everything?—A. About the bank book and the cheques.

By Mr. Davies:

Q. You prefer your own bank book rather than this transcript?—A. Yes

By Mr. Osler:

Q. Have you any objection to our opening the parcel and just seeing whether it transcript or not?—A. I have all the objections in the world.

Q. Then what cheques do I understand that last remark of yours to apply to ?—

Q. You are willing to make any productions ordered of you, or only with reference to the bank account ?—A. Only with reference to the bank account.

Q. What cheques have you ?—A. 1883, 4, 5, 6, 7.

Q. Returned banker's cheques ?—A. Yes.

Q. You have them here ?—A. Yes.

Q. Do you object to produce them ?—A. Yes.

Q. For the reasons you have already given ?—A. Yes; concurrent with the rest, I will produce them.

Q. That is, conditional on all the others producing theirs ?—A. Yes.

Q. What cheque stubs have you ?—A. None.

Q. Did you keep stubs of cheques ?—A. Very seldom.

Q. What has become of the stubs ?—A. There are two of them in Quebec, but out of every ten there would be eight blanks.

Q. But you have stubs ?—A. Yes.

Q. And your answer to the call to produce those is the same as regards the cheques, I presume ?—A. I have no answer about that, because I felt they were of no use.

Q. That will be for the Committee to judge. Then notes and drafts, have you none of those ?—A. None at all.

Q. No retired notes ?—A. No

Q. No retired drafts ?—A. No.

Q. Have you searched for them ?—A. Yes.

Q. What has become of them ?—A. I do not know, I am sure.

Q. You have not destroyed them ?—A. I have not.

Q. What you say is: they are lost ?—A. I think so.

Q. Have you satisfied yourself as to that ?—A. Not completely; I could not say. I would not undertake to say they are lost.

Q. You have not made a careful search ?—A. I have not.

Q. And the papers coming into your possession—you have not found any ?—A. No.

Q. They ought to be in existence ?—A. Yes.

Q. And you ought to be able to find them ?—A. Yes.

Q. Now, as to other documents and papers, what have you ?—A. What do you ask for ?

Q. Any of the documents you may have—letters from any of your partners, letters from Mr. Murphy, letters from Mr. Tarte, letters from Mr. Thomas McGreevy, letters from Mr. Charles McGreevy, letters from either of the Connollys, or copies of letters you may have written to any of these parties. Have you got such letters ?—A. I have, but I did not bring them here.

Q. Did you keep a letter, in which you took impression copies ?—A. Yes, I did.

Q. Of important letters ?—A. Yes.

Q. And you have the fyle in which you keep your letters ?—A. Yes.

Q. But these letter-books and the letters received, you have not brought with you ?—A. Not here; no.

Q. Have you any letters written to Thomas McGreevy, or any of his correspondence which has come into your hands ?—A. They are in the letter-book, if any.

Q. I mean letters written to Thomas McGreevy, which should come into your hands as his one time agent ?—A. I do not think so.

Q. Letters written by anybody to Thomas McGreevy ?—A. I do not think I have.

Q. Have you looked ?—A. I have.

Q. You at one time, to some extent, controlled his correspondence and were familiar with the letters he would receive ?—A. I would not go as far as to control it.

Q. Take, for instance, we have a letter here from Mr. Perley to Thomas McGreevy; did it come from your possession ?—A. No, I never saw it to my knowledge.

Q. That did not come from your possession at all?—A. No; that is from Thomas McGreevy to Mr. Perley.

Q. No; a letter from Mr. Perley to Mr. McGreevy?—Oh, yes; I had that.

Q. I am asking you now, had you any letters of Thomas McGreevy's that came into your possession?—A. No, that is the only one; he gave it to me.

Q. I am not asking if he gave any letters to you, but if you had them?—A. It is necessary to explain somewhat.

Q. Never mind the explanation. I have spoken of a document that you have. What have you here under your real control in Ottawa?—A. The Quebec Bank statement from 1883 to 1888, and the cheques of 1883-4-5-6-7.

Q. Nothing else here?—A. Nothing else here. When I say here, I mean in this room.

Q. You have those in this room?—A. Yes.

Q. Have you anything else in Ottawa?—A. Yes, the letter-book.

Q. Any letters?—A. Yes, and statements.

Q. You have those under your control in Ottawa?—A. Yes.

Q. Your blotter is not here?—A. No.

Q. Nor your cheque stub book?—A. No.

Q. Nor have you made a search for bills and notes?—A. No.

Q. What documents and papers have you had which you have parted with and that are now in the possession of others?—A. I could not say that I have parted with many.

Q. What documents have you had which are for instance in the possession of Mr. Tarte and Mr. Geoffrion?—A. I do not think there are many.

Q. How many are there, and what are they?—A. I could not say how many.

Q. You have handed documents to Mr. Tarte which he now holds?—A. Yes.

Q. Some of which are exhibits before the committee?—A. Likely.

Q. Are there others not produced here, which you have handed to him?—A. I do not know; there may be; my impression is there is.

Q. Have you taken a list, or a receipt for those handed over?—A. No, not for those handed over.

Q. Have you any objections to Mr. Tarte producing those you have handed to him before this sub-committee?—A. I have.

Q. What is your objection?—A. That I am called as a witness before the general committee.

Q. And you think it is only your right to produce them as a witness before the general committee?—A. Yes.

Q. That is the position you take?—A. Yes.

Q. I call upon you now, to produce here, in obedience to the order of the committee the documents referred to in the order, or such as you choose to in the meantime?—A. I refuse to produce them unless concurrent with the others.

Q. What does that refusal extend to?—A. To everything I have.

Q. To bank books, cheques and everything?—A. Yes.

Q. You decline to produce anything?—A. Yes.

Q. I did not ask you as to memorandum book and diaries, have you any of those?—A. I have diaries.

Q. With transactions entered into them?—A. Yes.

Q. Have you any other memorandum books except diaries?—A. No.

Q. During what years have you diaries?—A. From 1868 to 1891.

Q. You have a diary for every year?—A. Yes.

Q. Do you decline to produce those?—A. Yes.

Q. You include those in your refusal?—A. Yes.

Q. Are those books here?—A. Not in this room.

Q. Are they in Ottawa?—A. Yes.

Q. Have you more than one diary—that is to say a business diary and a private diary?—A. I have no business diary.

Q. They are all private diaries?—A. They are all private diaries.

Q. Pocket-diaries?—A. Yes.

Q. Diaries you kept with you?—A. Yes.

Q. And jotted down in them from time to time?—A. Yes and jotted down from time to time.

Q. Who is your book-keeper, Mr. McGreevy?—A. My book-keeper was each of my sons, as they happened to be at home.

Q. Name your sons' names who have kept your books. Entered them and worked at them?—A. Charles, Francis, Robert, Henry, James.

Q. Keep on?—A. Joseph, Walter; some more, and my eldest daughter, Mrs. LeMoine.

Q. And the books would be posted in the handwriting of the one who was at home?—A. At the time—yes.

By the Chairman:

Q. You stated that you will produce certain papers only concurrently with other witnesses or parties mentioned in the same order as you were?—A. Yes.

Q. Does your condition extend to all the papers you have as well as to the envelope which has been left with the clerk of the committee?—A. It only extends to the bank account which the committee has.

Q. This condition then applies only to that paper?—A. Yes.

Q. As to the other papers, have you any condition?—A. The other papers I refuse to produce.

Q. You refuse to produce anything you have—with the exception of the bank account until your examination is on before the general committee?—A. Precisely.

Q. You are willing to produce the bank account simultaneously with the others, but you are willing to produce all the papers before the general committee?—A. I will then state to the committee what I intend to do.

Q. To-day you are not prepared?—A. No, I am not.

Q. And you refuse to produce them now?—A. Yes.

By Mr. Osler:

Q. You refuse to produce anything now?—A. Yes.

By Mr. Davies:

Q. I understand you prefer that the Committee should have before them your banking account and not the transcript?—A. Yes.

Q. Your pass books?—A. Yes.

Q. When you are examiaed before the general committee and you are asked to produce your diary with reference to any events—where there are entries made—do you wish to intimate that you will not produce it?—A. I do not know what I will do.

Q. You want to wait until you are asked before the Committee?—A. Yes.

Mr. CHARLES MCGREEVY sworn.

By Mr. Osler:

Q. You are a son of Robert McGreevy?—A. I am.

Q. Where were you living at the time these works were carried on?—A. I was living with my father and then with my wife.

Q. One part of the time, and after you were married, did you keep separate house?—A. I did not keep separate house. I boarded.

Q. What was your position on the works?—A. In January, 1884, I was appointed on the survey by Mr. Boyd.

Q. What is your position on these works?—A. Assistant Engineer, from 1884 to 1887.

Q. Under whose immediate order?—A. J. E. Boyd, and Mr. Boswell during the winter.

Q. You resided in Quebec ?—A. I did.

Q. Had you anything to do with the works prior to 1884 ?—A. No, sir.

Q. Had you anything to do with them after 1887 ?—A. Yes, up to 1890.

Q. As Assistant-Engineer ?—A. Assistant on the cross-wall from 1887 to 1890.

Q. When did you cease to have anything to do with the works ?—A. The 1st of August, 1890.

Q. At that time you ceased to be in the employment of the Harbour Commissioners ?—A. I was expelled on the 1st of August, 1890.

Q. By whom ?—A. As I think, by the Commission—the Harbour Board.

Q. You were in their employment ?—A. I was.

Q. And not in the Public Works Department ?—A. I was under Mr. Perley, Chief Engineer of the Public Works Department.

Q. He had two capacities ?—A. I looked upon him as my chief. When I was discharged I applied to him and he said he could not give me any employment unless the Minister directed him to do so.

Q. Your discharge came from the Harbour Commissioners ?—A. I was notified by the Secretary.

Q. You were ordered by the general committee to produce all books of account, bank books, cheque books, stubs, notes, drafts and other documents and papers relating to this enquiry. Have you any ?—A. I have a bank book, cheques and stubs. No account book.

Q. How many bank books ?—A. Four.

Q. What number of cheques have you here ?—A. About two hundred cheques. I never counted them.

Any notes or bills ?—A. I have a few notes.

Q. Any books of account ?—A. I kept no books.

Q. Diaries ?—A. Yes, I have diaries.

Q. One for each year ?—A. Yes.

Q. Any private memorandum book ?—A. I have no diary for 1885 and 1886.

Q. Have you, as some engineers do, kept copies of your work—your engineering work, measurements and those sort of things ?—A. No ; not that I know of.

Q. Any engineering memoranda ?—A. No.

Q. Did you keep an engineer's book in which you jotted down calculations and results of measurements ?—A. No.

Q. You have no professional book ?—A. No.

Q. What books or papers have you had that you have not now, and to whom have you given them ?—A. I never had any.

Q. That you have not now ?—A. No ; at least, I do not recollect any. If they were shown to me I could say if I had them.

Q. Where are those papers you have spoken of—bank books, cheques and stubs ?—A. I have them here.

Q. Will you produce them ?—A. I will. These are the whole of them.

Q. Are these papers that you produce all you have ?—A. All I have.

Q. And all that you ever have had ?—A. From 1881.

Q. Have you any letter books ?—A. I have a letter book. There is nothing entered in it but a subscription to a journal. It is private.

Q. Have you a letter book in which you have impressed copies of letters you had written bearing on this subject ?—A. No.

Q. Nothing bearing on this subject ?—A. No.

Q. What letters have you bearing on the subject of these contracts ?—A. I do not know as I have any.

Q. You submit these papers to the order of the Sub-Committee ?—A. I do.

Q. Have you any brokers' papers ?—A. I have not.

Q. Any bought or sold notes, or brokers' notes ?—A. No ; none at all.

By Mr. Adams :

Q. What salary did you get from the Harbour Commissioners ?—A. $75 a month, in the first place, for the first three months in the year 1884.

Q. And for the other years?—A. Then I got $75 and $90, and I was raised from $90 to $150 in the winter of 1887.

Q. That was your salary on the 5th of August, 1890?—A. Yes.

Q. That is the only business you were engaged in?—A. That is all. I had a few stock transactions.

MR. NICHOLAS K. CONNOLLY, sworn.

By Mr. Osler:

Q. The experts have reported informally—they have not reported to the Committee, but have mentioned it to me and members of the Committee—that there are some of the firm's books of account missing. I will have one of them brought in to describe it.

MR. CROSS.—There is cash book "E" of the Q.H.I. set. It begins in 1889. And there is a journal which commenced a little earlier, the 30th of September, 1888. There is no letter to that book. Then for the Esquimalt books—there lacks the cash book; and there also lacks the cash book proper of the original set—the set called "Graving Dock, Levis." Then with regard to the Quebec Improvement set of books, in the bank book there is a hiatus of a few months in 1889, beginning, I think from January and ending in May. There are four months of a break without a bank book. The bank book before that is converted into a memorandum book and commences to be a correct account at the end of May.

Question continued: You have heard the description by Mr. Cross, which I adopt as part of my question. What account have you to give or explanation as to where those books are?—A. I cannot tell you anything about them. Mr. Martin P. had the books in charge I suppose. I supposed they were all brought here. There have been trips enough made for them, and I am very sorry that they are not here.

Q. Can you give any explanation as to this break in the bank book?—A. I cannot.

Q. Did you leave your regular bank for a time like that and deal with another bank?—A. I think we did at one time, but I do not know whether that is the time or not. That may have caused the break.

Q. If that is the occasion of the break, what bank did you go to?—A. The Bank of British North America. Those are the only two banks we haved one business with.

Q. That break may be accounted for by the fact that you know you did drop one bank and go to another? If that is the break we would find the information in the Bank of British North America.

Mr. CROSS—This bank book is a regular bank book, commencing 31st May, 1889. What appears to be a previous pass book is a very irregular document with the words in red ink scrawled across it "New book", showing there was a new book.

Q. You are called upon to produce before this sub-Committee—I am speaking of your personal matters not your firm matters—your books of account, bank books, cheques, stubs, notes, drafts and all other papers and documents bearing on the question under enquiry. What private books of account have you?—A. None here.

Q. Have you any anywhere?—A. I think I have some in Quebec. I may say that on Saturday I asked the Committee to let me go down and get them.

Q. We want first to get at what you have in Quebec?—A. I must have cheques and bank books.

Q. What books of account have you of your own private books?—A. I do not know. Mr. Connolly kept my private account.

Q. You have some private books of account?—A. Yes.

Q. Martin P. Connolly kept them for you?—A. Yes, and I was going to ask the Committee to let him go with me so as to make but one trip of it.

Q. Have you any private bank account?—A. Yes, in Quebec.

Q. During the currency of this enquiry how many banks did you deal with? - A. I think I only had one private bank.

Q. What bank was that?—A. The bank of British North America. I may have had a transaction or two with the other.

Q. Where is your bank book?—A. It must be in Quebec.

Q. Have you returned cheques from that Bank?—A. Yes.

Q. Where are they?—A. In Quebec too.

Q. Have you stubs?—A. I think I have.

Q. Have you any notes or drafts?—A. I think all my papers are there.

Q. Have you any other documents or letters—letters between partners?—A. I may have some.

Q. Then your attention is now directed to this order, which is personal and not relating to the firm?—A. I understand that.

Q. Do you say you cannot obey it without any opportunity of going to Quebec? —A. That is my only reason for not obeying it.

Q. Do you require Mr. Martin Connolly to go with you?—A. Yes, in order that we may be sure to get all. My reason is that I might overlook some and I do not want to come before the Committee and say that I have neglected to produce anything.

Q. Have you a letter book?—A. I think I had for part of the time.

Q. Is that also in Quebec?—A. I think so.

Q. Will you undertake as soon as you are relieved from attendance at this Committee to go down with Mr. Martin P. Connolly and make a thorough search and produce everything before this Committee?—A. Everything I have bearing on this case.

Q. Have you had any document of the nature I have been describing which you have not now—which you have parted with or given to anybody else?—A. I do not remember giving anything to anybody.

Q. Where is Michael Connolly?—A. He is in Kingston on the works.

Q. Do you know where he kept his personal account?—A. My opinion is he had no personal or bank account.

Q. Did you ever know of him issuing cheques?—A. I never knew him to issue any cheques.

Q. Did Martin Connolly do his business for him?—A. If he had any it is probable he did.

Q. When will Michael Connolly be here?—A. In the morning or probably to-night.

By Mr. Geoffrion:

Q. You are aware that Martin P. Connolly left for Quebec on Friday or Saturday evening?—A. Yes.

Q. You say you cannot get this book unless Martin is there?—A. I might, but in order to get them all I want him with me.

Q. Cannot Martin P. Connolly pick them up just as well as you?—A. I think he could.

Q. Does he not know more about these books than you?—A. I think he does.

Q. The Order of the Committee was dated the 10th and he left on the 11th. Did you instruct him, in obedience to the orders of the Committee, to bring here yesterday or to-day any books belonging to you answering to the Order?—A. No, I expected to go myself.

Q. Why didn't you go yourself?—A. I went to Kingston and I hunted in Kingston for some private accounts there, but found none.

Q. Seeing you could not be in two places together, why did you not instruct Martin P. Connolly to bring here from Quebec all papers that would answer to the order given?—A. I did not think of that. I might have instructed him, but I did not know he was going down.

Q. When did Martin P. Connolly come back from Quebec?—A. I do not know.

Q. When did you meet him?—A. Yesterday.

Q. Did he tell you that he had arrived in Ottawa from Quebec?—A. No.

Q. When did you yourself arrive in Ottawa?—A. Last night.

Q. When did you leave Kingston?—A. Yesterday afternoon or at noon.

Q. You never telegraphed or wrote any instructions to Quebec about those papers?—A. No.

Q. You cannot undertake to produce those papers unless you are let free with Martin P. Connolly to search for them?—A. If you are satisfied about Martin P. Connolly to go there alone, let him go, but I do not want you to say, after he comes back, if he has not brought everything that it is my fault that he has not brought everything.

Q. It never occurred to you to instruct Martin P. Connolly to bring all the books he could find?—A. I never thought of it.

Q. Are you satisfied to instruct him to go and bring all he can find?—A. Yes; but I do not want you to be dissatisfied afterwards.

MR. PATRICK LARKIN, sworn.

By Mr Osler:

Q. There is an order made upon you to produce your books of account, bank books, cheques, cheque books, stubs, notes, drafts or any other documents or papers bearing upon the question under enquiry. First tell me if you have any such papers and where they are and what they are?—A. I have got my ledger here with the account I had against Larkin, Connolly & Co. That is all I have got. I looked over the letter book yesterday afternoon and I could not find anything bearing upon this case at all.

Q. You have a letter book?—A. Yes.

Q. You have gone over it and found nothing?—A. Yes.

Q. You have a bank book?—A. I have, but I did not think it was necessary to bring them down, because I have all the accounts I have had with the company in that ledger.

Q. Have you any cheques?—A. I have all my cheques year after year.

Q. Where did you keep your own bank account?—A. The Bank of Toronto in St. Catharines.

Q. You kept no bank account east. You always banked with the Bank of Toronto in St. Catherines and you did all through these years?—A. Yes.

Q. The business you have been carrying on has not been confined to these Harbour Works?—A. That was a very small portion of it.

Q. You kept a general bank account?—A. Yes.

Q. Not opening a separate bank account for your dealing with the Quebec Harbour or Esquimalt Works?—A. No.

Q. Have you gone through your cheques and stubs and retired notes and drafts to select those that bear upon this enquiry?—A. Well, I did not. I looked over the ledger and I saw all there was there. There had been no cheques. There was simply entries for what I had paid out or sent to them.

Q. You have that ledger?—A. Yes, it is here.

Q. Does it show all your transactions with this business?—A. Yes.

Q. Who kept it?—A. One of our experts here—Mr. Kimmett.

Q. He was your book-keeper?—A. Yes, he was my book-keeper.

Q. During all that time?—A. Yes.

Q. Can your bank-book or cheques give any information we cannot get in the ledger?—A. No, sir; they will not.

Q. What letters have you from your partners that will bear upon this subject?—A. I have some letters. I mentioned the other day that I was in the habit of destroying my letters year after year; but I have some letters with me.

Q. Are you willing to produce those you have together with the ledger?—A. Yes. I can, moreover, telegraph to the bank to send a transcript of my account since 1883.

By Mr. Geoffrion;

Q. Did you not keep an account with the Imperial Bank too?—A. I did, some years ago.

Q. In 1883, had you an account in the Imperial Bank?—A. I had an account in both banks but it seems to me I left the Imperial before 1883.

Q. Did Gallagher keep an account in the Imperial Bank to your knowledge?—A. I do not know.

Q. I find a cheque drawn on the Imperial Bank for $7,500 in 1883. Would that have any connection with your account there?—A. Yes.

Q. If a cheque of Gallagher's for $7,500 was accepted by the Imperial Bank in 1883, would it help you to remember whether you had an account there?—A. I would not know anything about that.

Q. As this Committee is investigating the facts, I want to know if the fact of Gallagher having a cheque accepted in 1883 in connection with this tender for the cross-wall, would it help you to remember whether you had at the same time an account with the Imperial Bank?—A. I took a cheque myself down to Quebec, or sent it down, I do not remember which.

Q. You procured the cheque yourself from the Imperial Bank?—A. Yes.

Q. Would it not be because you had an account there?—A. Yes; but the principal part of my account was kept in the Bank of Toronto.

Q. It is only to elicit the fact?—A. I was in the habit of putting in cheques. I furnished nine-tenths of the cheques put in in tendering with other parties.

Q. Mr. Kimmett was your book-keeper, and was also employed to work on the audit of these books of Larkin, Connolly & Co.?—A. Yes.

Q. Did he not bring to you at St. Catherines, and hand to you certain notes of memoranda in connection with what he had found in the books at Quebec?—A. I do not think he did.

Q. Is there not a bundle of such papers, either endorsed as belonging to Kimmett, or were put in your safe by Kimmett?—A. There is nothing in my safe, but I have a vault in my office as well.

Q. Are there any such papers?—A. I do not know whether there is. If there is anything of that sort which was brought there I have nothing to do with it.

Q. Would you have any objection to delivering any such papers to him?—A. No, not the slightest. He came to my office yesterday and I told him to go to the vault and look for what he wanted and I also told him to go to the safe.

By Mr. Edgar:

Q. Were there no trial balances?—A. Yes.

Q. Do you produce them here?—A. No, I haven't got them. I have no trial balance that I know of.

Q. I thought I saw some in your hand?—A. No, I had none here. During late years I threw them away because I could refer to the books in Quebec at any time.

Q. You kept the trial balance?—A. No. There might be one but I cannot be certain.

Q. Have you any letters received from Murphy?—A. Yes, I have some.

Q. Where are they? A.—Down at the hotel.

Q. Will you produce those?—A. Yes.

Q. Have you any letters received from any other members of the firm?—A. Yes, I received some letters from Michael Connolly and Hume.

By Mr. Adams:

Q. Are the letters not here?—A. They are down at the hotel.

By Mr. Osler:

Q. Will you hand them with your book to Mr. Panet?—A. Yes.

MARTIN P. CONNOLLY re-called.

By Mr. Edgar:

Q. You were in the room and heard Mr. Cross speak about those books?—A. Yes.

Q. What about them?—A. The first time I examined the books here before the sub-committee I found that journal missing and stated so at the time, and afterward when I was sent down to Quebec I made all possible search but I could not find it from that day to this.

Q. When did you see it last?—A. I must have seen it in May. I do not remember seeing it identically at the time, but I must have seen it during May.

Q. What period did it cover?—A. I think the old journal closed on the 30th September, 1888, and the new journal that is missing began on the 1st of October. It ran on.

Q. One ended in September 1888, and the other began in October 1888?—A. The other journal began in the month of October.

Q. How long did it run?—A. I do not know. It ran on for probably a year or so.

By Mr. Adams:

Q. Have you any idea where it is?—A. I stated before this sub-committee on the very first day I was examined that it was missing. I went down to Quebec and they said every book was produced. I could not find it.

Q. Have you any idea at all where it is? Have you heard anything about it?—A. Not the slightest idea.

Q. Did you enquire?—A. I made particular enquiries of Mr. Kelly and he said he had sent all the books that were not here up. I know it is not there in any of the examinations I made.

Q. The journal was not the only book missing then?—A. Yes, I think so.

Q. What about cash book "E"?—A. I think it is at Quebec. I do not know about it.

By Mr. Davies:

Q. Why do you think so?—A. I thought I saw it but I remember now I did not see it. It struck me that I had seen it. It covers a very late period, I guess 1890 or 1891 this last summer.

By Mr. Osler:

Q. Do you remember a period in which the bank account was changed for for some months?—A. Yes.

Q. And you went to the Bank of British North America?—Yes.

Q. They say that bank book is not produced. Did you enquire from the Bank of British North America for it?—A. I think the account was changed in the Union Bank.

Q. There was a period for which there is no bank account here. Now what have you to say about that?—A. I think it is the same period that the account in the Union Bank was changed from the name of Larkin, Connolly & Co.

Q. To whose name?—A. To Mr. Connolly's.

Q. Which Connolly?—A. I do not remember whether it was Mr. Nicholas Connolly or not.

Q. Then there was a time when the bank account ceased to be carried on in the name of Larkin, Connolly & Co. and was carried on in the name of one of the Connolly's?—A. I think so.

Q. What year would that be?—A. That would be during the missing period That is probably the time the bank account began to be in the new name.

Q. Here we have 3rd January to 31st January 1889, and after the 31st January it was carried on in the name of N. K. Connolly. Here we have up to the 22nd of January as far as deposits were concerned, the name of Larkin, Connolly & Co. Then we have the 23rd of January the account changed to N. K. Connolly., and the book is not produced. This book carries us down to the 31st of January 1889, but the next book produced commences on the 21st of May in the name of Larkin, Connolly & Co. Where is the intervening account and cheques?—A. I think the cheques are here. The stubs are here.

Q. But the bank book?—A. I thought the bank book was here. I do not know where it is.

By Mr. Geoffrion:

Q. Is it not a fact that there is a bank book from April 1886, to April 1887, missing?—A. No. It was here all the time and it was found.

Q. Is there not one pass book missing on the Union Bank?—A. No, sir.

Q. For the first part of the year 1887?—A. No, sir, it was here all the time.

Q. Is it not a fact that all the cheques from April, 1886, to April, 1887, on the Union Bank are missing?—A. There is one bundle missing. I only found it was missing when I examined them here.

Q. We searched here and found that all the cheques for one year—April, 1886 to April 1887—were missing?—A. Yes.

By Mr. Davies:

Q. Is that the bank book you supposed to be missing all the time?—A. No.

By Mr. Geoffrion:

Q. Would not that little hiatus in the book correspond with the period that N. K. Connolly obtained a contract for the gates in his name and without the knowledge of Mr. Larkin?—A. I think not. The gates were made in the summer of 1887.

After certain specific orders were given to Mr. Martin P. Connolly,

The Sub-Committee then adjourned.

THURSDAY, 16th July, 1891.

The Sub-Committee met at 3 o'clock with closed doors. Present, Mr. Girouard in the Chair.

Mr. H. F. PERLEY sworn.

By Mr. Edgar:

Q. I have just been looking through the minute book of the Quebec Harbour Commissioners just prior to the letting of the Cross-wall contract, and I find on the 9th of April, 1883, according to an entry, that a letter had been received from Mr. Ennis stating that plans and specifications have been submitted for his approval. He was then the secretary, was he not, of the Public Works Department?—A. Yes.

Q. Then I find on 21st April the entry of a letter being received from Mr. Ennis, with a copy of an Order in Council approving the plans and specifications of the Cross-wall, together with a copy of the plan as approved. Are these the plans (indicating them) that have been signed by the Harbour Commissioners, or were they the other plans?—A. Might I say to the Sub-Committee that I had nothing to do with the preparation of the plans, but they were prepared entirely by Mr. Boyd. He prepared a plan and specifications, and everything else. The specification was signed by me as the Chief Engineer of the Public Works Department. I believe

these to be the original plans prepared by Mr. Boyd. I believe them to be, because I often discussed points with Mr. Boyd relative to the plans to make watertight work.

Q. You have seen these plans?—A. Yes. No. 1 was a plan that was prepared to close the entrance either of the caisson or gates. This shows what would have to be done if we put in a caisson; but it was never acted upon.

Q. It was one of the original plans prepared, but not acted upon?—A. But not acted upon.

By Mr. Adams:

Q. It does not form part of the enquiry at all?—A. No. No. 2 was the general plan showing the general mode of construction—how the work was to be constructed and how built.

By Mr. Edgar:

Q. This is one of the original plans?—A. Yes; it is one of the original plans. No. 3 is also a plan of details and one of the originals. No. 4 the other alternative plan for the gates.

By Mr. Geoffrion:

Q. And this is one upon which the work was acted upon?—A. Yes; this is one upon which the work was acted upon.

By Mr. Edgar:

Q. This original No. 4 is one upon which tenders were asked?—A. Yes; that would be a wooden platform with wooden sill, which was afterwards turned into stone.

Q. The sill was afterwards turned into stone?—A. Yes; but otherwise the plan was acted upon. No. 5 is a plan showing the sluices. The contractors did not have to build the sluices, and this merely shows what we purposed as regards their work.

By Mr. Geoffrion:

Q. It did not form part of the contract?—A. No; except in so far as the stone had to be made of the dimensions stated, to allow us to put the sluices in.

By Mr. Edgar:

Q. Not the sluices; only the stone work?—A. Only the stone surroundings. The sluices did not form part of the contract. No. 6 is the plan of the gates.

Q. Was that the original plan?—A. I don't think it is. I would not like to say that. I don't think we prepared any plan of the gates, although it may have been copied afterwards.

Q. It may have been one of the working plans?—A. Yes.

Q. The gates—were these built separately?—A. Yes; separately.

Q. No. 6 was not in the contract?—A. No. The one marked No. 8 is a subsequent plan, showing the wooden mitre sill. That was abandoned whereby a stone sill was put instead.

By Mr. Osler:

Q. These look like a series of plans?—A. I see Mr. Boswell here; his evidence might be taken with regard to those plans.

By Mr. Edgar:

Q. We are asking what you know about them?—A. They are the only plans I know of.

By Mr. Osler:

Q. Did you sign any of the plans, Mr. Perley?—A. No.

Q. You do not identify any of the plans?—A. No.

Q. And they are Mr. Boyd's work?—A. Yes.

Q. Wherein did they differ from the Kinniple & Morris plans?—A. I don't know anything about the Kinniple & Morris plans.

Q. You never saw them?—A. Well, I saw them, but never had occasion to study them.

By Mr. Edgar:

Q. Well, was the work substantially carried out in accordance with these plans that you saw?—A. So far as I am aware, the work was carried out in accordance with these plans.

Q. Except in the item you mentioned?—A. Except in the substitution of the stone mitre sill for the woooden mitre sill.

By Mr. Osler:

Q. What was done to your knowledge, apart from that which would be within Mr. Boyd's knowledge, as to estimating the quantities which these plans and specifications would take, having regard to your letter to Ennis of the 23rd of May, 1882, in which you say: "I have to report that I have examined the three tenders for Harbour Works at Quebec, forwarded to the Department by the Secretary of the Harbour Commissioners in his letter of the 2nd of May, and hereinwith enclose schedule showing the estimated amounts of the different kinds of work executed, to which have been applied the prices named in these tenders, for the purpose of determining the relative value of the said tenders, which are as follows." Now, can you tell me who prepared the estimated amounts of the different kinds of work to be executed?—A. Mr. Boyd.

Q. Was that prepared under your supervision? Did you have a personal knowledge?—A. I took no personal knowledge of the plan; everything was left in his hands.

Q. And you could not say whether those quantities were correct or not from anything that you did?—A. I could not say.

Q. You were writing here as Chief Engineer? You know the letter, of course?—A. I know the letter.

Q. And what you say is that the schedule which you then had in your office as Chief Engineer, was entirely prepared by Mr. Boyd?—A. Yes, sir.

Q. And is probably, I suppose, the schedule you have now before us—a schedule moneying out the tenders.

Mr. EDGAR—I was told that was Mr. Boyd's handwriting?—A. Yes, the whole schedule is in Mr. Boyd's handwriting.

Q. Quantities and all?—A. Yes, all that is not printed, and all except a few red figures. Those are mine.

Q. Those were the changes by Beaucage?—A. Yes, by Beaucage. There are other figures of mine; the additions are my figures.

By Mr. Davies:

Q. The addition of the columns?—A. Yes.

By Mr. Edgar:

Q. You made the additions and checked them?—A. I made the additions and checked them; I did it in pencil.

Q. How did you arrive at the quantities in the first column?—A. The quantities of work to be done? I did not arrive at them at all; they were done by Mr. Boyd.

Q. You took them individually from Mr. Boyd?—A. Yes.

Q. Did you cause no measurements to be made or estimates?—A. None.

Q. Did he submit to you any detailed statement of the estimate of quantities?—A. None; I never saw them.

By Mr. Osler:

Q. Do you know how the quantities of earth-filling would be so largely increased —the difference between the amount that we find in the schedule working out the tenders, I think some 80,000 yards, and the amount we find under the final estimate, which is 191,000 yards? Did it come to your knowledge at all, or how can you give the Committee any idea how that large increase came about?—A. I cannot; I might state to the Committee that I never had anything to do with the cross-wall at all in any way than the Chief Engineer of the works. I was merely, perhaps a few times during the year in Quebec, perhaps once a month, taking a general look at it and knowing the work that was going on. As to the amount of work that was being done I knew nothing, and I never asked.

By Mr. Edgar:

Q. I think you signed the estimates?—A. The estimates came to me; I don't know whether I signed them during Mr. Boyd's lifetime or not.

Q. The final estimates?—A. The final estimate is signed by myself; the progress estimates were prepared by the resident engineer in charge, and I was simply handed the certificate sheet on which my name appeared; but how the details of that certificate were made up, were not sent up to me at the time.

Q. You assumed the measurements to be correct?—A. I assumed the measurements were correct.

By Mr. Osler:

Q. It is no part of a Chief Engineer's business to keep measurements unless he has reason to suspect there is something wrong?—A. No, sir, it was not my business to have done it.

By Mr. Edgar:

Q. You did not notice the discrepancy between the amount and the final estimate?—A. I would never notice, and never saw the final estimate or the total quantities, to my knowledge. I would have had to carry in my memory all the quantities used in moneying out the schedule. That I don't know we ever had.

Q. You noticed the total, which was all you had to certify to. How is it you do not recollect the original amount? Did you not recollect what the original amounts were—did you not notice it was nearly $200,000 higher at the end?—A. No; for I had no knowledge of what it would money out to.

Q. You told us just now, I think, that you added up those figures?—A. That I did in 1883, and I had forgotten that in 1889, when the final estimate was given.

By Mr. Osler:

Q. And you could not suggest at all how we come to have more than double the amount on concrete—the difference between the schedule tender and the final estimate?—A. I never knew that that existed until I read the papers. That is the first intimation I had of it.

By Mr. Davies:

Q. Do you mean the newspapers?—A. Yes; the newspapers. I might state that the plan shows the concrete resting exactly on the bottom; but if I mistake not a very large amount of concrete had to be placed under the cribs, owing to the currents created, and the sand being washed out. I know that we put a great deal of concrete under the cribs, a great deal of which had to be bagged.

By Mr. Osler:

Q. From the nature of the soil, and the currents discovered during the progress of the work?—A. Yes; during the progress of the work.

By Mr. Davies:

Q. Are you speaking from actual knowledge of your own?—A. I know these bags were put down, and they were put down by a diver. I speak of the bags being put down, from seeing them put down and knowing that a diver was at work.

Q. You speak from what you were told by whom?—A. By Mr. Boyd and Mr. Boswell.

Q. Have you any personal knowledge yourself?—A. No man, unless he was a diver, and had a personal inspection or overseeing, could speak as to the nature of the quantities that were put down. It may have been that when the bags were being put down there was a gap beneath, and a solid wall had to be made, so that when the concrete was down we would not lose it.

By Mr. Edgar:

Q. Do you know of any circumstances which would materially alter the quantity of crib work?—A. I don't know of any.

Q. Do you think there were any?—A. I don't know of any.

Mr. St. George Boswell sworn.

By Mr. Osler:

Q. What was your position with regard to these Quebec Harbor Works?—A. I was assistant engineer for a great part of the time.

Q. Commencing when?—A. In 1877, until Mr. Boyd's death.

Q. Commencing in 1877 and continuing as assistant engineer until Mr. Boyd's death?—A. Yes.

Q. When?—A. I was appointed Resident Engineer.

Q. When you succeeded Mr. Boyd?—A. Yes.

Q. So that you have been in a professional capacity connected with these works from the beginning?—A. Yes.

Q. When did Boyd die?—A. In 1886 I think.

Q. Did he continue in charge of the work until he died, or was there an interval of sickness?—A. No, he continued until two or three days before his death.

Q. He died suddenly?—A. Yes, he died suddenly.

Q. Speaking of the cross-wall, we want to get at the contract plans which were exhibited to the tenderers, and on which the contract was made?—A. I knew nothing at all about the contract until it was signed and everything settled and Mr. Boyd came to the office with the plans. These are the only plans I ever saw until we prepared others in the office—working plans.

Q. Of course there would be detail plans from time to time?—A. Yes, certainly.

Q. Were the plans marked No. 1 to 6, the plans on which the work was executed?—A. Yes, that was the general design.

Q. These (indicating them) were the foundation plans?—A. Yes.

Q. Then from time to time you would work out the details, perhaps with some little alterations. Where would those plans be?—A. They would be here somewhere: I sent them up.

Q. All the plans shewing the details and alterations were sent up by you?—A. They were, sir. There were a few little details about the iron work about the gates, which I did not send.

Q. You were the officer sending the plans to the Committee?—A. I was, sir.

Q. Then we have here, in the possession of the Committee, these six sheets, and any variations that had been made?—A. You have all the plans that were used in the execution of the work.

Q. Do you know of the preparation of a schedule of quantities prior to the tenders being called for?—A. No, I do not.

Q. Did you know of Mr. Boyd's making out schedules of quantities and working out and comparing the tenders?—A. No.

Q. You did not aid him in that work?—A. It was all done when he was up here.

Q. He came up here and that was done here?—A. Yes.

Q. Do you know of the existence of any estimated quantities prior to Mr. Boyd's coming up to Ottawa to work out the tenders?—A. No.

Q. Did you ever hear of their being in existence?—A. Never.

Q. Then did you afterwards know that Mr. Boyd had made a schedule of quantities, in comparing the tenders?—A. No, I did not. I knew somebody had.

Q. Did you see the document?—A. No, I never did.

Q. Then you do not know what quantities there were?—A. No.

Q. Was there any document in the Engineer's office at Quebec, showing the quantities, or the supposed quantities?—A. Yes. There have been estimates made from time to time, by showing what the probable cost of the work would be.

Q. Where are those estimates?—A. They are in Mr. Boyd's letter book.

Q. Where is that?—A. I could not tell you, sir.

Q. Did he take his letter book away?—A. No; I sent it up here.

Q. Those estimates are in Mr. Boyd's letter book, which was amongst the other papers sent up here, and those letters of his would contain the estimates of the quantities. Are they the only documents?—A. They would be his views of the quantities at particular times.

Q. Did you help prepare them at all?—A. No, sir.

Q. Were there any sketch plans before the contracts were made, on which these quantities got up by Mr. Boyd would be based?—A. I saw a rough book of calculations amongst his papers, but whether they were the ones used in making up the schedule I cannot say.

Q. Can you point out that book here?—A. It is in Quebec. I telegraphed for it but I cannot say what is in it. I have not looked into it; but there are calculations made by him.

Q. That will be here, perhaps, to-morrow.—A. It ought to be here to-morrow.

Q. What changes were made in the carrying on of the work, by which the work executed differed from the work appearing in the plan?—A. Well, the only essential change was in the entrances to the work. They were increased in depth from I think, 15 to 18 feet below low water, and stone mitre sills were put in instead of timber ones, and the bottom was paved with masonry.

Q. What change would there be, if any, that doubled the amount of concrete to be found in a final estimate as compared with the schedule on which the tenders were worked out?—A. I don't think there would be any change that would have doubled the quantity.

Q. Well, was there any change which would increase the quantity?—A. Yes; as I say, there was a change from 15 to 18 feet which would most decidedly increase the quantity.

Q. To what extent would that increase it?—A. Well, that I never calculated.

Q. Was there any other change? Is it suggested by Mr. Perley there had to be an excavation below the line originally intended—that is at the bottom of the line of the contract there had to be an excavation and a greater depth of concrete placed?—A. No; as a matter of fact there was a little more concrete because the dredging could not be done so correctly as to fit the bottom of the crib, but that was only a matter of a couple of feet or so which was filled up, as Mr. Perley said, by bags of concrete.

Q. That would be simply irregularities in the excavation?—A. That was all. It was not a contemplated change.

Q. Did the irregularities in the excavation occasion the use of more concrete than the straight line of the plan would show?—A. Certainly.

Q. That is all you think?—A. Yes, sir.

By Mr. Edgar:

Q. Materially large?—A. Well, as I say I have never calculated. Nothing that would double the quantities.

By Mr. Davies:

Q. Give us some approximation?—A. I could not tell without calculation.

By Mr. Osler:

Q. Is there anything else? You have suggested two methods by which the concrete would be increased, and as to which you cannot give me any estimate of the extent of the increase at present?—A. No; I cannot.

Q. Was there anything else that would increase the volume of concrete?—A. No; I don't know of anything else.

Q. What other changes were made? The mitre sill of the entrance as suggested additional concrete?—A. That is what I say.

Q. Now, give me any other changes that were made?—A. There were no other material changes made that I can think of.

Q. No changes in cribbing?—A. I cannot say there were no changes because there were no plans of the work. You see when there is no plan amongst these of the stone wall, and I dont know what the stone wall figured in the original schedule.

By Mr. Edgar:

Q. That is masonry?—A. Yes.

By Mr. Osler:

Q. There is no section plan shewing the thickness of the wall?—A. No.

Q. But the specifications will shew that?—A. They may.

Q. Are there any working plans that would shew it?—A. Yes, but they were made after this schedule was got up.

Q. So far as a section of the wall was concerned we will have to depend upon the description in the specification and if not there it was supplied by working drawings afterwards?—A. Yes.

Q. Well what material would there be, from which Mr. Boyd could figure the quantities?—A. Well I did not notice in the book I sent for. He has some outline sketches, or something. I don't know what he based his calculations upon.

Q. Were you the engineer to measure the quantities?—A. Yes, as the work was done.

Q. And were the progress estimates founded on your measurements?—A. To a certain extent, Mr. Boyd made calculations of his own, and I handed him what I considered to be the correct quantities which he used.

Q. He used your estimates?—A. He used his own estimates, or mine, whatever he seemed to think correct.

Q. You were then in charge?—A. Yes.

Q. And the final estimate was from your own estimates?—A. Yes, except as far as it was a repetition of what Mr. Boyd already allowed. I did not alter anything he had allowed; I just carried on from where he left, that is all. I did not re-traverse any work he had done.

Q. Yes, but ordinarily speaking—perhaps not in this work—we find the final estimate is not at all based or may not be based upon the progress estimates that have gone before but is on a review of the whole work?—A. Certainly.

Q. Was there a review and measurement of the whole work?—A. No. I was satisfied that the measurements were correct enough, but where there were any little discrepancies, or where he had made certain allowances I left it alone.

Q. Have you details of the way in which you got at the final estimate?—A. Yes.

Q. Where are they?—A. They are here.

Q. What shape are they in, have you got them in a book or are they papers?—A. They are in a book.

By Mr. Edgar:

Q. Was there anything you know that would materially increase the crib work—the quantities of the crib work—from what is shewn in these plans?—A. No, they increased the depth to a slight extent, but only very slight.

Q. It was a partial increase of crib work?—A. Yes.

Q. Do you know anything that would materially increase the earth filling from what is shown there?—A. It is not shown here at all. I could not calculate from that.

Q. The crib work could be calculated from it?—A. Approximately.

By Mr. Osler:

Q. Can you explain how we find in Mr. Boyd's schedule 80,000 yards, and in your estimate of final quantities 191,000 yards of earth filling?—A. No; I cannot explain it.

Q. Have you got anything else in that book of Mr. Boyd's which shows how he got at that 80,000 yards?—A. No; because he had allowed, I think, 90,000 when the work was half done, in his estimate.

By Mr. Edgar;

Q. As still to be done?—A. No; he allowed 90,000 when the work was not more than half done.

By the Chairman;

Q. It was not more than half done, you say?—A. It was not much more than half done, when he allowed, I think, 90,000 yards.

By Mr. Edgar:

Q. Was that when you took it up?—A. Yes; when I took it up.

By Mr. Osler:

Q. Have you any suggestion as to how that could have occurred?—A. None whatever.

By Mr. Davies:

Q. When Mr. Osler put a question to you a moment ago, you said that in making up your final estimate, you did not re-traverse any of the work of Mr. Boyd's. How in the world did you make up your final estimate if you did not do that?—A. I accepted what he had done and went on; I had no right to alter anything. I am merely stating what I did as a matter of fact.

By Mr. Osler:

Q. When re-measuring the whole of the yardage, or units, he had already certified to other progress estimates. He took these progress estimates as final in the amounts, and added to that what had been performed from the last progress estimate?—A. As to the filling, I did go over it from the very beginning. I re-traversed the filling and went over the whole thing myself.

Q. And you knew what?—A. I know the exact quantity that actually went in is what I allowed there.

By the Chairman:

Q. Did you find your figures did not agree with the last estimate of Mr. Boyd?—A. I cannot tell you exactly.

Q. Did you not find any difference between your findings and his findings?—A. I could not tell that. I could not tell at what condition the filling was when he

allowed these 90,000 yards, but I started from the beginning and went right on to the end.

By Mr. Davies:

Q. This is an exception to the general statement?—A. It is an exception to the general statement, because I could not arrive at it in any other way.

By Mr. Edgar:

Q. You were his assistant all this time?—A. I was one of his assistants.

Q. Have you any reason to suppose that during the time he was alive and acted as resident engineer fresh bills of quantities were put in these?—A. No; I am certain there were not.

By Mr. Osler:

Q. Who were the other assistants to Mr. Boswell?—A. There were Mr. McGreevy and Mr. Langevin.

Q. Were their figures taken at all?—A. I don't think so.

Q. Are you above them?—A. I was, yes.

Q. You were over them?—A. Yes.

Q. What details did they work at?—A. Mr. McGreevy used to take the returns of dredging, and then I took them and checked them.

By Mr. Edgar:

Q. And Mr. Langevin, what is his duty?—A. He was employed on the south wall.

Q. Not on this?—A. No.

By Mr. Osler:

Q. And you had inspectors on this cross-wall?—A. Yes, sir.

Q. And how far did you rely upon their reports to you of work, or were they merely inspecting, and seeing the details of your instructions were carried out?—A. They made returns as to the number of barrels of cement used, of the number of boxes of concrete put down, and the estimates were based largely on these returns, which were checked, for the actual quantity in the crib.

Q. Then you had to depend upon the inspectors to a great extent for the concrete?—A. On the inspectors' return, yes.

Q. Did you yourself check the quantities in the crib?—A. Mr. Boyd allowed the accounts; it was done in this time.

Q. How far would the engineer depend upon the inspector's return as to the quantities of concrete?—A. I think as long as there was no discrepancy between the calculated quantity and the returned quantity, he took what was returned.

Q. Then there would be a calculation of quantity before the engineer?—A. Certainly. He knew what he had to go on.

Q. Well, where would we get the details of that?—A. You will have them in Mr. Boyd's book of calculations. I think there are some in this book here, and I calculated myself.

Q. That is what you took, the new area of the space to be filled and the inspector's return, and having those, you took the inspector's return. If there was a discrepancy what did you do?—A. They went for the inspector.

Q. Did you pay the contractor?—A. As a matter of fact the concrete was paid for by Mr. Boyd, who made an average of what he thought a barrel of cement should make, the number of yards it ought to make—814, I think, to a yard of concrete—and these barrels were all counted and the returns made, and then he simply multiplied the number of barrels by the constant by the number of cubic yards of concrete.

Q. You measured the concrete by counting the number of empty barrels ?—A. By counting the full ones. We would count the full ones in the morning and the full ones at night, and the difference between them was amount used.

Q. Then your yardage of concrete was really a matter of calculation based upon the cement used ? That was then for your progress purposes ?—A. That was used throughout.

Q. And it was on that your final estimate was based ?—A. Yes.

Q. Your final estimate is not then based on the measurement of concrete, but the barrels of cement used ?—A. Yes.

Q. Who counted the barrels ?—A. The inspectors.

Q. What were their names ?—A. One was named Mr. John Dick, one E. J. Millan, I think, another Joseph Lachance, and Richard.

By Mr. Edgar :

Q. Here is a copy of the contract for this work, and the printed specifications annexed to it ?—A. I think that comes from our office.

Q. From these specifications, together with these plans, could you not form a pretty good estimate of most of the quantities ?—A. Yes, a good many of them.

Q. Tell us what ones you know ?—A. It is so long since I inspected it, that I don't know really what is in it.

Q. Does this show the filling in ?—A. No, sir ; you have not the original surface of the ground. The cribs were 150 feet below, with long spaces between. One crib stood here, another there ; the spaces between them was not filled.

Q. Would not the distance between the cribs be there exactly ?—A. Yes, but we don't know the surface of the ground.

Q. That is, assuming the bottom was varied there might be a difficulty, but assuming there was no difficulty at the bottom, that it was an ordinary even bottom, there would be no difficulty ?—A. If it was.

Q. Well, on the assumption that the bottom was even, the quantity of filling could be approximately calculated ?—A. The masonry would be the most difficult.

Q. I want you to tell me the larger quantities ?—A. Masonry is one of them. I do not see any dimensions here for the wall, and without them it would be impossible to calculate the quantities.

Q. Is the masonry there referred to not sufficient data ?—A. It does not give, as far as I can see, the size of the wall at all.

Q. Then as to concrete, looking at the plans and specifications ?—A. I could calculate the quantities, unless there were changes. That is approximately.

By Mr. Davies :

Q. The only thing you cannot calculate would be the filling in ?—A. Yes.

By Mr. Henry :

Q. Do you remember how far apart the inner sides of the cribs were ? What was the breadth of earth-filling to be performed ?—A. I can tell you that exactly, I think. Ninety-five feet—that is between the backs of the cribs.

Q. Would that be ninety-five feet of earth-filling ?—A. It would be more than that.

Q. I am asking you from the inner sides ?—A. There is ninety-five feet from the back of the cribs of the wet dock and the back of the cribs in the tidal harbour. The cribs themselves would have to be filled as well.

Q. There were trenches dredged for the cribs to rest in ?—A. Yes.

Q. Was it not assumed that there would be a hill or ridge above the level of the bottom of the cribs of the original earth remaining ?—A. Between the two trenches ? There might be.

Q. Would it not be natural to assume it ?—A. You might assume it. Theoretically, it would remain there. As a matter of fact, in practice it did not.

Q. As a matter of fact, it did not remain there at all?—A. No.

Q. So the earth filling was extended right down to the bottom of the cribs. Can you tell us whether, in making an estimate of the amount of earth filling, it would not be assumed that what you have just stated would be the case?—A. That would depend upon the man who made the estimate.

Q. If the material were clay, for instance, probably there would be less filling to be accomplished than if it were sand?—A. I do not know.

Q. It would not be so easily affected by the currents?—A. Some clay would be worse than sand.

Q. It would depend on the nature of the material?—A. Altogether on the nature of the material.

Q. Good solid material would dispense with a large amount of earth filling?—A. Certainly.

Q. As to the quality of the material and its liability of washing away or remaining, there would be room for a great deal of speculation on the part of the engineer making the estimate, as to the amount of earth filling to be performed?—A. Yes; if he was unfamiliar with the character of the material.

Q. As a matter of fact the earth filling had to be carried down to the bottom of the cribs?—A. As a matter of fact it was.

Q. You do not know whether it was estimated to that point?—A. Judging from the quantity I should certainly say it was not.

Q. It was not anticipated that the filling would extend to that depth?—A. No.

By Mr. Osler:

Q. You have the measurement of the sections there?—A. I have, showing the exact quantities of the whole thing.

Q. Take the excavating for the cribs in the material you had there, would that excavation in the ground occupied by the cribs structure require more filling than the cribs structure and its contents would show? Have you, in other words, to allow for the slope of the bank externally?—A. That is, for the dredging? Certainly.

Q. Has that to be filled?—A. It has to be refilled.

Q. So if you take the area of the crib as the area to be filled that would be erroneous?—A. Certainly.

Q. You have to provide for the slope which might be in that water as two is to one?—A. Two to one would be a fair allowance.

Q. You have the whole area, which would be shown by a slope of two to one externally, to be refilled?—A. Yes, certainly, under the best possible circumstances. But as a matter of fact that ridge you are making there was taken away and refilled—taken away during the dredging and had to be refilled.

Q. That would not only refer to the area between the cribs but to the whole surrounding?—A. Yes.

Q. You excavate your hole for the use of the crib and in excavating you have a slope of two to one all around?—A. Yes.

By Mr. Davies:

Q. From the way you speak it is evident these facts were common knowledge to all engineers before the crib excavations were made and the cribs put down. You knew the crib had to be put down in that way?—A. Certainly.

Q. And any man would make allowance in making an estimate?—A. That would depend on the man.

By Mr. Edgar:

Q. Taking these figures as they are here in the specification, in making a calculation of the earth filling, would you yourself make allowance for these slopes that you talk of outside of the mere filling?—A. Certainly.

Q. Mr. Boyd had experience enough to know that?—A. He was an intelligent man and I have no doubt he based his estimate on what he thought was necessary.

Q. But you would make that allowance?—A. Certainly.

Q. From these figures you could arrive at a fair approximate estimate?—A. I see these figures were not as the actual work was done.

Q. I do not refer to the work as it was done. If you were estimating for this earth-filling to be done, could you, by making an allowance, such as you have spoken of—could you, with these facts given you, make an approximate estimate of the quantity of earth?—A. Not without knowing to a certain extent the original surface of the ground.

Q. With a knowledge of the surface of the ground you could make a fair approximation?—A. A very fair approximate.

Q. It was not a serious matter to take levels there?—A. No. Mr. Boyd might have known the surface or he might not.

By Mr. Davies:

Q. Were there special inequalities in the soil?—A. I merely say I do not know whether Mr. Boyd really knew the surface or not. If he did not, he could not have fairly arrived at the quantities.

By Mr. Henry:

Q. You remember how the dredging was provided for in making room for these cribs in this contract?—A. That was another contract—a separate contract.

Q. Not in the same?—A. No; separate altogether.

Q. Which contract was it done under?—A. The dredging contract. You must have a copy of it here.

MICHAEL CONNOLLY (re-called).

By Mr. Osler:

Q. On the 10th of July it was ordered that you forthwith produce and lay before the sub-Committee your personal books of account, distinguished from that of the firm—bank books, cheques, stubs, notes, drafts and all other documents and papers bearing on the question under inquiry. What have you got to produce?—A. I never had any personal books; never kept any.

Q. Did you keep a separate bank account?—A. I had a bank account in Quebec for a time, but I had no bank book.

Q. What bank was it?—A. The Bank of British North America.

Q. You had a deposit account?—A. Just a deposit account. I never had any cheque-book or bank-book.

Q. You got your cheques back?—A. I think I did

Q. What year was that in?—A. I think that was in 1887 or 1888—a portion of 1888.

Q. Do you produce those cheques?—A. I did not know that I was asked to produce them until to-day, and when Martin Connolly was leaving for Quebec I asked him to go to the bank and get a copy of the account.

Q. You instructed Martin Connolly to bring that account with him. Have you any other papers—any papers or diaries or memorandum books?—A. There must have been some office diaries. I do not know whether they came up from Quebec or not.

Q. I am speaking of your personal matters?—A. I have none.

Q. What about drafts or notes?—A. I have drafts and notes, but none pertaining to this enquiry.

Q. Any drafts or notes between the parties named or who have been named in evidence?—A. Not that I remember of.

Q. Any pocket diaries showing transactions?—A. No.

Q. Have you none of those?—A. There may be some pocket diaries, but there are no entries in them relating to this matter.

Q. Where are they?—A. I do not know. When I was in British Columbia I think I kept a little memorandum book; that is all.

By Mr. Geoffrion:

Q. You say you have memorandum books but the entries do not relate to this investigation?—A. I say I had office diaries when I was in British Columbia, and when we were in Quebec I kept an office diary.

Q. Are they still in existence?—A. I do not know. I did not destroy them.

Q. You do not know where they are?—A. I do not.

Q. Aside from the office diaries, have you personal diaries. Where did you leave them?— A. They must have been left in the office.

By Mr. Edgar:

Q. Where are they?—A. I left them there.

Q. You have none at your private house?—A. I do not think I have.

By Mr. Geoffrion:

Q. Have you in your office your private place in the vault or otherwise?—A. I think not.

Q. Even your private memorandum books would be amongst the books of the firm?—A. In fact all my accounts and whatever I wanted in money was drawn from the general fund of the firm.

Q. Your own personal account would be kept by the book-keeper of the firm?—A. Yes.

By Mr. Edgar:

Q. What did you do with the money you drew out of the firm for your partnership. Where was it deposited?—A. Some in this bank.

Q. Where was the rest?—A. In the Union Bank.

Q. You had an account there too?—A. Never any running account, just a deposit account.

Q. Did you leave it there or take it out?—A. It is all there. There was some drawn out for one little transaction in stock. I paid Murphy for 250 shares of stock I bought from him.

Q. The money that you drew from the firm for any purpose whatever, what did you do with it?—A. All the money that I drew was deposited in each of these banks.

Q. For yourself?—A. Yes, either in the Union Bank or Bank of British North America.

Q. Are you getting copies of those accounts?—A. There is nothing to be brought from the Union Bank except a certificate of deposit.

Q. You only deposited there once?—A, My brother deposited several times in my absence, and he came to the relief of the Company in my absence. He deposited it in my name when the Company paid it.

Q. All the rest of the money except what was in the Union Bank that you got from the firm, you deposited where?—A. The Bank of British North America.

Q. Where is your bank book?—A. Never had any.

Q. Have you ordered any, or shall we have to bring up the account?—A. I instructed Martin P. Connolly to call at the bank and get a copy of the bank account.

By the Chairman:

A. Did you tell him to go to the Union Bank?—A. I have certificate of deposit there with me. Whatever money my brother drew out was for the business of the firm during my absence.

Q. Give instruction to Martin P. Connolly to get a copy of the account with the Union Bank—your private account.—A. All right.

By Mr. Edgar :

Q. Did you have any private account here in Ottawa ?—A. No.

Q. In British Columbia ?—A. No private account, only the firm had an account there. I think the account in British Columbia was opened in my brother's name.

Q. Did you keep any pocket memoranda ?—A. Yes, I used to keep my incidental expenses. I would not be certain, but I think it must be at Kingston. The others must be here.

Q. Will you look here ?—A. Yes.

Q. I suppose you never kept copies of letters you wrote ?—A. No, except official letters.

Q. Have you any letters sent to you by your partners ?—A. I had letters.

Q. Have you them now ?—A. No.

Q. Where are they ?—A. Destroyed.

Q. When ?—A. Very soon after I received them. I never kept those things. I never cared to bother myself with those things. Those letters that came from Murphy I generally burned them.

A. H. VERRET (re-called).

WITNESS—I believe I made a mistake in my evidence this morning. I made a statement that I thought there had been a plan signed with that contract. I would like to see the contract now to see if there was a plan or drawing with it. There is none, it seems. Then I made a mistake. There were so many contracts.

By Mr. Davies:

Q. You were under the impression that you had signed the plans, and now you think, on seeing them, you did not sign them ?—A. I believe there was no plan attached to the contract.

The Sub-Committee then adjourned.

COMMITTEE ROOM,
THURSDAY, 23rd July, 1891.

The Sub-Committee met at 3.30 p.m., with closed doors. Present: Messieurs Girouard (in the Chair), Davies and Edgar, also Messrs. Geoffrion, Henry, Stuart, Hyde, M. Connolly, Cross, Laing, one stenographer and two clerks.

Mr. W. H. CROSS, sworn.

By the Chairman:

Q. You are one of the accountants engaged in the work of inspecting the books of Larkin, Connolly & Co?—A. Yes.

Q. These books have been placed at your disposal?—A. Yes.

Q. Without sealing any of the pages?—A. All pages open.

Q. How much more time will you require at these books before making your report?—A. For the purpose of the books alone a very short time.

Q. What do you call a short time?—A. A few days.

Q. You will then be through them?—A. I think so.

Q. Suppose any member of the General Committee wished to look into these books now, could it be done without interfering with your work?—A. It would interfere with the work we are doing just now.

By Mr. Edgar:

Q. But after this week it would not?—A. No.

By Mr. Osler:

Q. Is there anything in these books which relates to any other business except the matters that are being enquired into by the general Committee?—A. I think so.

Q. Business of the firm which has to do with their works other than those being enquired into?—A. I think so. The books presented to us are an adjustment since the 1st of April, 1889. Perhaps it is the 31st of January. It is one or the other—I think, perhaps, it is the 31st of January. Then looking at the minutes received from the Harbour Commissioners, we find that further work was done during 1889, and the works for the Harbour Commission closed in 1889. These books which we have before us carry on their operations in 1890; but we have only one book which relates to these works.

Q. What works?—A. Other works.

Q. They are accounts of other works?—A. Entered in one book only—one of the four books which is called Q.H.I. It is the ledger.

By Mr. DAVIES.—We propose that since Mr. Cross cannot allow Martin P. Connolly to have access to these books, that Martin P. Connolly should go through them and select certain pages which he thinks ought to be closed, and then have these pages submitted to us.

By Mr. Edgar;

Q. Would it materially interfere with your work within this week if Martin Connolly looked over the books for that purpose?—A. I would rather Martin Connolly finish with us the work we are doing. We are going through the books with him for the purpose of obtaining information. He is interpreting certain marks which appear in the books and which we do not know anything about.

The Sub-committee then adjourned.

FRIDAY, 24th July, 1891.

The Sub-Committee met with closed doors at 2.30 p.m. present; Messieurs Girouard in the (Chair) Adams, Davies and Edgar also Messrs. R. McGreevy sen, McGreevy jun., and Michael Connolly.

MR. MICHAEL CONNOLLY re-called;

By the Chairman:

Q. Have you any more papers to produce before the Sub-Committee?—A. I have one. I now produce a copy of my bank account with the Bank of British North America at Quebec.

Q. Have you anything else to produce?—A. Nothing else.

Q. All your papers have been produced?—A. So far as I know, all the papers have been produced before the committee or the accountants.

By Mr. Geoffrion:

Q. Did you have any private diaries? A. If I had they were produced. My diaries were field books in British Columbia—they are all here.

MR. ROBERT H. MCGREEVY re-called;

By the Chairman:

Q. Have you anything to produce, Mr. McGreevy?—A. I produce the diaries referred to in my examination this morning before General Committee. They are five in number—1883,-4-5-6-7.

By Mr. Osler:

Q. I am told in the litigation now pending. in one of these suits, which one I do not know, that you gave evidence that you had two diaries for each year. I do not know anything of this of my own knowledge but this statement of yours is said to be on record. I have not verified it at all. Do you remember the occasion of your being asked that question; do you remember if it is so?—A. If I said so, it must refer to those diaries as my private diaries and the blotters as the other diaries. I do not think I made any statement, to my knowledge, that I had two sets of diaries, taken in the sense of diaries.

Q. A business diary and a private diary I am told appears in your evidence. I am only drawing your attention to what I have been informed?—A. I had not two sets of diaries and do not recollect replying in that sense which you might perhaps take it or the others. I have this set of diaries which I call private diaries —pocket diaries. The other—if I referred to any—must have been my blotter.

Q. You had some papers in your satchel—a variety of papers that Mr. Geoffrion did not call for? What are those papers?—A. They are all private memorandas pertaining to works connected with the southwall.

Q. And other works?—A. Yes.

Q. Memoranda made at the time or compiled recently to refresh your memory? —A. Made at the time.

Q. Those would be important?—A. If there is anything important in them I will give them.

By the Chairman:

Q. I think you had better produce them.—A. It may help you if I state that I have here an extract from the diaries of what relates to the subject under investigation.

Q. In other words the diaries have been gone through and for these years these are the references which bear upon this inquiry?—A. Yes.

Q. Who has checked this over; is it your work, Mr. McGreevy?—A. Yes. Here are the papers just asked for by Mr. Osler. I have no objections to the committee seeing all the diaries. All that I want is to keep them from the counsel who have anything to do in connection with the suits now pending in Quebec.

By Mr. Davies:

Q. You have gone through all these diaries and made this abstract from them? —A. Yes.

The Sub-Committee then adjourned.

1891.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
A	Aug. 17, '78..	CONTRACT of Larkin, Connolly & Co., for the building of the Graving Dock at Lévis; and supplemental contract for the completion of the Graving Dock at Lévis, dated 23rd June, 1884.
B	Dec. 21, '86..	TENDER of McCarron & Cameron for the construction of works on the southern side of the Louise Basin.
C	.....	ENVELOPE containing Exhibit "B."
D	Dec. 21, '86..	TENDER of Michael Connolly for the same work.
E	.....	ENVELOPE containing Exhibit "D."
F	Dec. 21, '86..	TENDER of O. E. Murphy for the same work.
G	.....	ENVELOPE containing Exhibit "F."
H	Feb. 16, '77..	CONTRACT of Gallagher & Murphy for the building of the South Wall, Quebec Harbour.
I	.....	ENVELOPE containing accepted tender for South Wall.
J	Oct. 29, '87..	CHEQUE of O. E. Murphy to order of N. K. Connolly for $25,000.
K	Oct. 31, '87..	RECEIPT from O. E. Murphy to Sec'y of Har. Com. for certificate of deposit No. 0481, amounting to $25.627.67. (Printed on Page 10 of the Evidence.)
L	Oct. 27, '87..	LETTER from Thos. McGreevy to Mr. Verret, respecting Mr. Murphy's cheque. (Printed on Page 11 of the Evidence)
M	.....	ENVELOPE containing Exhibit "L."
N	Mar. 13, '91..	LETTER from O. E. Murphy to James Woods, *re* return of cheque for $25,000. (Printed on Page 11 of the Evidence.)
O	Mar. 31, '90..	LETTER from Larkin, Connolly & Co., *re* return of security cheques for different contracts—(figures in margin). (Printed on Page 12 of the Evidence.)
P	Feb. 23, '91..	LETTER from J. Woods to O. E. Murphy, *re* return of security cheques for South Wall. (Printed on Page 12 of the Evidence.)
Q	July 31, '83..	REPORT of Special Committee of Harbour Board, *re* settlement of accounts with Messrs. Kinipple & Morris.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
R	Aug. 23, '75..	LETTER from Messrs. Kinipple & Morris, *re* services for harbour improvements.
S	July — '82..	ENVELOPE containing Exhibit "T."
T	July -- '82..	TENDERS received by Har. Com. for dredging in connection with the harbour works in the River St. Charles; for closing the opening on the inside end of the Princess Louise Embankment, and for completing junction with the gas-house wharf.
U	July 7, '82..	SCHEDULE of tenders received by Har. Com. to do certain dredging and timber work.
V	July 10, '82..	LETTER from Sec'y Har. Com. to Fradet & Miller, informing them that their tender will be accepted, provided they make cash deposit of $10,000, &c.
W	July 11, '82..	LETTER from Sec'y Har. Com. to Poupore & Charlton, informing them that their tender for closing the opening on the inside end of the Princess Louise Embankment will be accepted, provided a cash deposit of $3,000 is made, &c.
X	July 12, '82..	LETTER from Geo. Beaucage to Sec'y Har. Com., requesting to be allowed to withdraw his tender for dredging in connection with harbour works and for closing opening on the inside end of the Princess Louise Embankment.
Y	July 12, '82..	LETTER from Poupore & Charlton to Sec'y Har. Com., acknowledging receipt of letter of 11th inst., and stating that they are willing to comply with the condition imposed of a cash deposit of $3,000, provided they be allowed to amend their tender.
Z	July 14, '82..	LETTER from Sec'y Har. Com. to J. E. Askwith, informing him that Commissioners are prepared to accept his tender, provided he makes a cash deposit of $10,000, &c.
A1	July 14, '82..	LETTER from Sec'y Har. Com. to Larkin, Connolly & Co., informing them that Harbour Commissioners are prepared to accept their tender for closing the opening of the Princess Louise Embankment, provided they make a cash deposit of $2,000, &c.
B1	July 17, '82..	LETTER from Sec'y Har. Com. to Geo. Beaucage, acknowledging receipt of letter of 12th inst., and informing him that request made by him for withdrawal of his tender has been granted.
C1	July 17, '82..	LETTER from Larkin, Connolly & Co. to Sec'y Har. Com., transmitting cheque for $2,000 deposit for the due performance of their contract.
D1	July 17, '82..	LETTER from Sec'y Har. Com. to Poupore & Charlton, acknowledging letter of 12th inst. *re* deposit of $3,000, and informing them that their request cannot be complied with.
E1	July 21, '82..	TELEGRAM from Sec'y Har. Com. to Larkin, Connolly & Co., requesting to be informed whether they are prepared to make cash deposit of $10,000 in the event of contract for dredging being awarded them.
F1	July 22, '82..	LETTER from Larkin, Connolly & Co. to Sec'y Har. Com., transmitting certified bank cheque for $10,000 as security for the dredging work they have tendered for.
G1	July 18, '82..	LETTER from J. E. Askwith to Sec'y Har. Com., transmitting cheque for $10,000 as security for the dredging work tendered for.
G1½	July 20, '82..	LETTER from Sec'y Har. Com. to J. E. Askwith, acknowledging receipt of his letter of the 18th inst., and informing him that Commissioners cannot allow him any further time to consider acceptance or refusal of contract, and requesting an answer within 24 hours.
H1	July 24, '82..	TELEGRAM from J. E. Askwith to Sec'y Har. Com., withdrawing his tender.
I1	July — '82..	LETTER from Fradet & Miller to Sec'y Har. Com., *re* $10,000 cash deposit.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
J	Sept. 25, '82..	CONTRACT, &c., between Quebec Har. Com. and Larkin, Connolly & Co. for dredging required in connection with harbour works in course of construction in the River St. Charles, &c.
K1	1883.... . .	TENDER of John Gallagher for the construction of a Quay Wall and entrance to the Wet Dock, and other works in connection therewith.
L1	1883.....	TENDER of Geo. Beaucage for work above described.
M1	1883.....	TENDER of Peters & Moore for work above described.
N1	1883..... .	TENDER of Samson & Samson for work above described.
O1	May 28, '83..	COPY of Order in Council awarding contract to Larkin, Connolly & Co. for the construction of the proposed Cross-wall.
P1	May 30, '83..	LETTER from Secretary Public Works Dept. to Sec'y Har. Com., transmitting foregoing Order in Council (Exhibit O1).
Q1	June 6, '83..	CONTRACT between Que. Har. Com. and Larkin, Connolly & Co. for the construction of a Quay Wall and entrance for the Wet Dock in the harbour of Quebec
R1	June 6, '83..	NOTARIAL notification from Que. Har. Com. to Messrs. Kinipple & Morris, dispensing with their services.
S1	June 6, '83..	LETTER from Sec'y of Pub. Wks. Dept. to Sec'y Har. Com. returning John Gallagher's cheque for $7,500 which accompanied his tender for Cross-wall.
T1	June 13, '83..	LETTER from Kinipple & Morris to Sec'y Har. Com. acknowledging receipt of notification informing them that Commissioners have dispensed with their services.
U1	June 19, '83..	NOTIFICATION and Protest—Wm. Rae *vs.* Har. Com., *re* dismissal of Kinipple & Morris, engineers of the Quebec Harbour Works.
V1	Aug. 15, '81..	AGREEMENT and Discharge, Quebec Harbour Commissioners and Kinipple & Morris.
W1	May 24, '84..	LETTER from Chief Engineer Public Works Dept. to Sec'y Har. Com. transmitting copy of correspondence exchanged between himself and contractors of the Graving Dock *re* offer for completion of Dock this year, and recommends acceptance of their offer.
X1	May 24, '84..	LETTER from Chief Engineer of Public Works Dept. to Sec'y Har. Com., recommending that to ensure efficiency and future usefulness of Graving Dock the entrance works be shifted a further distance of 25 feet.
Y1	May 6, '87..	LETTER from Chief Engineer Public Works Dept. to Sec'y Har. Com. transmitting copy of correspondence exchanged between himself and contractors "Larkin, Connolly & Co.," in relation to the dredging to be done in the Wet Dock, a portion of which it is desirable should be done during the ensuing summer.
Z1	May 23, '87..	CONTRACT between Que. Har. Com. and Larkin, Connolly & Co. for dredging and removing materials from Wet Basin.
A2	Feb. 23, '91..	LETTER from Acting Sec'y Har. Com. to O. E. Murphy, *re* return of security cheque deposited in connection with his tender for South Wall.
A2½	Aug. 1, '83..	STATEMENT of amounts paid on account of Louise Docks and Graving Dock contracts. (Printed on Page 17 of the Evidence.)
B2	May 5, '83..	LETTER from Hon. T. McGreevy to R. H. McGreevy, respecting sitting of Intercolonial Commissioners and tenders for Cross-wall. Larkin informed that Beaucage's tender must be adhered to. (Printed on Page 20 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
C2	May 7, '83..	LETTER from Hon. T. McGreevy to R. H. McGreevy, respecting Intercolonial matters; result of cross-wall tenders; O'Brien's work on Examining Warehouse; waterpipes to Lorette. (Printed on Page 21 of the Evidence.)
D2	May 17, '86 (?)	LETTER from Hon. T. McGreevy to R. H. McGreevy, as to Morris coming back; plan to bring tenders of Gallagher & Beaucage over that of L., C. & Co. Sir C. Tupper agreed to fix a day for considering R. H. McGreevy's claim. (Printed on Page 21 of the Evidence.)
E2	April 16, '87..	LETTER from Hon. T. McGreevy to R. H. McGreevy: To discuss report on dredging with Perley, before sent to Har. Com. Public Works office to be opened in Quebec. O'Donnell to write to Fuller, &c. (Printed on Page 22 of the Evidence.)
F2	April 26, — .	LETTER from Hon. T. McGreevy to R. H. McGreevy: Perley to report on 35 cents for dredging. Conversation with Mr. Shakespeare about lengthening of B. C. Dock. (Printed on Page 22 of the Evidence.)
G2	May 2, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Perley telegraphs Trutch *re* estimates of B. C. Graving Dock. Engineer Bennett does not suit; asked to recommend someone else. North Shore question settled. (Printed on Pages 22, 23 of the Evidence.)
H2	May 4, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy: No estimate received for B. C. Graving Dock. Perley tries to get another engineer sent out at once, and dismiss Bennett. (Printed on Page 23 of the Evidence.)
I2	Mar. 17, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Estimate for February passed; $75,000 gone out within a month. Edgar asks about Baie des Chaleurs Railway; other questions to follow. (Printed on Page 24 of the Evidence.)
J2	Mar. 1, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Refers to Lortie's contract for levelling and grading around the Hall. Has a long interview with Perley on Harbour Works and Graving Dock, British Columbia. Will be shown Fleming's report as soon as signed. Will have interview with Minister as to future. Graving Dock at British Columbia to be lengthened—$150,000 in Estimates. (Printed on Page 24 of the Evidence.)
K2	Mar. 11, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Estimates for December an January enclosed. Advance on drawback to be sent to B.C. Estimate for February not telegraphed yet. (Printed on Page 24 of the Evidence.)
L2	May 13, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy, *re* sale of stone to Rousseau. Kerrigan & Co. receive plumbing contract for Marine Hospital. Stanley, Smith & Lindsay to be paid $300. Bradley says he sent to L., C. & Co. what they asked for. Riopel to make beginning on Baie des Chaleurs Ry. (Printed on Page 25 of the Evidence.)
M2	Feb. 26, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Kent House to be given to Mrs. Poumier. Minister would be glad to recommend Murphy for Halifax Graving Dock. Shearer to put matters right. Capt. Bowie says Robitaille has contracted for Baie des Chaleurs Railway with partner of Isbester. Armstrongs unable to put up the money they promised. (Printed on Page 25 of the Evidence.)
N2	Mar. 3, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Minister of Justice almost decided to grant fiat; to meet Chabot and Senecal in Montreal. Minister wanted him to come to terms on Baie des Chaleurs Railway. Hears of Refel & Armstrong working on line. (Printed on Page 26 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
O2	Mar. 8, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Robitaille to be in Quebec. Isbester will have nothing to do with B. des C. Railway contract. Sir Hector wants him to make some proposition in the matter. Irvine arrives. Judgment given in Berlinguet case. (Printed on Page 26 of the Evidence.)
O2½	May 13, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Tenders for Cape Tormentine work opened. The lowest is Perkins, $134,000. Perley says estimate of work is $170,000. April estimate for B.C. passed, $36,000 net. (Printed on Page 27 of the Evidence.)
P2	Mar. 9, '86..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Letter from Marine Department to be read to Fradet. Meeting with Ministers *re* B. des C. Railway. Sir Hector insisted on an understanding. McGreevy refuses and says Robitaille must make a proposition himself. Control of road to St. Ann's, with subsidy, is offered, if opposition to B. des C. Railway is withdrawn. Armstrongs cannot get anyone to touch them. (Printed on Page 27 of Evidence.)
Q2	June 18, '85..	LETTER from Hon. T. McGreevy to R. H. McGreevy: Valin telegraphs to give Beaucage the jacks. Amount to credit of Com. on 15th June, $220,000. Estimate for $23,000 comes out, leaving about $200,000 for harbour works alone, and about $100,000 for dock for the season. (Printed on Page 28 of the Evidence.)
R2	Mar. 19, '86..	LETTER from Hon T. McGreevy to R. H. McGreevy: Encloses letter from Stephen Ryan. Larkin & Murphy have been in Ottawa. Pope answered Edgar's enquiry as to B. des C. Railway contract. No answer received yet about balance of work on Citadel. Lease of Kent House to be signed. (Printed on Page 28 of the Evidence.)
S2	.....	SCHEDULE of rates, Cross-wall tenders Nos. 1, 2 and 3.
T2	May 17, '83..	LETTER from Henry F. Perley to tenderers for construction of Cross-wall, drawing attention to error in price for "sheet-piling" and for pile-driving in the tenders. (Printed on Page 43 of the Evidence.)
U2	May 19, '83..	LETTER from Larkin, Connolly & Co. to Henry F. Perley, acknowledging receipt of foregoing (Exhibit "T2"), and stating that they will accept contract, if awarded them, at the figures mentioned in their tender. (Printed on Page 48 of the Evidence.)
V2	May 19, '83..	LETTER from John Gallagher to Henry F. Perley, stating prices for "sheet-piling, &c." (Printed on Page 48 of the Evidence.)
W2	May 21, '83..	LETTER from George Beaucage to Henry F. Perley, correcting errors for sheet-piling and pile-driving in his tender for Cross-wall. (Printed on Page 48 of the Evidence.)
X2	Nov. 8, '84..	CONTRACT between Larkin, Connolly & Co. and Dept. of Public Works for the completion of Graving Dock at Esquimalt, B.C.
Y2	Sept. 25, '82..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for closing opening of Princess Louise Embankment.
Z2	Sept. 25, '82..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for dredging in connection with the Quebec Harbour Works.
A3	June 6, '83..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for the construction of a Quay-wall and entrance for the Wet Dock in the Harbour of Quebec.
B3	May 23, '87..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for dredging and removing material from Wet Basin.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
C3	Aug. 7, '78..	CONTRACT between Harbour Commissioners and Larkin, Connolly & Co. for the construction of a Graving Dock at Point Lévis.
D3	.....	TRIAL Balance and Statement of the Esquimalt Graving Dock contract up to date.
E3	.....	CASH Book (No. 1) in *re* Lévis Graving Dock.
F3	.....	do (No. 2) do do
G3	.....	LEDGER (No. 1) do do
H3	.....	do (No. 2) do do
I3	.....	JOURNAL (No. 1) do do
J3	.....	do (No. 2) do do
K3	.....	CASH-Book (No. 1) in *re* Quebec Harbour Improvements
L3	.....	do (No. 2) do do
M3	.....	LEDGER (No. 1) do do
N3	.....	do (No. 2) do do
O3	.....	LEDGER in *re* South Wall.
P3	.....	JOURNAL do
Q3	.....	CASH-BOOK in *re* Esquimalt Graving Dock.
R3	.....	JOURNAL (No. 1) do do
S3	.....	do (No. 2) do do
T3	.....	do (No. 3) do do
U3	.....	LEDGER do do
V3	May 16, '83..	LETTER from John Gallagher to Sec'y. Dept. Public Works withdrawing his tender for Cross-wall, Quebec Harbour, on condition that his deposit security be returned. (Printed on Page 88 of the evidence.)
W3	June 9, '83..	LETTER from Sec'y. Dept. Public Works to Sec'y. Harbour Commissioners, returning cheque for $7,500 deposited as security by John Gallagher. (Printed on Page 89 of the Evidence.)
X3	.....	SCHEDULE of tenders for Harbour Works at Quebec.
Y3	May 23, '83..	REPORT of Chief Engineer, Dept. Public Works, on tenders forwarded to the Department by Harbour Commissioners in their letter of 2nd instant.
Z3	May 17, '83..	LETTER from Chief Engineer, Dept. Public Works, to Larkin, Connolly & Co., requesting to be informed as to whether an error has been made in their tender.
A4	May 17, '83..	LETTER from Chief Engineer, Public Works Dept., to John Gallagher, similar to foregoing (Exhibit Z3.)
B4	May 17, '83..	LETTER from Chief Engineer Public Works Dept., to Geo. Beaucage, similar to foregoing (Exhibit Z3.)
C4	June 30, '83..	ORDER IN COUNCIL granting authority to allow John Gallagher to withdraw his tender and to return to him cheque enclosed therewith. (Printed on Page 90 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
D4	May 30, '83..	LETTER from Sec'y. Public Works Dept. to Sec'y. Harbour Commissioners, transmitting copy of Order in Council, &c. (Printed on Page 90 of the Evidence.)
E4	Mar. 23, '83..	TELEGRAM from Minister Public Works to Depy. Minister, requesting that plans and specifications of Cross-wall be sent to Quebec Harbour Commissioners. (Printed on Page 91 of the Evidence.)
F4	Nov. 8, '84..	CONTRACT between Larkin, Connolly & Co. and Dept. Public Works for completion of Graving Dock at Esquimalt, B.C.
G4	Nov. 5, '84..	TELEGRAM from Sec'y. Public Works Department to Larkin, Connolly & Co. *re* Esquimalt Graving Dock. (Printed on Page 92 of the Evidence.)
H4	May 8, '84..	LETTER from Baskerville & Co. to Minister Public Works, in reference to their tender *re* Esquimalt Graving Dock. (Printed on Page 92 of the Evidence.)
I4	May 9, '84..	REPORT of Chief Engineer Public Works *re* proposal of Baskerville & Co. to complete Graving Dock at Esquimalt, B.C., for $16 per yard. (Printed on Page 93 of the Evidence.)
J4	May 26, '84..	LETTER from P. Baskerville, M.P.P., to Minister Public Works, recommending acceptance of Baskerville & Co.'s tender. (Printed on Page 94 of Evidence.)
K4	Oct. 7, '84..	LETTER from Sec'y. Public Works Dept. to Starrs & O'Hanly in reference to their tender for completion of Graving Dock at Esquimalt. (Printed on Page 95 of the Evidence.)
L4	Oct. 10, '84..	LETTER from Starrs & O'Hanly to Sec'y. Public Works Dept., declining to obtain the assistance of another contractor for construction of Esquimalt Graving Dock. (Printed on Page 95 of the Evidence.)
M4	Oct. 21, '84..	LETTER from Sec'y. Public Works Dept. to Michael Starrs, asking him to call at Department respecting Esquimalt Graving Dock. (Printed on Page 95 of the Evidence.)
N4	Sept. 29, '84..	REPORT of H. F. Perley, Chief Engineer, on tenders received for the completion of Esquimalt Graving Dock. (Printed on Page 96 of the Evidence.)
O4	Oct. 16, '84..	ORDER IN COUNCIL awarding contract for Esquimalt Graving Dock to Starrs & O'Hanly. (Printed on Page 96 of the Evidence.)
P4	Oct. 25, '84..	ORDER IN COUNCIL allowing withdrawal of tender of Starrs & O'Hanly, and awarding contract to Larkin, Connolly & Co. (Printed on Page 97 of the Evidence.)
Q4	Oct. 13, '84..	SCHEDULE of tenders received for completion of the Graving Dock at Esquimalt. (Printed on Page 98 of the Evidence.)
R4.	Feb. 3, '85..	ORDER IN COUNCIL authorizing that the inverts and caisson recess, Esquimalt Graving Dock, be not constructed and that the Dock bottom be carried out. (Printed on page 99 of the Evidence.)
S4	Feb. 16, '85.	LETTER from J. W. Trutch to Sir Hector Langevin, respecting changes authorized in the Graving Dock at Esquimalt, and recommending use of granite instead of sandstone. (Printed on Page 100 of the Evidence.)
T4	Feb. 21, '85..	REPORT of H. F. Perley on substitution of granite for sandstone, Esquimalt Graving Dock. (Printed on Page 101 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
U4	Jan. 21, '85..	MEMORANDUM of H. F. Perley for the Minister *re* proposed additional length Esquimalt Graving Dock. (Printed on Page 101 of the Evidence.)
V4	April 16, '85..	LETTER from J. W. Trutch to Sir Hector Langevin *re* tranfer of material and plant, Esquimalt Graving Dock, to Larkin, Connolly & Co. (Printed on Page 102 of the Evidence.)
W4	April 16, '85..	LETTER from W. Bennett to J. W. Trutch, respecting transfer of material and plant, Esquimalt Graving Dock, to Larkin, Connolly & Co. (Printed on Page 103 of the Evidence.)
X4	May 12, '85..	LETTER from A. Gobeil, Sec'y. Dept. Public Works, to J. W. Trutch, stating that contractors for Esquimalt Graving Dock must take over all plant; also, that deduction will not be made from progress estimate. (Printed on Page 104 of the Evidence.)
Y4	.....	BACKING of letter from Secy. of State for Colonies, respecting Imperial contribution towards enlargement of Esquimalt Graving Dock (letter not being enclosed).
Z4	Nov. 21, '89..	ORDER IN COUNCIL authorizing application to Imperial Government for a further contribution towards increasing length of Esquimalt Graving Dock by 100 feet. (Printed on Page 105 of the Evidence.)
A5	June 6, '83..	ARTICLES OF CO-PARTNERSHIP between P. Larkin, N. K. Connolly, O. E. Murphy and R. H. McGreevy, for construction of Cross-wall, Quebec Harbour. (Printed on Page 107 of the Evidence.)
B5	April 25, '89..	STATEMENT from books of Larkin, Connolly & Co., prepared by book-keeper. (Printed on Page 109 of the Evidence.)
C5	June 2, '85..	CERTIFICATE, &c., of Auditors' Trial Balance Sheet, Larkin, Connolly & Co., for Lévis Graving Dock. (Printed on page 110 of the Evidence.)
D5	June 2, '85..	CERTIFICATE of Auditors' Cash Trial Balance, Larkin, Connolly & Co., for Quebec Harbour improvements. (Printed on Page 110 of the Evidence.)
E5	May 4, '86..	TRIAL BALANCE, Quebec Harbour improvements, from 1st May, 1885, to 1st April, 1886.
F5	Mar. 29, '87..	TRIAL BALANCE AND STATEMENT, Quebec Harbour improvements, from 1st April, 1886, to 1st April, 1887.
G5	Feb. 27, '88..	TRIAL BALANCE AND STATEMENT of Quebec Harbour improvements, from 1st April, 1887, to February, 1888.
H5	Feb. 28, '88..	TRIAL BALANCE AND STATEMENT of Graving Dock, Lévis, from 1st April, 1887, to 1st February, 1888.
I5	Mar. 2, '88..	TRIAL BALANCE AND STATEMENT of Esquimalt Graving Dock contract, from commencement up to 1st March, 1888.
J5	....	STATEMENT made by Larkin, Connolly & Co.'s engineer of estimated cost for the completion of Lévis Graving Dock.
K5	May 19, '84..	COPIES OF LETTER (2) from Larkin, Connolly & Co. to Chief Engineer Department Public Works *re* completion of Graving Dock, Lévis; also STATEMENT showing cash on account contract work and extras to date, 19th May, 1881; and STATEMENT of cash required by Larkin, Connolly & Co. to fully complete dock, as per letter (Exhibit K5).

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
L5	April 25, '89..	COPY OF ITEMS taken from books of Larkin, Connolly & Co. *re* notes paid by them in connection with Lévis Dock. (Printed on Page 116 of the Evidence.)
M5	. .. .	MEMO., signed "Larkin, Connolly & Co.," agreeing to pay certain sums of money, provided contracts for dredging Quebec Harbour Works, &c., are awarded them. (Printed on Page 118 of the Evidence.)
N5	1890....	BLUE BOOK containing statements and correspondence *in re* Quebec Harbour Works, Esquimalt Graving Dock, &c.
O5	April 16, '90..	LETTER from Lord Knutsford to Lord Stanley respecting extension of the Graving Dock, Esquimalt. (Printed on Page 126 of the Evidence.)
P5	April 16, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, respecting the recoursing, &c., of Graving Dock, Esquimalt. (Printed on Page 126 of the Evidence.)
Q5	April 16, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, in confirmation of foregoing telegram (Exhibit P5). (Printed on Page 126 of the Evidence.)
R5	April 18, '85..	TELEGRAM from Hon. J. W. Trutch stating that "design furnished Bennett by contractors for recoursing will be carried on, and alterations will increase price of work." (Printed on Page 127 of the Evidence.)
S5	April 20, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that there will not be any extra amount of dressed stone allowed beyond schedule of quantities, which will be adhered to in making estimate. (Printed on Page 127 of the Evidence.)
T5	April 20, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming foregoing telegram (Exhibit S5). (Printed on Page 128 of the Evidence.)
U5	April 29, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, requesting to be informed whether telegram and letter of 17th, in which allowance to contractors is referred to has been received by him. (Printed on Page 128 of the Evidence.)
V5	May 1, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that contractors for Graving Dock are pressing for money, and requesting that amount be telegraphed. (Printed on Page 128 of the Evidence.)
W5	May 1, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, requesting to be informed whether permission has been given to contractors with respect to using larger courses. (Printed on Page 128 of the Evidence.)
X5	May 2, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, *re* substitution of larger courses, &c. (Printed on Page 129 of the Evidence.)
Y5	May 4, '85..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that Minister authorizes him to permit contractors to build work with stone of increased sizes. (Printed on Page 129 of the Evidence.)
Z5	May 4, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming foregoing telegram (Exhibit Y5). (Printed on Page 129 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
A6	May 11, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, referring to alterations of details, &c. (Printed on Page 130 of the Evidence.)
B6	May 18, '85..	LETTER from Hon. J. W. Trutch to Larkin, Connolly & Co., instructing them *in re* alterations of details, &c. (Printed on Page 130 of the Evidence.)
C6	Jan. 25, '86..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, stating that Minister directs that contractors be paid for full quantity of stone in dock, &c. (Printed on Page 131 of the Evidence.)
D6	Jan. 28, '86..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming foregoing telegram (Exhibit C6). (Printed on Page 132 of the Evidence.)
D6½	Feb. 15, '86..	TELEGRAM from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, requesting to be informed whether payment for increased sizes of stone is included in January estimate. (Printed on Page 132 of the Evidence.)
E6	Feb. 15, '86..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that January estimate was made out in accordance with instructions for measurement of masonry. (Printed on Page 132 of the Evidence.)
F6	May 2, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, confirming telegram dated 2nd May, 1885, *re* deduction for plant from first progress estimate. (Printed on Page 133 of the Evidence.)
G6	May 4, '85..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, giving additional explanation relative to advances on materials delivered, &c. (Printed on Page 133 of the Evidence.)
H6	May 19, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, referring to deductions to be made from amount of progress estimate. (Printed on Page 134 of the Evidence.)
I6	May 1, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Worke, stating that Bennett is measuring for estimates. (Printed on Page 134 of the Evidence.)
J6	May 4, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that he proposes giving progress estimate on 1st proximo. (Printed on Page 135 of the Evidence.)
K6	April 16, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that he proposes giving progress estimate on 1st proximo. (Printed on Page 135 of the Evidence.)
L6	April 15, '85..	TELEGRAM from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, requesting to be informed when plan of circular head will be sent. (Printed on Page 135 of the Evidence.)
M6	May 14, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, acknowledging receipt of letter and plans showing alterations to be made at head of dock. (Printed on Page 135 of the Evidence.)
N6	May 22, '85..	LETTER from Hon. J. W. Trutch to Chief Engineer, Department of Public Works, stating that drawings showing alterations, &c., have been signed by him, and copy of them handed to contractors. (Printed on Page 136 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
O6	Dec. 29, '86..	LETTER from Chief Engineer, Department of Public Works, to Larkin, Connolly & Co., requesting to be furnished with copy of explanations *re* items in dispute in final measurement. (Printed on Page 138 of the Evidence.)
P6	April 7, '85..	LETTER from Chief Engineer, Department of Public Works, to Larkin, Connolly & Co., *re* their offer to complete Lévis Graving Dock. (Printed on Page 138 of the Evidence.)
Q6	Aug. 8, '84 .	TELEGRAM from Secretary, Department of Public Works, to J. W. Trutch, *re* notice extending time for receiving tenders for Graving Dock, Esquimalt. (Printed on Page 140 of the Evidence.)
R6	Sept. 11, '84..	LETTER from Chief Engineer, Department of Public Works, to Thos. McGreevy, M.P., enclosing copy of specification, &c., of Esquimalt Graving Dock. (Printed on Page 141 of the Evidence.)
S6	Jan. 18, '86..	REPORT of Chief Engineer, Department of Public Works, on Esquimalt Graving Dock. (Printed on Page 143 of the Evidence.)
T6	April 29, '85..	REPORT of Chief Engineer, Department of Public Works, on Mr. Trutch's letter respecting plant and materials to be taken over by contractors for completion of Graving Dock, Esquimalt. (Printed on Page 145 of the Evidence.)
U6	Feb. 21, '88..	LETTER from Chief Engineer, Department of Public Works, to Secretary, Department of Public Works, enclosing amended final estimate for work done at Esquimalt Graving Dock. (Printed on Page 146 of the Evidence.)
V6	July 22, '84..	LETTER from Hon. J. W. Trutch, to Minister of Public Works, enclosing amended specification form of tender and plans showing modifications in the construction of Esquimalt Graving Dock. (Printed on Page 151 of the Evidence.)
W6	July 27, '84..	LETTER from W. Bennett, to Hon. J. W. Trutch, transmitting specification and three tracings, &c., shewing proposed alterations in the construction of Caisson recess. (Printed on Page 152 of the Evidence.)
X6	July 4, '84..	TELEGRAM from J. W. Trutch, to Chief Engineer, Department of Public Works, *re* caisson chamber wall recesses. (Printed on Page 152 of the Evidence.)
Y6	Aug. 25, '84 .	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, transmitting 10 copies of specification, &c., for construction of Esquimalt Graving Dock. (Printed on Page 153 of the Evidence.)
Z6	Aug. 28, '85..	LETTER from Hon. J. W. Trutch, to Minister of Public Works, transmitting copy of Progress Report of work done on Esquimalt Graving Dock, up to 30th June last. (Printed on Page 153 of the Evidence.)
A7	May 26, '84..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W. Trutch, informing him that two tenders, which were received for the completion of Graving Dock at Esquimalt, were not entertained by the Minister. (Printed on Page 157 of the Evidence.)
B7	May 29, '84..	LETTER from Chief Engineer, Department of Public Works, to Hon. J. W, Trutch, requesting that copies of plans, &c., be made and forwarded, after revision of same has been made, so that advertisements, &c., may be issued. (Printed on Page 158 of the Evidence.)
C7	.....	PHOTOGRAPH of Esquimalt Graving Dock.

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
D7	July 4, '84..	LETTER from President of the Privy Council transferring copy of a despatch from the Lieutenant-Governor of British Columbia and of a minute of the Executive Council of that Province, protesting against any change in the plans, &c., of Graving Dock at Esquimalt. (Printed on Page 176 of the Evidence.)
E7	April 26, '89..	STATEMENT of expenditure in connection with Esquimalt Graving Dock. (Printed on Page 178 of the Evidence.)
F7	Feb. 19, '86..	LETTER from P. Larkin to O. E. Murphy, respecting request made by friends for an additional amount of $5,000, &c. (Printed on Page 188 of the Evidence.)
G7	Feb. 25, '86..	LETTER from Michael Connolly to O. E. Murphy, informing him of advances in labourers wages ; also refers to a previous letter of his, in which it is stated that, provided the sum of $250,000 is granted for extension of dock at Esquimalt, $50,000 would be given for charitable purposes. (Printed on Page 190 of the Evidence.)
H7	Feb. 15, '86..	LETTER from Michael Connolly to O. E. Murphy, requesting him to endeavour to secure by private tender contract for work to be done in connection with the erection of forts in British Columbia ; also refers to extension of dock. (Printed on Page 191 of the Evidence.)
I7	Jan. 18, '85..	LETTER from Michael Connolly to O. E. Murphy, requesting him to see authorities with a view of having the double entrance at the head of Esquimalt Graving Dock changed to circular head ; also encloses a clipping from the Victoria *Times*, respecting the enlargement of dock. (Printed on Page 191 of the Evidence.)
J7	Jan. 12, '85..	LETTER from Michael Connolly to O. E. Murphy, stating that no steps have been taken to locate quarries, as certain parties are desirous of having stone specified changed to granite ; also requesting that a couple thousand feet of steel wire be sent him. (Printed on Page 193 of the Evidence.)
K7	Feb. 28, '85..	LETTER from P. Larkin to O. E. Murphy, respecting the substitution of granite for sand stone. (Printed on Page 194 of the Evidence.)
L7	Feb. 24, ...	LETTER from R. H. McGreevy to O. E. Murphy, informing him that second entrance of Esquimalt Dock has been done away with, and circular head substituted in lieu thereof. (Printed on Page 194 of the Evidence.)
M7	Feb. 8, '85..	LETTER from Michael Connolly to O. E. Murphy, informing him of purchase of a tug and (2) scows to carry sand and gravel to dock ; also requesting him to endeavour to have the dock lengthened, and have circular head put in lieu of double entrance. (Printed on Page 195 of the Evidence.)
N7	June 24, '91..	STATEMENT showing amount deducted from estimates for value of plant, *in re* Larkin, Connolly & Co.'s contract. (Printed on Page of the Evidence.)
O7	Sept. 21, '87..	REPORT of Chief Engineer, Department of Public Works, to Minister of Public Works, recommending that W. Bennett, Resident Engineer at Esquimalt, be notified that his services will not be required on and after 31st December, 1887. (Printed on Page of the Evidence.)
P7	Sept. 26, '87..	LETTER from the Secretary, Department of Public Works, to W. Bennett, notifying him that his services as Resident Engineer will not be required on and after 31st December, 1887. (Printed on Page of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
Q7	Sept. 26, '87..	LETTER from Secretary, Department of Public Works, to Chief Engineer, Department of Public Works, informing him that the services of W. Bennett have been dispensed with, and enclosing a letter to Mr. Bennett, notifying him of the fact, and requesting that same be transmitted to him.
R7	Dec. 11, '86..	LETTER from Secretary, Department of Public Works, to Larkin, Connolly & Co., acknowledging receipt of their letter, dated 7th December, 1886, *re* statement of claims, and informing them that matter has been referred to Chief Engineer for report. (Printed on Page 200 of the Evidence.)
S7	June 3, '84..	LETTER from Secretary, Department of Public Works, to J. S. Noad, informing him that no information can be given as to the quantity of cement which will be required for the Esquimalt Graving Dock. (Printed on Page 200 of the evidence.)
T7	June 2, '82..	LETTERS (copies of) from the contractors "McNamee & Co.," *re* construction of Graving Dock at Esquimalt, and of Engineer's reply, together with copy of report from the Engineers Kinipple & Morris on the above dock. (Printed on Page 200 of the Evidence.)
U7	Mar. 24, '84..	LETTER from Secretary, Department of Public Works, to Hon. J. W. Trutch, respecting claim of McNamee & Co., to be paid for plant furnished by them in connection with the works of Esquimalt Graving Dock, and requesting to be supplied with a detailed statement of such plant. (Printed on Page 201 of the Evidence.)
V7	Mar. 15, '84..	REPORT of Chief Engineer, Department of Public Works, *re* McNamee & Co.'s claim for allowance on plant taken from them by Government, &c. (Printed on Page 201 of the Evidence.)
W7	....	PROMISSORY NOTES (5), dated Quebec, 1st May, 1883, for $5,000 each, all signed Larkin, Connolly & Co., per O. E. M. (See Page 204 of the Evidence.)
X7	.....	PROMISSORY NOTES (5), dated Quebec, 2nd June, 1884, all signed Larkin, Connolly & Co., per O. E. M., and made payable to members of the firm. (See Page 204 of the Evidence.)
Y7	.....	PROMISSORY NOTE, dated Quebec, 28th November, 1884, signed Larkin, Connolly & Co., per O. E. M., to order of Michael Connolly ; also—
Y7	May 30, '85..	VOUCHER for $3,000, *re* Quebec Harbour Improvements, which is annexed to foregoing Exhibit V7. (See Page 204 of the Evidence.)
Z7	.....	PROMISSORY NOTE (3), dated Quebec, 3rd June, 1885, signed Larkin, Connolly & Co., and made payable to order of N. K. Connolly. (See Page of the Evidence.)
A8	....	PROMISSORY NOTES (3) and (3) cheques, which were given in consideration of advances made by Michael Connolly to the firm.
B8	....	CHEQUE (1), dated 27th June, 1887, on British North America Bank, to order of O. E. Murphy, for $52,500, signed Larkin, Connolly & Co., together with two (2)—
B8	....	PROMISSORY NOTES, annexed, for $52,500 each, to order of "ourselves," being loans made to the firm by O. E. Murphy. (See Page 205 of the Evidence.)
C8	.....	CHEQUES on Bank of British North America in British Columbia, dated Victoria, 1885. (See Page 204 of the Evidence.)
D8	....	CHEQUES (23), together with a receipt from R. H. McGreevy, dated 25th January, 1887, for $13,000. (See Page 204 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
E8	....	BILL-BOOK of the firm of Larkin, Connolly & Co.
F8	....	CHEQUE AND STUB-BOOK of Larkin, Connolly & Co., in connection with Esquimalt Graving Dock contract.
G8	April 25, '89..	STATEMENT of R. H. McGreevy's account, prepared by book-keeper from books of Larkin, Connolly & Co. (Printed on Page 207 of the Evidence.)
H8	June 15, '85..	STATEMENT of indebtedness or the firm of Larkin, Connolly & Co., in connection with Quebec Harbour Improvement contract. (Printed on Page 207 of the Evidence.)
I8	Jan. 16, '85..	LETTER from Michael Connolly to O. E. Murphy, acknowledging receipt of letters dated 2nd and 6th January, and informing him that quarries have been located, and that men are to start working on same at once. (Printed on Page 208 of the Evidence.)
J8	Mar. 28, '85..	LETTER from Michael Connolly to O. E. Murphy, acknowledging letter of 18th March, transmitting cheque for $5,000. (Printed on Page 209 of the Evidence.)
K8	Dec. 17, '85..	LETTER from Michael Connolly to O. E. Murphy, informing him of interview had with Chief Engineer, Department of Public Works, after the latter's return from British Columbia. (Printed on Page 210 of the Evidence.)
L8	Jan. 2, '85..	LETTER from P. Larkin to O. E. Murphy, stating that he hopes getting Bank of Toronto to put up security deposit. (Printed on Page 210 of the Evidence.)
M8	Jan. 17, '85..	LETTER from P. Larkin to O. E. Murphy, respecting substitution of security deposited in connection with Esquimalt Graving Dock contract. (Printed on Page 211 of the Evidence.)
N8	Feb. 12, '85..	LETTER from Michael Connolly to O. E. Murphy, acknowledging receipt of letter, dated 2nd February, *re* extension of Graving Dock, and urging that steps be taken to have the pump machinery and its management turned over to the firm. (Printed on Page 211 of the Evidence.)
O8	Mar. 23, '85..	LETTER from Michael Connolly to O. E. Murphy, respecting the substitution of granite for sandstone. (Printed on Page 212 of the Evidence.)
P8	May 28, '85..	LETTER from Michael Connolly to O. E. Murphy informing him that he has written to Mr. McGreevy about the Hon. Mr. Trutch. (Printed on Page 213 of the Evidence.)
Q8	....	LETTER from Michael, Connolly & Co. to O. E. Murphy, explaining how Mr. Larkin came to give the price for granite to Chief Engineer, Department of Public Works. (Printed on Page 213 of the Evidence.)
R8	Feb. 1, 85..	LETTER from Michael Connolly to O. E. Murphy, informing him that Gallagher has a force of men working at the quarry. (Printed on Page 214 of the Evidence.)
S8	Feb. 2, '86..	LETTER from M. Connolly to O. E. Murphy, stating that Sir Hector wired instructions to Trutch to measure all stone in the dock full as built. (Printed on Page 214 of the Evidence.)
T8	Jan. 21, '86..	LETTER from Michael Connolly to O. E. Murphy, informing him of interview had with British Columbia M. P's., respecting extension of Graving Dock at Esquimalt. (Printed on Page 214 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
U8	Mar. 16, '86..	LETTER from Michael Connolly to O. E. Murphy, respecting deductions made by W. Bennett on monthly estimates for plant. (Printed on Page 215 of the Evidence.)
V8	....	LETTER from R. H. McGreevy to O. E. Murphy, informing him that the memorandum *re* British Columbia Dock is with the Minister, who stated that the conditions contained therein could not be embodied in the contract. Printed on Page 215 of the Evidence.)
W8	Dec. 31, '82..	LETTER from Michael Connolly to O. E. Murphy, *re* Cross-Wall Contract. (Printed on Page 216 of the Evidence.)
X8	Feb. 27, '83..	LETTER from Michael Connolly to O. E. Murphy, acknowledging receipt of letters dated 15th and 18th February, *re* securing Cross-Wall Contract. (Printed on Page 216 of the Evidence.)
Y8	Oct. 12, '82..	LETTER from Michael Connolly to O. E. Murphy, respecting interest given to R. H. McGreevy in Cross-Wall Contract. (Printed on Page 216 of the Evidence.)
Z8	Aug. 25, '82..	LETTER from Michael Connolly to O. E. Murphy, advising him to remain friendly with "Thomas." (Printed on Page 217 of the Evidence.)
A9	Oct. 4, '82..	LETTER from Michael Connolly to O. E. Murphy, requesting to be informed whether the contract for dredging harbour has been signed and whether an interest in same has been reserved for him. (Printed on Page 217 of the Evidence.)
B9	July 23, '82..	LETTER from Michael Connolly to O. E. Murphy, respecting purchase of a dredge, and also enquires about Hon. Thos. McGreevy. (Printed on Page 218 of the Evidence.)
C9	Dec. 9, '82..	LETTER from Michael Connolly to O. E. Murphy, stating that provided everything is handled carefully there is no doubt but that he will secure contract for Cross-wall, Quebec Harbour Improvements. (Printed on Page 219 of the Evidence.)
D9	Jan. 8, '82..	LETTER from Michael Connolly to O. E. Murphy, *re* Cross-wall Contract. (Printed on Page 219 of the Evidence.)
E9	Nov. 16, '82..	LETTER from Michael Connolly to O. E. Murphy, referring to dredge being built, and making certain suggestions in reference thereto; also refers to changes in design for Cross-wall. (Printed on Page 220 of the Evidence.)
F9	May 4, '87..	LETTER from M. Connolly to O. E. Murphy, respecting extension of Graving Dock at Esquimalt. (Printed on Page 221 of the Evidence.)
G9	Mar. 21, '86..	LETTER from M. Connolly to O. E. Murphy, *re* extension of Graving Dock at Esquimalt. (Printed on Page 222 of the Evidence.)
H9	.....	CHEQUES (2) one for $5,000, dated Quebec, 2nd November, 1887, on Union Bank, payable to order of M. K. Connolly; the other for $5,000, dated, Quebec, 20th March, 1886, on Union Bank, payable to order of "Ourselves."
I9	.....	CHEQUE for $5,000, dated Quebec, 21st November, 1887, on Bank of British North America, and made payable to the order of N. K. Connolly.
J9	Aug. 19, —..	LETTER from Hon. J. W. Trutch to Secretary, Department of Public Works, enclosing copy of advertisement *re* Esquimalt Graving Dock, amended per telegram of 8th August inst. (Printed on Page 246 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
K9	... ...	DIARY of O. E. Murphy for year 1880.
L9	... ...	DIARY of O. E. Murphy for year 1880.
M9	... ...	DIARY of O. E. Murphy for year 1881.
N9	... ...	DIARY of O. E. Murphy for year 1882.
O9	... ...	DIARY of O. E. Murphy for year 1883.
P9	... ...	DIARY of O. E. Murphy for year 1884.
Q9	... ...	DIARY of O. E. Murphy for year 1885.
R9	... ...	DIARY of O. E. Murphy for year 1886.
S9	... ...	DIARY of O. E. Murphy for year 1887.
T9	... ...	DIARY of O. E. Murphy for year 1888.
U9	... ...	DIARY of O. E. Murphy for year 1889.
V9	... ...	DIARY of O. E. Murphy for year 1890.
W9	... ...	CHEQUE on Union Bank of Lower Canada, dated 21st July, 1887, for $1,000, to order of "myself," signed and endorsed by O. E. Murphy
X9	... ...	BANK PASS-BOOK of O. E. Murphy, in account with Union Bank of Lower Canada, from 1st June, 1886, to 30th May, 1888.
Y9	... ...	PROMISSORY NOTES (3) for $4,000, $3,000 and $750, dated, respectively, Quebec, 1st March, 1889, 18th December, 1889, and 19th February, 1891, all signed O. E. Murphy, and made payable to the order of R. H. McGreevy.
Z9	... ...	STATEMENT of R. H. McGreevy's account with Quebec Bank, from 2nd January, 1883, to 14th December, 1887.
A10	... ...	STATEMENT of Larkin, Connolly & Co.'s account with Quebec Bank, from 23rd January, 1884, to 20th June, 1885.
B10	... ...	REQUISITION, dated 9th February, 1884, to Quebec Bank, for draft on New York, for $1,000, favour Henry Clews & Co., signed O. E. Murphy.
C10	... ...	STATEMENT of O. E. Murphy's account with Jas. Macnider & Co., from 11th January, 1883, to 17th October of the same year.
D10	... ...	PROMISSORY NOTE for $400,000, signed Michael Connolly, and made payable to order of E. Murphy, and endorsed on back—"Pay to the order of R. H. McGreevy; E. Murphy; without recourse."

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
E10	May 28, '83..	ORDER IN COUNCIL authorizing Department of Railways and Canals to enter into contract with Mr. Julien Chabot, for a term of five years, for the services of the vessel "Admiral." (Printed on Page 291 of the Evidence.)
F10	Nov. 7, '83..	CONTRACT between Julien Chabot and Minister of Railways and Canals to run his steamer "Admiral" on Baie des Chaleurs, between Campbellton and Gaspé, in connection with the Intercolonial Railway, for five years. (Printed on Page 292 of the Evidence.)
G10	....	STATEMENT of O. E. Murphy, as published in the newspaper "Le Canadien." (Printed on Page 311 of the Evidence.)
H10	June 3, '85..	LETTER from P. MacEwan to Larkin, Connolly & Co., stating that all cheques drawn upon Union Bank of Lower Canada will require to be signed by one member of the firm, and countersigned by another. (Printed on Page 314 of the Evidence.)
I10	....	CHEQUE, dated Quebec, 15th September, 1881, on Exchange Bank, Olean, N.Y., for $2,350, to order of E. Murphy, signed N. K. & M. Connolly, endorsed E. Murphy. (Printed on Page 315 of the Evidence.)
J10	Dec. 28, '88..	LETTER from Secretary, Department of Railways and Canals, to O. E. Murphy & R. H. McGreevy, returning deposit receipt for $7,500, which accompanied their tender, for work in connection with the upper and lower entrance of the Sault Ste. Marie Canal. (Printed on Page 315 of the Evidence.)
K10	Jan. 26, '87..	ACCOUNT of Henry Birks & Co., amounting to $1,885, for jewellery purchased by O. E. Murphy for Chief Engineer, Department of Public Works.
L10	.....	STATEMENT in connection with British Columbia Dock, Quebec Harbour Improvements, and Profits of R. H. McGreevy's account.
M10	Dec. 6, '82..	LETTER from N. K. Connolly to O. E. Murphy, requesting him to see "T" with a view of having him recommend the release of certificate of deposit. (Printed on Page 380 of the Evidence.)
N10	Dec. 15, '82..	LETTER from N. K. Connolly to O. E. Murphy, requesting the return of the certificate of deposit which the Minister of Public Works ordered to be released. Also to see about tendering in connection with the Graving Dock, British Columbia. (Printed on Page 382 of the Evidence.)
O10	Dec. 19, '84..	LETTER from N. K. Connolly to O. E. Murphy, stating that a great deal of the plant, which is to be taken over, will be of very little use, &c. (Printed on Page 382 of the Evidence.)
P10	Feb. 16, '84..	LETTER from N. K. Connolly to O. E. Murphy, stating that Mr. Perley and Mr. Boyd would, with very little persuasion, recommend throwing the material back and levelling the same.
Q10	Dec. 12, '84..	LETTER from N. K. Connolly to O. E. Murphy, referring to the lengthening of the British Columbia Graving Dock, &c. (Printed on Page 384 of the Evidence.)
R10	Dec. 25, '84..	LETTER from Nicholas K. Connolly to O. E. Murphy, protesting against having to pay wages of certain men which are not under their control. (Printed on Page 394 of the Evidence.)
S10	Sept. 11, '85..	LETTER from Michael Connolly to Nicholas K. Connolly, acknowledging his letter of the 31st ulto., and requesting him to send Hume to British Columbia, also refers to amounts allowed on Progress Estimates of work done and which are inadequate to meet current expenses. (Printed on Page 395 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
T10	Sept. 9, '85..	LETTER (copy of) from Larkin, Connolly & Co. to Honourable J. W. Trutch *re* request made by them to re-course masonry of the Esquimalt Graving Dock. (Printed on Page 396 of the Evidence.)
U10	May 11, '89..	TRANSFER, O. E. Murphy to Messrs. N. K. Connolly and Michael Connolly of his right, title and interest in the contracts for building the Cross-wall, Dredging, South Wall, Lévis Graving Dock, &c.
V 10	.....	FINAL ESTIMATE (No. 37) of value of work done and materials delivered by Larkin, Connolly & Co. up to 30th December, 1889, under contract for construction of Cross-walls.
W10	June 24, '91..	LETTER from M. G. Dickieson to H. V. Noel, giving amounts paid to Quebec Bank on account of Baie des Chaleurs Railway Company. (Printed on Page 421 of the Evidence.)
X10	Oct. 1, '86..	LETTER from G. B. Burland to H. V. Noel, enclosing cheque for $8,000, and requesting him to pay over the same to any person whom Mr. T. Robitaille may direct. Printed on Page 422 of the Evidence.)
Y10	Oct. 4, '86..	LETTER from T. Robitaille to H. V. Noel, requesting him to pay to R. H. McGreevy the cheque sent him by G. B. Burland. (Printed on Page 422 of the Evidence.)
Z10	Nov. 12, —..	LETTER from R. H. McGreevy to H. V. Noel, stating that he has an order on him for $8,000, and requesting to be informed whether he is to send the same to him or whether he will have to go to Ottawa to draw the amount. (Printed on Page 422 of the Evidence.)
A11	Nov. 12, '86..	LETTER from T. Robitaille to H. V. Noel, requesting that cheque sent him by G. B. Burland for $8,000 be paid over to R. H. McGreevy. (Printed on Page 423 of the Evidence.)
B11	Nov. 13, '86..	LETTER from G. B. Burland to H. V. Noel, enclosing cheque for $8,000, which sum is to be paid over to any person whom Hon. T. Robitaille may direct. (Printed on Page 423 of the Evidence.)
C11	Dec. 9, '86..	LETTER from Hon. T. Robitaille to H. V. Noel requesting him to pay over to R. H. McGreevy the cheque sent him by G. B. Burland. (Printed on Page 423 of the Evidence.)
D11	Dec. 17, '86..	LETTER from G. B. Burland to H. V. Noel enclosing cheque for $8,000, which sum is to be paid over to any person whom Mr. T. Robitaille may direct. (Printed on Page 423 of the Evidence.)
E11	.....	STATEMENT of payment made by the Dominion Government to Quebec Bank on power of attorney from the Baie des Chaleurs Railway Co. (Printed on Page 424 of the Evidence.)
F11	June 4, '83..	RECEIPT for $1,000, being amount contributed by Larkin, Connolly & Co., towards Langevin Testimonial Fund. (Printed on Page 432 of the Evidence.)
G11	May 5, 83..	LETTER from Simon Peters to Deputy Minister Public Works, calling attention to his tender for the construction of Cross-wall, and stating that same will, upon examination, be found to be the lowest. (Printed on Page 432 of the Evidence.)
H11	May 16, '83..	LETTER from Deputy Minister Public Works to Simon Peters, informing him that his letter of the 5th May *re* his tender for construction of Cross-wall has been communicated to the Chief Engineer, and that schedule of tenders has been handed to the Minister. (Printed on Page 433 of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
I11	....	ORIGINAL notes made by Simon Peters in comparing his tender with that of Larkin, Connolly & Co. for construction of Cross-wall.
J11	.....	COMPARATIVE statement of Larkin, Connolly & Co.'s tender with that of Peters *et al* in connection with the construction of Cross-wall.
K11	April 5, '90..	STATEMENT of amounts paid to Contractors, Harbour Improvements, from 1st March, 1889, to 5th April, 1890. (Printed on Page 498 of the Evidence.)
L11	May 25, '88..	LETTER from Secretary Department of Railways and Canals to Julien Chabot enclosing for execution draft contract in duplicate *re* steamer "Admiral." (Printed on Page 508 of the Evidence.)
M11	May 17, '90..	LETTER from Secretary Department Railways and Canals to Julien Chabot calling his attention to the fact that the agreement *re* steamer "Admiral" sent to him for execution has not been returned. (Printed on Page 508 of the Evidence.)
N11	Feb. 2, '88..	BILL OF SALE of steamer "Admiral" by Julien Chabot to R. H. McGreevy.
O11	Nov. 28, '84..	MORTGAGE taken by J. G. Ross on steamer "Admiral" as security on money loaned by him to Julien Chabot.
P11	Feb. 25, '84..	ASSIGNMENT by Hon. Thomas McGreevy to Nicholas K. Connolly of steamer "Admiral."
Q11	May 10, '88..	ORDER IN COUNCIL authorizing Department Railways and Canals to enter into contract with Julien Chabot for a term of five years for the services of the "Admiral." Draft contract annexed. (Printed on Page 515 of the Evidence.)
R11	.....	STATEMENT of Hon. Thos. McGreevy's account with Union Bank of Canada, from 1st January, 1882, to 1st January, 1889, inclusive.
S11	....	STATEMENT of O. E. Murphy's account with Union Bank of Canada, from 1883 to 1st January, 1889, inclusive; also, Statement of his account with the said Bank from 4th June, 1886, to 6th September, 1888, inclusive.
T11	... .	STATEMENT of N. K. Connolly's account with Union Bank of Canada, from 23rd January, 1889, to 9th June, 1889, inclusive.
U11	....	STATEMENT of Larkin, Connolly & Co.'s account with Union Bank of Canada, from 30th December, 1888, to 30th June, 1889, inclusive.
V11	May 20, '91..	TELEGRAM from N. K. Connolly to Martin P. Connolly requesting him to come to Ottawa to give evidence. (Printed on Page of the Evidence.)
W11	June 3, '91..	TELEGRAM from N. K. Connolly to Martin P. Connolly requesting him to return to Kingston without delay. (Printed on Page of the Evidence.)
X11	July 18, '91.	STATEMENT of account of Robert McGreevy (in trust) with La Caisse d'Economie de Notre-Dame de Québec, from 17th November, 1885, to 19th January, 1891.
Y11	July 20, '91..	STATEMENT of R. H. McGreevy's account with La Caisse d'Economie de Notre Dame de Québec, from December, 1882, to 24th September, 1890.
Z11	July 20, '91..	COMPARATIVE STATEMENT prepared by Simon Peters shewing the difference between his tender and that of Larkin, Connolly & Co.
A12	.....	STATEMENT showing cheques amounting to $6,750 paid to O. E. Murphy. (Printed on Page of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
B12	Nov. 22, '83..	RECEIPT from E. J. Milne for $1,600. (Printed on Page of the Evidence.)
C12	May 1, '83..	RECEIPT from Joseph Richard for $740. (Printed on Page of the Evidence.)
D12	Nov. 28, '84..	LETTER from Hon. Thos. McGreevy to Julien Chabot acknowledging mortgage given to J. G. Ross on steamer "Admiral." (Printed on Page of the Evidence.)
E12	Nov. 28, '84..	LETTER from Jas. G. Ross to Julien Chabot acknowledging mortgage given to him on steamer "Admiral." (Printed on Page of the Evidence.)
F12	Feb. 2, '88..	LETTER from Hon. Thos. McGreevy to Julien Chabot authorizing him to sell steamer "Admiral" to R. H. McGreevy. (Printed on Page of the Evidence.)
G12	July 8, '89..	LETTER from Nicholas K. Connolly to Julien Chabot acknowledging mortgage given to him on steamer "Admiral." (Printed on Page of the Evidence.)
H12	Feb. 7, '88..	TRANSFER by R. H. McGreevy to Hon. Thos. McGreevy of steamer "Admiral." (Printed on Page of the Evidence.)
I12	.....	MEMO. shewing final division of profits in Esquimalt Graving Dock contract. (Printed on Page of the Evidence.)
J12	Jan. 23, '86..	NOTARIAL Protest by Hon. Thos. McGreevy to Hon. Theo. Robitaille *in re* Baie des Chaleurs Railway Co. (Printed on Page of the Evidence.)
K12	Mar. 16, '91..	PROCÈS-VERBAL of signification by Nicholas K. Connolly to Julien Chabot *in re* Deed of Sale of steamer "Admiral." (Printed on Page of the Evidence.)
L12	Sept. 26, '82..	ARTICLES of Co-partnership signed by the members of the firm of Larkin, Connolly & Co. for the purpose of carrying on the contracts for the Dredging of the Harbour of Quebec and Extension of Princess Louise Embankment. (Printed on Page of the Evidence.)
M12	.....	MEMO. prepared by R. H. McGreevy shewing the difference in prices asked by the several tenderers to do the dredging required in the Harbour of Quebec. (Printed on Page of the Evidence.)
N12	.....	MEMO. shewing cost of dredging during season of 1886. (Printed on Page of the Evidence.)
O12	.....	MEMO. prepared by R. H. McGreevy *in re* dredging Harbour of Quebec. (Printed on Page of the Evidence.)
P12	May 4, '83..	AGREEMENT entered into by Geo. Beaucage with Larkin, Connolly & Co., surrendering his rights in tender sent by him to Harbour Commissioners for construction of Cross-wall. (Printed on Page of the Evidence.)
Q12	" 8, —..	LETTER from Hon. Thos. McGreevy to R. H. McGreevy stating that Mr. Boyd has not completed the plans for Cross-wall. (Printed on Page of the Evidence.)
R12	.....	PHOTOGRAPH Copy of Memo. shewing difference of tenders for sheet-piling. (Printed on Page of the Evidence.)
S12	.....	LETTER from R. H. McGreevy to O. E Murphy, requesting him to have Mr. Connolly write Mr. Perley in reply to the latter's letter to Beaucage, informing him of error in prices in his tender for sheet-piling and pile driving. (Printed on Page of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibits.	Date.	Subject.
T12	Jan. 17, '83..	LETTER from R. H. McGreevy to O. E. Murphy, stating that he has been informed by Hon. Thos. McGreevy that tenders for Quebec Harbour Works will be called for immediately. (Printed on Page of the Evidence.)
U12	Mar. 13, '84..	LETTER from R. H. McGreevy to O. E. Murphy, stating that he will get his brother to interview the Chief Engineer, Department Public Works, and Mr. Valin, in reference to the Graving Dock at Quebec. (Printed on Page of the Evidence.)
V12	1884.....	LETTER from R. H. McGreevy to O. E. Murphy, communicating result of interview had between his brother, Hon. Thos. McGreevy, and the Chief Engineer, Department Public Works, respecting completion of Graving Dock. (Printed on Page of the Evidence.)
W12	1887.....	PROGRESS ESTIMATES of value of work done by Larkin, Connolly & Co., in connection with the second contract for dredging Quebec Harbour. (Printed on Page of the Evidence.)
X12	April 23, '89..	LETTER from R. H. McGreevy, addressed to the members of the firm of Larkin, Connolly & Co., protesting against the payment of his share of $25,000 expended by them without his knowledge for contracts, &c. (Printed on Page of the Evidence.)
Y12	....	ARTICLES of co-partnership signed by the members of the firm of Larkin, Connolly & Co. for the purpose of carrying on the contract for the construction of Graving Dock at Esquimalt. (Printed on Page of the Evidence.)
Z12	Sept. 22, '83..	RECEIPT from C. Vincelette for $500, being amount contributed by O. E. Murphy towards a Catholic enterprise. (Printed on Page of the Evidence.)
A13	Mar. 1, '88..	AGREEMENT signed by members of the firm of Larkin, Connolly & Co. *re* sale to R. H. McGreevy of Stone, Buildings and Plant on Works at Esquimalt, B.C.
B13	Mar. 8, '88..	LETTER from Hon. Thos. McGreevy to R. H. McGreevy, requesting him to inform O. E. Murphy that he has seen Chief Engineer, Department Public Works, who will report to the Arbitrators on the amount of claim to be submitted to them. (Printed on Page of the Evidence.)
C13	Jan. 22.....	LETTER from R. H. McGreevy to O. E. Murphy, stating that his brother wired today requesting Chief Engineer, Department Public Works, to send at once report *re* drawback. (Printed on Page of the Evidence.)
D13	Dec. 22, '86..	LETTER from R. H. McGreevy to O. E. Murphy, enclosing copy of the extension of three tenders for Cross-wall. (Printed on Page of the Evidence.)

SYNOPSIS OF EXHIBITS.

Exhibit	Date.	Subject.
T12	June 17 '93	Letter from R. H. McCreery to O. R. Murphy stating that he has been informed
U12	May 19 '93	
V12	1894	
W12	1897	
X12	April 24 '93	
Y12		
Z12	May 27 '93	
A13	May 4 '93	
B13	May 9 '93	
C13	June 25	
D13	June 22 '93	

THE

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

MINUTES OF EVIDENCE.

1891.

OTTAWA:
PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLENT MAJESTY.

1891.

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HOUSE OF COMMONS, THURSDAY, 16th July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. NICHOLAS K. CONNOLLY re-called:

By Mr. Geoffrion:

Q. In the course of the year 1887 after you took the management of the cash, do you remember a discussion which took place between you, Mr. Robert McGreevy and Mr. Murphy about an item of an amount of $10,000, composed of two items of $5,000 each which were in the books by your order, and upon which they wanted an explanation?—A. Between Robert McGreevy?

Q. Between Robert McGreevy and Mr. Murphy on the one side and you on the other, they wanting explanations from you as to this charge of $10,000?—A. No.

Q. You don't remember any discussion?—A. No.

Q. Was there in the course of the year 1887 any discussion about charges made by you and for which there were no vouchers?—A. I don't remember of any.

Q. No explanation from you as to certain charges for which you had no vouchers?—A. I don't know as I ordered any charge to be made.

Q. But were explanations asked from you about certain entries which they pretended they had found in the books and for which there were no vouchers?—A. Not to my knowledge.

Q. They never asked you for any explanation?—A. No.

Q. Do you swear there were none, or that you cannot remember?—A. I do not think there was any.

Q. Do you not remember having said to the book-keeper, or called him in, to give certain explanations which you could not give yourself about the enquiries they were making?—A. No. I don't remember of anything of the kind.

Q. When I speak of the book-keeper I mean Martin P. Connolly?—A. Yes; but I do not remember.

Q. You do not remember having seen Mr. Martin P. Connolly and Mr. Murphy or Mr. Robert McGreevy about items they wanted explained?—A. No.

Q. Then you did not call in Mr. Martin P. Connolly, but you referred them to him as the one who would give them the explanations?—A. Not to my knowledge.

Q. Not to your knowledge?—A. No.

Q. Are you ready to swear that you did not refer them to Martin P. Connolly for information about the explanation they were requiring?—A. I have no recollection of referring them to Martin Connolly.

Q. You have no recollection?—A. No.

Q. Do you undertake to swear it did not take place?—A. I may have referred them to Martin Connolly on several occasions for explanations, because he did nearly all the charging and he would be the man to explain it to them.

Q. Of course they would not ask you about charges made by others? My question is about charges made in the book by your order.—A. By my order? I did not remember of telling them to charge anything in the books.

Q. Do you mean to say you never ordered any entries to be made in the books by Martin P. Connolly?—A. Not to my recollection.

Q. Do you undertake to swear you did not have entries made by your order in that year when you had the management of the cash?—A. I may have told them that Murphy told me why such a thing would take place, and he would have to get Murphy to explain.

Q. But when Murphy had nothing to do with the spending of money, did you refer him to Murphy?—A. Not if I spent the money myself.

Q. Well, Murphy did not spend all the money himself, especially when you had any cash under your control?—A. When Mr. Murphy had cash under my control he spent a great deal of it.

Q. But he did not spend it all?—A. No.

Q. But when you were spending yourself were you asked for explanations for some charges made by you?—A. I do not remember.

Q. And you do not remember at all whether you referred them to Martin for an explanation?—A. No.

Q. Now, is it not a fact that on the occasion when such explanations were asked from you, you told to both Murphy and to Robert McGreevy that you had paid $5,000 to Laforce Langevin, and the other $5,000 was handed by yourself to Sir Hector Langevin?—A. I never told him anything of the kind.

Q. You are sure of that?—A. Quite such. Neither has a conversation taken place between Murphy and Robert McGreevy and I in connection with any moneys of that kind.

Q. And are you sure you never gave $5,000 to Laforce Langevin?—A. No.

Q. You did not deliver $5,000 to Laforce Langevin to be taken somewhere else?—A. No.

Q. Do you swear that Laforce Langevin did not come to your office asking for $5,000 on behalf of somebody?—A. No.

Q. He never came?—A. Not to my knowledge.

Q. Will you swear that he did not come to your office with a message, either verbal or written, asking for $5,000, and being then accompanied by one of his friends?—A. No, never to my knowledge.

Q. My question is very direct. He spoke to you, addressed himself to you, and handed you a written document, a letter or something like that, asking you for an amount of money, and as a consequence did you hand him a parcel containing $5,000?—A. I did not.

Q. You are quite sure of that?—A. Quite sure.

Q. Or any other sum of money?—A. Or any other sum of money.

Q. You swear positively you never entrusted any money to Laforce Langevin to be taken to somebody else?—A. No.

Q. Well now, if you did not hand the money yourself, did you order your bookkeeper to hand the money to Laforce Langevin?—A. No; I did not.

Q. You swear that you did not ask Martin Connolly to give that money to Laforce Langevin?—A. No.

Q. You swear you did not?—A. I swear I did not instruct the bookkeeper to give money of that kind to anyone. The one I told Mr. Martin Connolly to give money to was either to O. E. Murphy or Robert McGreevy.

Q. And you stick to that: that all the money you instructed the bookkeeper to pay would be to O. E. Murphy or Robert McGreevy?—A. Yes.

Q. Would you have wages paid by Murphy?—A. Very often.

Q. Did he always pay the wages?—A. Generally when he was around he paid the wages.

Q. And when he was not there?—A. I paid them, or Mr. Hume or my brother.

Q. So you did not always order Martin P. Connolly to hand the money to Murphy? There were cases in which someone handed money to Murphy.—A. Martin Connolly often went to the bank and drew money and either handed it to Murphy or Robert McGreevy, or used it for the work.

Q. But when he handed money to Robert McGreevy or O. E. Murphy, what was it for?—A. I cannot tell. Sometimes it might be for one thing and sometimes it might be for another—for themselves or for the works.

Q. Or the money would be handed to Michael Connolly?—A. I do not remember Michael ever handling any money.

Q. Did Robert McGreevy ever make any payments for the firm?—A. Not to my knowledge.

Q. Did he ever attend to the business of the firm?—A. On the work? No.

Q. Did he financially act for the firm?—A. Not to my knowledge.

Q. When you say you gave money to Robert McGreevy, what was it for?—A. For a loan or for his own use. That is if money was due him from the firm it was given to him, or if he wanted it for a loan.

Q. How much money did you pay him like that as a loan?—A. I do not remember.

Q. Did he return these loans?—A. I think so.

Q. Did he receive money which he never returned?—A. I cannot tell any more than what my suppositions are.

Q. Since you have had charge of the cash did you ever give him money as a loan which he did not return?—A. I cannot say that.

Q. Did he receive money which he never returned and for which he was never charged?—A. I do not know that either. The books would tell.

Q. During the same year also, did it come to your knowledge that two amounts of $5,000 each were charged in the books at the request of O. E. Murphy though the amount had not been paid for the business of the firm?—A. I do not remember that. The only thing I remember of was at the audit or just previous to the time of the audit. That was the only time I remember any explanation or discussion.

Q. With regard to these two sums?—A. Any sums.

Q. But when you signed the cheques yourself did you wait until the next year to learn what had become of the money?—A. No. When Mr. Murphy would want a cheque signed I might have asked him what he wanted the money for and I would sign the cheque and then turn the cheque over and endorse it, and either leave it on the desk for him or the bookkeeper.

Q. You might have asked him what it was for?—A. Yes.

Q. Did he ask you for cheques which he then stated were not to be used for the business of the firm?—A. Not to my knowledge.

Q. Is it possible he may have done so and you not remember it?—A. It might be possible.

Q. At the audits, you say that Mr. Murphy would give the explanation to the auditors and to the partners. Which was it, to the partners or the auditors?—A. Generally to the auditors first, I think, and then from the auditors it would come to the partners.

Q. Did the discussions take place in the presence of the auditors or with the partners alone?—A. I think in a separate room. Mr. Larkin and I would generally get together and try to find out where this money went or what we could about it.

Q. You were satisfied at the explanation and your questions were not to be heard by the auditors?—A. I do not know that it was kept secret from the auditors. The auditors must have known it first. Mr. Kimmett came to me on more than one occasion and said it was very wrong for me to allow Mr. Murphy to handle the cash in that way for he might go at any time and draw a cheque and leave you without any money.

Q. That was while he was handling the cash; but I mean while you were handling the cash. When Kimmett would call your attention why did you allow it to continue?—A. Just the same as on other occasions. I talked to Mr. Larkin about it and we came to the conclusion we would try to do better in the future and we would sell out as soon as we got done our work and close the thing up altogether.

Q. You valued your dredging plant—when cross-examined by Mr. Henry—at $175,000 to $200,000. Do those amounts appear in your books?—A. That is the engineer's estimate of our plant at that time.

Q. The whole plant?—A. The plant that was on the Harbour Works.

Q. The Harbour Works generally?—A. Yes.

Q. But there was other plant besides the dredging plant?—A. It was dredging plant or plant in connection with dredging.

Q. Does the cost of that plant appear in your books?—A. I cannot say positively, but a portion must appear in the books, and I do not know but all of it.

Q. You had two dredges?—A. Three.

Q. There was one your own property, but the firm owned two?—A. It was on the ground as well.

Q. But it was not required. It was what they called the "White Elephant"?—A. It was working there.

Q. Was it what they called the "White Elephant"?—A. I never heard it called so.

Q. It was your property?—A. Yes.

Q. Is it a fact you never worked more than two dredges at a time?—A. We worked three at a time.

Q. How often?—A. I do not remember.

Q. One of the dredges belonging to the firm was named "Sir Hector"?—A. Yes.

Q. How much did it cost you?—A. I do not remember the exact cost.

Q. $30,000?—A. Yes; it cost between $50,000 and $60,000.

Q. Is it not a fact that it cost $35,000, and that it was built at Quebec, and cost brand new $35,000?—A. I may be mistaken, but I think the cost of that is in the books.

Q. You also had another dredge called "St. Joseph?" How much did that cost?—A. I do not remember.

Q. Is it not a fact that it cost $28,000?—A. Is that the whole machinery?

Q. The whole thing.—A. It cost more than that. These things may be in the books.

Q. Is it not a fact that these two cost $63,000, and not that one cost that?—A. My opinion is that they cost a good deal more than that.

Q. Would you swear?—A. I have kept no account of it, but of course, I think that is all in the books.

Q. Was the "St. Joseph" built at Quebec?—A. Yes.

Q. Who built it?—A. The firm.

Q. Who were the builders?—A. Carrier & Lainé & Co.

Q. Who built the hull?—A. We employed men by the day and built the hull.

Q. When was it built?—A. In 1883 or 1884.

Q. Was it not built in 1883 and running in 1884?—A. I think may be it was.

Q. It is not a fact that you ran that "St. Joseph" during the years 1884, 1885, 1886, 1887 and 1888, and that you sold it in 1889?—A. I bought it.

Q. You know that it was sold. When?—A. In 1889.

Q. For how much?—A. I think it was billed to me for something over $20,000.

Q. Was it not $22,000?—A. Something in that neighbourhood.

Q. You bought it yourself?—A. Yes.

Q. It had been five years in use, it cost $28,000, and you paid five years afterward $22,000?—A. I think I paid somewhere in that neighbourhood.

Q. So, as a matter of sinking fund there would be $6,000 in five years. There was a loss of $6,000 for five years use?—A. There was a loss.

Q. The firm paid $28,000 and you paid $22,000?—A. I do not know the cost; but I know that when I paid for it it was something over $20,000 I paid.

Q. You cannot tell how much it cost?—A. No, I cannot tell.

Q. Not an approximate figure?—A. No.

Q. Is it still in existence?—A. Yes.

Q. Are you still working it?—A. I do not know as it is working at present. It is at Kingston.

Q. Can it be worked for several years yet?—A. That depends entirely on the amount of money that is laid out on it for repairs.

Q. What is the usual life of a dredge kept in good repair?—A. The hull?

Q. The whole of it?—A. If the hull is built of wood, I should think about ten years would be the life of the hull. We had to take the front out of the "Sir Hector" in five or six years and put a new front in her.

Q. Were not those repairs charged in the expenses?—A. Not the last. It was since we bought Mr. Murphy and Mr. McGreevy out.

Q. During the five years the firm was running "Sir Hector" and "St. Joseph" were not the repairs charged to expenses?—A. I think they were.

Q. You stated rather hastily the other day that the average work of a dredge was 2,200 yards a day?—A. No; I did not.

Q. That was not the average?—A. No.

Q. You say on a special day it can be done?—A. I think that was the most they ever did in one day, I said that was the most.

Q. And that day, was it a day of twenty-four hours or did you not work night and day?—A. That is for twelve hours.

Q. For a day of twelve hours?—A. It was twelve hours or eleven hours—whatever we were working then.

Q. Where was the work then going on?—A. In the inner basin.

Q. Where were you dumping?—A. I do not remember whether we were dumping all in the river. We were certainly dumping a portion of it in the river.

Q. You say also that you overheard a discussion between Robert McGreevy and your brother Michael, wherein Robert McGreevy complained that certain disclosures Michael had made to his brother Thomas. When was that?—A. It was just the spring we bought Mr. McGreevy and Murphy out.

Q. Was it before or after they were paid out?—A. It was before.

Q. Long before?—A. No; I think it would be about a month, probably.

Q. At any rate a few weeks?—A. A few weeks before.

Q. You understood from that discussion that Robert McGreevy did not like his brother being made aware of his interest in your firm?—A. That is what I understood.

Q. Until then, you state, you firmly believe that Mr. Thomas McGreevy was not aware that his brother had an interest with you?—A. No. From what Robert McGreevy said at that time, I would consider he did not.

Q. No; not from what Robert McGreevy said, but what you knew yourself. Have you any reasons for believing that Thomas McGreevy did not know that Robert had any interest in your firm?—A. I have no reason to believe, except from what I have just stated; that I heard a conversation and that Robert McGreevy said at the time he was sorry Michael had talked in that way and that he ought not to tell the truth at all times. It was something like that.

Q. He was telling your brother to tell the truth?—A. No; that the truth was not to be told at all times.

Q. Would not the discussion be about the proportion of Robert McGreevy's interest in the firm, and not about the general fact that he was interested in the firm?—A. I think it was the fact of his being interested in the firm; that is, from Mr. McGreevy's conversation.

Q. And you were not surprised at this disclosure that Mr. Thomas McGreevy was unaware of his brother's interest in the firm?—A. I do not know anything about it.

Q. Had you not been always under the impression that he was aware Robert had an interest in the firm?—A. No. I knew that Robert McGreevy was afraid that his brother would find out he was a member of the firm.

Q. There is a letter written by Thomas McGreevy to his brother which is printed at page 20 of the printed evidence, in which he says, "the tenders for cross-wall only arrived here yesterday and are locked up until Monday, when he will commence his calculations? I will write you Tuesday and let you know the result. Larkin was here yesterday. I told him that it would be useless to get Peters out of the way as it would be tantamount to giving the contract to the highest tender; that you would have to stick to Beaucage's tender as it was fair." How do you

reconcile that letter of Thomas McGreevy's with the fact he was unaware his brother had an interest in these contracts ?—A. I suppose the only way to reconcile that is that Robert McGreevy wrote to his brother while he was in Ottawa, to get information for the firm of Larkin, Connolly & Co.

Q. But then he would have said, "*they* would have to stick to Beaucage's tender" and not "*You* would have to stick to Beaucage's tender." Robert was only asking him for information for the firm, of which he was supposed not to be a member. —A. I do not know how he may have written to him.

Q. At the time the notes for $25,000, in connection with the cross-wall were signed and given to Robert McGreevy, is it not a fact that the firm, and especially you, required from Robert McGreevy a note for $7,500, as representing his 30 per cent. interest in that amount as a guarantee for his share ?—A. I do not remember anything of the kind.

Q. Do you remember a note for $7,500, that was made and signed by Robert H. McGreevy, if not on the same day on the same occasion, and kept in the safe of the firm ?—A. I know that I had a note of Robert H. McGreevy's but I do not remember the exact amount. It was an accommodation note; nothing of that which you have stated.

Q. Was there not a note for $7,500 kept in the firm's safe and not used ?—A. Not to my knowledge.

Q. Do you say you never saw a note for $7,500, given by Robert H. McGreevy, which remained in the safe for several months ?—A. I remember having a note of his for about that amount and it was an accommodation note. He wrote a letter to me in connection with it, asking for the money and offering to pay a certain per centage for its use. After he had paid the money he paid less per centage than mentioned in the letter.

Q. You are referring probably to a loan made to him ?—A. Yes.

Q. But I am not speaking of that. What I ask you is, whether you had a note for $7,500, which remained in the safe unused ?—A. Not to my knowledge.

Q. When did you lend him that sum of about $7,500.—A. I do not remember the date; you will find it from the books.

Q. In what year ?—A. I do not know as I can tell you that even.

Q. But surely you know the year ?—A. My recollection of it is, that it was in 1886 or 1887.

Q. So that this note of $7,000 or $7,500 made in 1886-7 would not correspond with the one mentioned, which would have been signed in 1883 ?—A. No, if such a note was signed, but I do not know if such a note was signed.

Q. Who was your book-keeper in 1883 ?—A. Martin Connolly, I think; that was in 1883 or '84.

Q. Was it not Mr. Shea ?—A. I think that was about the time Martin Connolly came on.

Q. When that loan was made in 1886 or '87, was it in the summer or the winter ?—A. I think it was in the fall; I am not positive as to that.

Q. Did you use the note with your bank ?—A. I could not tell you that either.

Q. You cannot tell whether you kept it in the safe or vault. I want it to be understood, when I use the word safe, that I mean vault as well ?—A. My recollection is that it was not put in the bank at all. I may be mistaken. I think it remained in the safe until he paid it.

Q. In the course of April, 1889, some time before buying out Robert McGreevy's interest, did you receive from him a letter in connection with certain entries made in the books as being payments to inspectors ?—A. No ; never.

Q. You never received such a letter ?—A. I never received such a letter, to my knowledge.

Q. Did you about that time receive a letter from him addressed to the firm, complaining of certain things generally ?—A. I never received but one letter from Robert McGreevy to my knowledge with regard to anything in connection with the work. That was during the construction of the Graving Dock, and it was in connec-

tion with a purchase of cement I made from a party that came on from New York. That is the only letter I remember receiving from Robert McGreevy that had any bearing in connection with the work.

Q. I mean not only you, but the firm?—A. I mean the firm also; that was the only letter.

Q. So that neither you or the firm ever received from Robert McGreevy a letter complaining of certain payments that had been made and which appeared in the books?—A. No.

Q. Did you have a man in your employ as book-keeper named George Lawrence?—A. I do not remember that name.

Q. He was on the Lévis Dock?—A. We had a man by the name of Shea.

Q. But prior to Shea, had you not George Lawrence as book-keeper?—A. It seems to me there was a man for a short time of the name of Lawrence. I did not recollect the name.

Q. But he was only there for a short time?—A. I think so.

Q. Did he act as book-keeper?—A. I do not remember him at all.

Q. You cannot remember him as book-keeper or as clerk of works?—A. We had only three, preceding Martin Connolly. Shea was one. Carroll was our first book-keeper.

By Mr. Tarte:

Q. At page 10 of the report of the sub-committee, "page 282, Esquimalt Dock Dr. to Sundries; total to be divided, $72,000; less disbursed, $17,000." Do you know if out of that $17,000 you got a sum of $5,000 reimbursed for other disbursements you had made out of your private funds, as Martin P. Connolly, in his examination before the sub-committee (pp. 11 and 13) states?—A. I do not know about that; I do not remember.

Q. You do not remember anything about that?—A. I do not remember anything about that.

Q. Do you remember having disbursed the sum of $5,000—I put the question again—and being reimbursed that sum out of the $17,000 that I have just spoken to you about?—A. I have paid several times out of my private funds.

Q. That is not an answer at all. Please answer the question: it is a very clear one?—A. What is the question?

Q. Out of the $17,000 disbursed, as described on page 10 of the report of the sub-committee, were you reimbursed the sum of $5,000 that you had paid out of your private funds, as recorded in Martin P. Connolly's evidence and in the books of the firm?—A. If I paid anything out for the firm I was reimbursed, I suppose. I could not tell you I was reimbursed at all.

Q. If Martin P. Connolly has so stated would you believe him?—A. Yes; I would.

Q. Do you remember that a statement was prepared in 1887 for the information of members of the firm, and that on that occasion you stated that you had paid to Sir Hector Langevin $5,000, and that that amount was then charged at your own request against the members of your firm?—A. I never paid any such money nor I never made any such request.

Q. You never stated before any person that you had paid $10,000 to Sir Hector Langevin, or to his son, or to anybody else for him?—A. No.

Q. You never stated that to any one?—A. No.

Q. You never caused that charge of $10,000 to be entered in the books of the firm against a member of the firm?—A. I never ordered such a charge to be made.

Q. Mr. Martin P. Connolly has sworn that a cheque for $2,000 was sent by you, endorsed by you, and he has given us this entry in the books, which is as follows: "N. K. Connolly, for the amount of his private cheque for donation *re* B. C. as agreed—$2,000." It appears that those $2,000 have been paid by your private cheque. Can you tell us what use you made of those $2,000?—A. I don't know; the cheque probably would show what use was made of it.

Q. But we cannot find the cheque—it is your private cheque?—A. My private papers will contain it, I suppose, and when they come Murphy can satisfy you.

Q. I would like to be satisfied by you; it may be a very difficult task, but still I will try again. Can you tell us the use made of those $2,000 "as agreed"?—A. I don't know; the cheques will show that.

Q. Outside of the cheque you cannot tell?—A. No; I don't recollect.

By Mr. Edgar:

Q. If the cheque does not show anything, can you give any explanation?—A. No. There may be something on the cheque that may refresh my memory so as I may be able to explain.

Q. But if there is nothing on the cheque?—A. If there is nothing on the cheque I could not tell you anything about it.

Q. An absolute blank your memory is, is it?—A. With regard to that, yes.

By Mr. Tarte:

Q. Have you any recollection that you agreed to pay those $2,000 to get information from some of the officials of the Public Works Department?

Mr. A. FERGUSON.—I must tell the witness he must use his discretion as to whether the rule laid down by the Committee obliges him to answer that question or not.

The CHAIRMAN.—He must answer the question.

A. I never agreed to pay any money for information to the Public Works Department.

Q. And you persist in saying that you have no recollection whatever of the use that was made of those $2,000?—A. Not to my knowledge.

By Mr. Edgar:

Q. You never agreed to pay; but did you ever pay?—A. I paid a great deal more than I agreed to.

Q. You say you never agreed to pay for information from any officials of the Public Works Department. Did you ever pay for such information?—A. Not to my knowledge; not to myself.

Q. Well, who paid it?—A. Nobody to my knowledge unless the witness you have heard here, Mr. Murphy.

Q. Did Mr. Murphy distribute those $2,000?—A. I could not tell you that.

By Mr. Tarte:

Q. Do you remember having been paid 55 cents a yard for dredging in 1889?—A. I do not remember. I think we done some dredging in outer basin, the price for which was 59 cents, but I am not sure. I know we had 35 cents for dredging the inner basin, and there was another contract for filling the Cross-wall which we did at 45 cents. It was a different contract.

Q. On the 3rd of August, 1887, I find that you gave your cheque for $1,000 to reimburse a similar cheque of $1,000 given by Mr. Murphy on the 21st July. Do you remember if Mr. Murphy then gave you some explanation about the use of the money?—A. I do not.

Q. You have no recollection?—A. No explanation.

Q. On the 8th August, 1887, you gave your cheque for $4,000 to your own order, which is entered in the books as "donation." Can you remember the use you made of that money?—A. I don't remember anything about it, no more than Mr. Murphy may have got the cheque and handed it over to me.

Q. Mr. Murphy did not get a cheque of yours. Where, or how could he give a cheque of your own order?—A. I may have given it to Martin Connolly, or may have drawn it myself and handed it over to Mr. Murphy.

Q. But you have no recollection.—A. No.

Q. You don't know what use you made of the money ?—A. No.

Q. Then it appears to us, from the day that you took charge of the cash you signed cheques for donations amounting in round figures, I believe, to nearly $50,000, and you have no idea of the use that was made of the money ?—A. I have no idea more than what Mr. Murphy told me. Mr. Murphy would come and want a cheque or want a note, and I would sign it.

Q. Even after he was discharged from the care of the cash, because you say you had lost confidence in him, you yet retained enough confidence in the man to give him such large amounts of money without knowing where that money was going ?—A. He was——

Q. Answer, please ?—A. He never was entirely discharged from the handling of the cash. He always persisted in handling the cash, and I was quite willing that he should handle the cash.

Q. And he handled the cash with your permission ?—A. Yes; he could draw a cheque himself; there was no time he could not draw a cheque himself.

Q. Has he drawn many cheques since 1883 himself ?—A. I don't remember; I don't think he has drawn many.

Q. Then, having drawn yourself the cheques, do you swear that you have given him neither of these cheques or the proceeds of those cheques, and do you want us to believe you didn't know at all where the money was to go ?—A. I knew nothing more than he told me about it.

Q. What did he tell you ?—A. The same as he told me about all other moneys he had handled.

Q. And you went on giving very large sums of money up to thousands of thousands of pounds, or dollars, retaining enough confidence in the man to give him such large amounts of money ?—A. Yes; I always gave him the cheques just as he wanted them. When he wanted a cheque I always gave it to him.

Q. You signed them without obtaining any information ?—A. I told you I asked information, but the information was never satisfactory to me.

Q. But still you kept on giving him money and wasting the money of the firm. What did you mean by that ?—A. He was a member of the firm, and as a member of the firm I gave him those cheques of my own.

Q. I believe you understand me well. You say the man was discharged because the member of the firm had no more confidence in him ?—A. I don't think I ever said that he was discharged. I said I was always on the work, and when it was convenient for him to sign cheques he always done so, either before or after he was discharged.

Q. But you have just said he had not signed many cheques ?—A. Not to my knowledge; he may have, but the cheque will show that.

Q. Yes ; I know ; but you have signed about $50,000 yourself for donations, and you cannot tell us about one solitary dollar of that large sum of money ?—A. Where it went ?

Q. Yes.—A. No.

Q. Well, you have a peculiar memory. And the members of the firm stood such treatment—they allowed nearly $50,000 of their money to be drawn out of their pockets on your signature without knowing anything about it. You tell us that. Is it true or not ?—A. Only as Murphy explained.

Q. And when Mr. Murphy explains here you don't believe a word of what he says, although at that time you believed him all through ?—A. At that time he was an interested party ; he had a share in the business and was a partner.

Q. What was his interest ?—A. He had an interest of 19½ per cent.—something like that.

Q. And the balance, of course, was divided between the other members of the firm ?—A. Yes.

Q. And it was because they had confidence in you they had given you the care of the cash ?—A. I never claimed the care of the cash.

Q. You never claimed anything, I know, but they claimed you were the right man in the right place?—A. That is for them for to say, not for me.

Q. But at any rate you took care of the cash?—A. I done the best I could under the circumstances.

By Mr. Davies:

Q. In the evidence given before the Sub-Committee, it was stated by Mr. Martin P. Connolly, your book-keeper, that on 3rd January 1887, there was a Union Bank cheque made out to your order for $5,000, to be charged to dock. Can you tell me the purpose for which that cheque was drawn?—A. No, I cannot.

Q. On the 4th of February, 1887, there were two cheques. The first was on the Union Bank to your order, B. C. division, $5,000. The other was British North America Bank cheque to your order, B. C. division, $5,000. Can you tell me what those cheques were for?—A. No, I cannot.

Q. On the 3rd of March there was a cheque to your order for $5,280. Can you tell me what that was for?—A. I cannot.

Q. On the 3rd of August, 1887, there was also a cheque to N. K. C. for $1,000. The book-keeper remarked: "The blank is there, because I did not have any explanation for what the money was for." Can you give an explanation?—A. I cannot.

Q. On the 8th of August there is a cheque to N. K. Connolly for $4,000. Can you give any explanation about that?—A. I cannot. My private cheques may show something about that.

Q. I am asked by a member of the Committee to ask you if you could give any explanation of the letters "E.W." which appear in the evidence at page 350?—A. I do not know.

Q. In Exhibit "L 3" page 346, on the 8th of March, 1888. "N. K. Connolly for amount of his private cheque for donation *re* B. C. as agreed, $2,000." Mr. M. P. Connolly explained: "It was agreed by the members of the firm that Mr. Connolly should get $2000, which I suppose he had expended." Did you state that you paid out this money with a private cheque and afterward got it returned to you, and do you swear you do not know for what purpose any of it was paid?—A. I never had any such agreement with the firm.

Q. Do not escape me with the word "agreement." Did you pay that money out of your private cheque, and do you swear you do not know what it was paid for?—A. I do not.

By Mr. German:

Q. Who is George Beaucage?—A. He is a contractor; he lives down near Quebec.

Q. What was he doing in 1883?—A. I do not know.

Q. Did you know him personally?—A. I had a slight acquaintance with him.

Q. He was not working for you?—A. George Beaucage? Do you mean the contractor?

Q. I mean Beaucage the contractor?—A. He never worked for me.

Q. You knew him?—A. I had a slight acquaintance.

Q. Do you know when the tenders were being prepared for the cross-wall, that his tender was being made out and put in?—A. No.

Q. But you had prepared Gallagher's tender?—A. Not me.

Q. Your brother?—A. Yes.

Q. You knew it was being prepared in your interest?—A. I suppose so.

Q. Why were you sending in Gallagher's tender as well as your own?—A. That was, I suppose, to get the work.

Q. You were prepared to do the work at Gallagher's tender?—A. I think so.

Q. If no other tender intervened between Gallagher's tender and yours you could drop Gallagher's tender and take your own. That was the object?—A. I think so.

Q. You have to send in a certified cheque with each tender, according to the rules of the Department?—A. Yes.

Q. There was a certified cheque sent in with Gallagher's ?—A. I think so.

Q. Whose cheque was it?—A. I do not remember whether it was Mr. Larkin's or mine. I think it was Mr. Larkin's.

Q. Signed by himself?—A. Yes ; I think so.

Q. Payable to the order of the Minister of Public Works ?—A. I do not remember seeing the cheque.

Q. You knew it was the rule of the Department that if a contractor refused to accept the contract on his tender his cheque would be forfeited?—A. Yes; that is the rule.

Q. Did you expect this cheque to be forfeited ?—A. Certainly, if the contract was not fulfilled.

Q. Did you get any information that if Gallagher's tender was dropped you would get your cheque back?—A. I got no information.

Q. Did you hear it from any member of the firm ?—A. I may have, but I do not remember.

Q. Did you ?. You must remember it. It was talked over between you ?—A. It may have been talked over.

Q. Was it talked over?—A. It was talked over, and it was in the papers as well.

Q. You knew that if Gallagher's tender was dropped you were liable to lose your deposit. Was it not talked over that if this tender was dropped your cheque would come back to you ? Was there not a conversation between the members of the firm that your cheque would be returned ?—A. I do not remember the conversation ; but of course that would be the result.

Q. That was the understanding ?—A. Of course there must have been an understanding that if Gallagher's tender was forfeited that the cheque would be forfeited.

Q. Did you not understand between yourselves that if Gallagher's tender was dropped the cheque would be returned to you ?—A. No ; I had no understanding of that kind.

Q. Was it not talked over among you ?—A. I do not remember it being talked of.

Q. Would you say it was not ?—A. Not to my knowledge.

Q. As a matter of fact, was it returned ?—A. I think it was.

By Mr. Henry :

Q. With reference to the Esquimalt Dock and the alleged dissatisfaction on the part of your firm with Mr. Bennett, Mr. O. E. Murphy states that he was instructed by you and by Mr. Larkin to offer to Mr. Thomas McGreevy the sum of $5,000, for the purpose of getting Mr. Bennett removed; and Mr. Murphy states these instructions were received by him at or near Niagara Falls, and the matter was talked over in Buffalo at dinner on the same day, being about the time of the funeral of your wife ?—A. It never was talked over and there never was such a meeting.

Q. Was there such a discussion ?—A. No.

Q. Did you get any such instructions ?.—A. No; nor I did not give any such instructions. I say that I always found Mr. Bennett to be a fair, honest, good man, and a good practical engineer. But I may say this : That there was a little friction between himself and my brother at the commencement owing to the fact of him not giving the estimate as large as we had earned or as large as what we thought my brother had earned. I think he was justified in that matter when I think of the parties he had to deal with before us going there. The Dominion Agent out there, Mr. Trutch, said we had taken the work $100,000 too low. I believe that made Mr. Bennett more careful than he would have been otherwise. He was a good officer, and I think a very honourable man.

Q. You deny there was any such instruction?—A.—Yes—in fact I was always pleased with Mr. Bennett.

Q. Was there any such intention in your mind or was it discussed ?—A. It was never discussed there to my knowledge or anywhere else.

By Mr. Mulock:

Q. Did I understand you to say there was no such meeting?—A. No such meeting as he mentions, where this was discussed. I never was a party to such a meeting.

Q. Was there any meeting at Buffalo on the occasion referred to by Mr. Henry, namely, the funeral of your wife?—A. Mr. Larkin was not at Buffalo at that time.

Q. Mr. Murphy spoke of Buffalo and Niagara Falls. Did you meet at Buffalo or Niagara Falls with Mr. Murphy, Larkin, and perhaps others.?—A. Mr. Larkin was not at Buffalo at all.

Q. Buffalo or Niagara Falls?—A. At neither place no such discussion took place.

Q. Did you, Mr. Larkin, Mr. Murphy, and others, meet either at Niagara Falls or Buffalo on the occasion of your wife's funeral?—A. We met.

Q. Then there was such a meeting?—A. But no such meeting where such a discussion took place.

By Mr. Edgar:

Q. Did you meet Mr. Murphy at Buffalo?—A. No; Mr. Murphy went to Indiana on that occasion and came through with the funeral from Indiana.

Q. He met you in Indiana?—A. Yes.

By Mr. Mulock:

Q. Are you sure he did not meet you in Buffalo?—A. He came on with the funeral to Buffalo.

Q. Did he not remain in Buffalo with you for a few hours?—A. I think we had to stop over a train.

Q. Mr. Murphy was there then?—A. Mr. Larkin was not there.

Q. But Mr. Murphy was at Buffalo with you at this time?—A. He was for probably an hour, more or less.

By Mr. Langelier:

Q. Who was in charge of the work at the British Columbia Dock in 1885—the spring of the year?—A. My brother.

Q. Were you not there yourself?—A. I think I was there during the winter, and the early spring, probably.

Q. But at the commencement of May, 1885, were you there?—A. I think I left about the 1st of May, and my brother was there alone. I am not positive about that though. I went out at first in the fall and located the quarries, and got the work going that winter.

Q. I read in a letter of Thomas McGreevy's addressed to his brother Robert, and dated the 2nd of May, 1885, the following words: "It is now understood that Bennett, the engineer at British Columbia, will not suit, so the Minister and Perley are prepared to change him." Did you do or say anything which would make Mr. Thomas McGreevy understand what he says is understood there?—A. I never said anything to Thomas McGreevy about Mr. Bennett, that is, about having him discharged or anything.

Q. Are you aware whether any member of your firm, or your engineer or anybody acting for the firm stated or wrote to Thomas McGreevy to make him understand that Bennett would not suit or that he must be removed?—A. Not to my knowledge. There may have been letters written to Thomas McGreevy, but I have no knowledge of them.

Q. You say you left British Columbia at the commencement of May, 1885?—A. That is the best of my recollection. I was there in the winter of 1884, I think to organize the work.

Q. Was it not understood before you left British Columbia that Mr. Bennett would not suit?—A. No. I always liked Mr. Bennett.

Q. Did your brother not like him?—A Just as I tell you with regard to these first few estimates.

Q. These are not the estimates we are discussing. We are talking of 1885, and I asked was that friction of which you are speaking then in existence between your brother and Bennett?—A. I rather think not. I think about that time we commenced to build, and Mr. Bennett I think was satisfied we were going on with the work and likely to finish it.

Q. Therefore you see no foundation whatever in that statement of Thomas McGreevy's that "Bennett the engineer at British Columbia will not suit"?—A. Robert McGreevy may have written to his brother something about it or my brother may have written.

Q. Was Robert McGreevy on the spot?—A. No.

Q. Had he any dealing with Bennett?—A. No.

Q. Then why should he write that Bennett would not suit?—A. My brother may have written to Murphy or to Robert McGreevy that Bennett would not suit. That is the way the thing would come round, I think.

By Mr. Mills:

Q. That letter was written at the time you were in British Columbia?—A. It may have been, but I do not know.

By Mr. Davies:

Q. You think then in May, 1885, about the time you were leaving British Columbia a friction between your brother and Bennett, which previously existed, had died out?—A. That is my recollection. I do not think there was a great deal of friction anyway.

Q. Can you suggest then to the committee any means by which that impression could have got into Mr. McGreevy's mind that there was friction between the firm and Bennett, and that Bennett would not suit at all?—A. The only way is just as I have explained, that my brother may have written either to Robert McGreevy or Mr. Murphy and they told something about it probably to Thomas McGreevy.

Q. Your brother would not write to either of those gentlemen unless the friction existed?—A. I should think not.

Q. Do you suggest that your brother may have written to Murphy or Robert McGreevy that Bennett would not suit?—A. I do not know he may have done so.

Q. Your brother did not complain to you about Bennett?—A. He may have done so.

Q. Did he express anything to you of his dissatisfaction at the time you were out there together?—A. We were there together I think early in the spring.

Q. I am talking of April or May, 1885?—A. I do not remember his expressing any dissatisfaction with Bennett at the time.

Q. Your judgment is that he was not dissatisfied with Bennett?—A. That is my recollection.

Q. And you were satisfied with Bennett?—A. I was satisfied with him in this way; I was satisfied that while he was holding back a larger portion of our estimate than he had a right to according to the contract. I was quite satisfied we would get it later when he saw we were likely to build the work.

Q. There was no such dissatisfaction as prompted you to desire a change to be made?—A. Not to my knowledge.

Q. So that Mr. Thomas McGreevy could not have got the information from you?—A. No.

Q. And if he got it from your brother, it was contrary to what your brother's mind was at the time?—A. No; I knew my brother had spoken about the estimates.

Q. But did your brother want to change Bennett?—A. At that time my recollection is he did not want to change Bennett.

Q. Then if Mr. Thomas McGreevy got the idea that Bennett would not suit, it was not from you or your brother?—A. That idea, I think, came previous to that time.

Q. Then your impression is, that your brother gave that impression to Thomas McGreevy previously?—A. He may have given it to Murphy or to Robert McGreevy, but I do not remember him having done so.

Q. But from his conversations you judged that his desire previously was to have Bennett changed, and subsequently it was not his desire?—A. No; I think not.

Q. After you came away was your brother fairly well satisfied with Bennett? A. I think so. He may have been complaining; no doubt he did complain to me a great many times about Bennett's estimates. That was the only fault he had to find with him.

Q. That was the main thing—that he was not giving you enough in the estimates?—A. An engineer can keep a good deal of money from you without being any benefit to the work.

Q. Is it not a fact that all these statements by yourself are directly contrary to the record before us. Is it not a fact that on the 11th September your brother wrote you a letter in which he complained bitterly of Bennett and Mr. Trutch?—A. I do not recollect.

Q. In the following September,—I have been speaking to you about May, the time Mr. Thomas McGreevy wrote to his brother that Bennett would not suit, and that it would be necessary to have the Department change him—is it not a fact that in the September following 1885, a letter was written by your brother in British Columbia in direct contradiction to that which you had just been saying. It appears at page 395, of the printed evidence?—A. He may have written such a letter.

Q. May? Here it is in the printed evidence.—A. My recollection was that the friction was done with at the time.

Q. I will read it. "Bennett finished the estimate and took it up to the 'Great Mogul,' Trutch, and between both they cut it down pretty fine, so much so that it won't meet our running expenses by $4,000. To give you an idea of the way they are handling us, I can state that the first time I charged the Government for the use of a steam derrick I put it in at $25 per day, which Trutch, after some hesitation, allowed, and this time we had some few days for steam derrick charged, when Mr. Trutch in his wisdom saw fit to cut the rate down to $12.50 per day, and other charges were cut down to suit the ideas of 'Sir' Joseph Trutch. We are building the caisson recess of rock-faced ashlar, as per plans prepared by Mr. Perley, but Messrs. Trutch and Bennett think they know more about the construction of engineering works than either the Minister of Public Works or the Chief Engineer. Instead of Trutch complying with the request of Sir Hector that we should receive every possible indulgence and encouragement, he does everything he can in an underhand way to embarrass us, and Bennett is his tool all through?" In the face of this letter, written to yourself by your brother, you tell the committee that friction had ceased?—A. I do not see anything in that letter about asking for Bennett to be discharged.

Q. Your brother mentions that he is doing all he can to embarrass you, that Trutch is not complying with the request of Sir Hector, and that Bennett is his tool all through?—A. That is just what I said. He was keeping the estimates back, and that is all the friction there was between Bennett and my brother.

By Mr. Tarte:

Q. Is it a fact or not that Bennett refused to approve of the plans prepared by your engineer, Mr. Hume, about the recoursing of the dock?—A. I do not know. I do not think Mr. Bennett had power to sanction plans without Mr. Trutch. I think Mr. Trutch was the proper man.

By Mr. Davies:

Q. I will read the remainder of that letter; "I must tell you that we are building the caisson chamber as per plans prepared by Mr. Perley, in rock-faced coursed ashlar with wall at foundation, as per plan, 8′ 6″ thick, with buttresses 5′ 0″ x 4′ 0″. Now, Messrs. Trutch and Bennett slip in and say that plan from Ottawa is null and void, and

we will only pay you for the brick wall, as shown on Kinipple and Morris' plans. If the Department of Public Works is going to allow Trutch and Bennett to dictate to it in this manner we might as well and better stop at once, for we cannot stand this sort of humbugging any longer." In the face of this letter you persist in stating that Bennett was doing everything satisfactorily and you saw no reason to have him dismissed?—A. He was keeping back the estimates as I tell you; that is all. That is a thing which would come right later.

Q. Your brother says that Bennett and Trutch are dictating to the Public Works Department, and that if this is allowed to go on, you might just as well stop work at once.

Mr. HENRY—Read the remainder of the letter, Mr. Davies?—You will see a reference to progress estimates.

Mr. DAVIES—I will do so.

"I am doing everything I can to push the work along, but it seems those fellows are determined to obstruct us and retard its progress as much as they can by withholding the estimates as they become due.

"If we were getting enough on our progress estimates to meet our current expenses I would not grumble, for I know that the Department at Ottawa would do us justice. We have about fully fifty thousand dollars invested here, besides the value of the plant we brought from Quebec, so that I feel it time the work here was self-sustaining. I wish as soon as this letter comes to you you would go to Ottawa and see Sir Hector and explain the matter to him, who, I believe, when the situation is explained to him, will apply the necessary remedy. I have very little now to add at present. Of course, I will do everything possible to push the work until I hear from you, but it is very discouraging to be working hard day and night and then come out behind four or five thousand dollars at the end of the month. This is what discourages me."

Q. Is it a fact or not, Sir, that on the 4th of May, the very day on which Mr. Thomas McGreevy went to see Perley to try and get another engineer sent and Bennett dismissed, an order was sent or given from the Department here for the recoursing of the dock?—A. I don't know that.

Q. Is it a fact or not that Mr. Bennett objected all through to the reduction on the plant, and that he made reports to that effect?—A. The plant we purchased?

Q. Yes?—A. I think he did.

Q. Is it a fact or not that Mr. Bennett objected to your being paid for the masonry all over, and that he wanted you to be paid only on your concrete prices?—A. I think he did, but I am not positive.

By Mr. Geoffrion:

Q. When did Larkin, Connolly & Co. beging dredging, under their contract of 1882, in the Quebec harbour?—A. I think it was in 1883.

By Mr. Fitzpatrick:

Q. What was the year your wife died?—A. I think it was in December, 1885.

MR. EDGAR.—I would like to ask if any news has been received about Thomas McGreevy or his books.

MR. STUART.—In answer to a telegram I sent yesterday after the Committee had adjourned, enquiring of Mr. McGreevy if he were able to find his books, I received the following telegram:—

"QUEBEC, 15th July, 1891.

"Banks writing up pass books, hunting up other documents, will forward when complete, cannot leave my room for some days yet.

"THOMAS McGREEVY."

THE CHAIRMAN.—Did he send you a certificate from the doctor?

MR. STUART.—No, sir; I did not ask for it.

Mr. A. H. VERRET sworn.

By the Chairman :

Q. Your name, Mr. Verret ?—A. Hector Verret.

Q. Of the city of Quebec ?—A. Yes.

Q. Secretary of the Harbour Commission ?—A. No; Auditor for the Province of Quebec.

By Mr. Geoffrion :

Q. Have you been in the employ of the Harbour Commissioners ?—A. Yes, sir; for 13 years less 2 months.

Q. In what capacity ?—A. As Secretary-Treasurer.

Q. As such were you custodian of the papers ?—A. Yes, sir, of the papers.

Q. And the cash also ?—I was Treasurer, and therefore custodian of the cash. ?

Q. Are you acquainted with the members of the firm of Larkin, Connolly & Co. —A. I am, sir.

Q. Do you know whether Mr. O. E. Murphy was a member of the firm ?—A. —Yes, sir.

Q. Whilst you were there ?—A. Yes, sir.

Q. You are also aware that this firm was under contract for certain works in the Quebec Harbour ?—A. Yes; the Cross-wall, Graving Dock and dredging; but the South Wall was given to Gallagher & Murphy, although the work appeared to be done by Larkin, Connolly & Co., as far as I could see myself.

Q. The South Wall was given to Gallagher & Murphy ?—A. Yes, sir.

Q. Though the work appeared to have been executed by the firm of Larkin, Connolly & Co. ?—A. Well, it looked like it. I saw the plans, and the same men there working. It was just opposite my window, so I could see them at work.

Q. In connection with the South Wall contract, do you remember whether the contractors were required to deposit a certain security with the Commission ?—A. Yes; the amount was $25,000.

Q. Do you remember what was the nature of that security ?—A. It was a certificate of deposit on the Union Bank.

Q. Issued by the Union Bank ?—A. Yes, sir.

Q. Did you retain this certificate of deposit during the whole time of the contract ?—A. I did not, sir.

Q. Can you by memory say when it was deposited with you ?—A. The date the contract was signed; I think it was in 1886.

Q. Can you remember when the works were finished ?—A. The work, I think, a little after I had left the Harbour Commission—that was in 1890; I resigned in February, 1890. I think the South Wall was not entirely completed at the time. It was completed next season—but I am not sure of that; but it was all completed before I left.

Q. Are you satisfied that before you left it was altogether completed ?—A. I believe it was not altogether completed; I am satisfied of that.

Q. You stated that you did not keep that deposit receipt during the whole time of that contract ?—A. I did not, sir.

Q. Will you explain to the Committee what change took place in the security ? —A. Yes; some time after the contract had been awarded and the works were in progress—I may say, probably one year, or nine or ten months after the work had commenced—Mr. Murphy called on me and asked me to surrender that deposit, that they were wanting the money, and that he would give me in return a cheque of the firm not accepted. I told him that I could not do so under any consideration. I advised him to apply to the Board. He said: "I cannot do that." So he repeatedly asked me, and he called on me to do him that favour—it was considered a favour—so I said: "I cannot do that; but in order that I may not be an obstructionist in your way of securing that amount, I will do that if you will bring me a letter or a recommendation from the Hon. Mr. McGreevy, who is the president of the Finance Committee, and also the leading member." I considered him a leading member

of the Commission. I said besides this: "The Chairman must be a party to the transaction—he must know it; he must be aware of it."

By Mr. Edgar:

Q. Who was the Chairman?—A. Mr. Valin. Well, he said: "I will bring you a letter from the Honourable Mr. McGreevy," and he came back—I don't know whether it was one day or two days afterwards or this same day—with a letter from Mr. McGreevy addressed to me, and I opened the letter from Mr. McGreevy, stating he had no objection to the surrender. It read: "I see no objection to the surrender." So I said I am satisfied, and immediately drafted a letter, by which Mr. Murphy recognized he had received that deposit, and that it had been replaced by a cheque, and when Mr. Murphy had signed that document I gave him that receipt and took the cheque to put into the cash box. I went down to the vault and gave it to the cashier, Mr. Woods. Mr. Woods used to keep the cash, and I would not keep it in my office, for we had too many visitors there. I never heard any more of it until thirteen months after I had left the Commission, when I was auditor of the Province of Quebec, and the ex-Chairman, Mr. Valin, called on me and he told me. He said: "Do you remember that letter that was given to you by Mr. McGreevy about that transaction he referred to?" Well, he said: "That letter does not mean at all what you told me; the word 'No' is no more on that letter." I had left the Commission, but I told Mr. Valin: "I am very much surprised—I am astonished, but, however, you will tell the Commissioners I am ready to call on them to be present at any time; they have only to telephone me, and I will call on them at any of their meetings and explain the whole matter." Since this investigation has taken place the Commission has never called on me to explain that matter, and since the investigation has taken place the letter was shown to me, and I read in it: "I see objection." I am positive the letter given to me by Mr. Murphy, written by Mr. McGreevy and signed by him, contained the word "No," but I have not been the guardian of the letter, and I have left the Commission now fifteen months, so I am not able to vouch about it—if there has been a substitution.

Q. If I understood you right, you said you put the letter and the cheque together in the same envelope?—A. Yes; and immediately I made a note of the whole transaction. I went in my office and made a note of the whole transaction and put it in my box, and when I left the Commission, that is three years after, I forgot to take the document with me, and I asked Mr. Valin to try and find that document. It has not been found; but the whole explanation I put in my books in order to refresh my memory in case the Commissioners would ask me to account for that substitution.

Q. You have a memorandum?—A. Yes; quite sure of it.

Q. Was it put in your box?—A. In my private box as secretary, and I left the box with the keys to my successor.

Q. Will you examine this letter, Exhibit "L," and say whether you recognize this letter as being the one that was put in the box by you with the cheque?—A. I cannot say. I see it was written by the same hand, signed by the same man, and that the word "no" is no more in the letter, as it was in the letter that was given to me.

Q. Is it the same kind of paper?—A. I cannot say.

Q. Read the whole of it?—A.

"(Private.) "QUEBEC, 27th October, 1888.

"DEAR MR. VERRET,—I see objection to your taking Mr. O. E. Murphy's cheque endorsed by N. Connolly for one you now hold on deposit.

"Yours truly,

"THOMAS McGREEVY."

Mr. FITZPATRICK.—Read that last line again.

Witness reads the last line as follows:—"For the one you now hold on deposit."

Mr. FITZPATRICK.—You did not read the word "the" the first time. You may have passed over "no" in the same way.

Q. Did you under these circumstances generally act with the consent of Mr. Valin?—A. I would not do anything without Mr. Valin's consent.

Q. Beside the letter from Mr. McGreevy, in his capacity as Chairman of the Finance Committee, you felt that the assurance of the Chairman of the Committee would be ample?—A. Certainly, it was my instructions to do nothing without the Chairman's consent. The Chairman used to come every day into my office, and I would give him information as to any of the transactions that might be done of any importance.

Q. Did you show the letter which Mr. McGreevy had sent you at that time to Mr. Valin?—A. I have no doubt I did show it. He may have come the next day or the day after. Mr. Valin, when he was in town, came every day, and there is no doubt I showed him the letter immediately after I saw him. He may have been there the same day.

By Mr. Tarte:

Q. Messrs. Kinipple & Morris prepared plans for the Cross-wall?—A. Yes.

Q. Do you remember the settlement which took place when the services of Messrs. Kinipple & Morris were dispensed with?—A. I do remember it perfectly when that arrangement took place.

Q. Do you know if new plans for the Cross-wall were prepared by Mr. Perley, the Chief Engineer?—A. I think Mr. Perley or Mr. Boyd. I think it was under the supervision of Mr. Perley.

Q. There was a sum of money paid to Messrs. Kinipple & Morris by the Harbour Commissioners when the settlement took place?—A. Yes.

Q. Can you tell us if Messrs. Kinipple & Morris have been paid for the plans which they prepared for the Cross-wall and which were not used?—A. Yes; they have been paid.

Q. In the settlement itself, which was, I suppose, a written agreement, that payment could be ascertained?—A. I believe so.

Q. Then, sir, these plans, you think, have been paid for, although they have not been used?—A. Yes.

Q. You cannot remember the amount that was paid for those plans?—A. I do not remember. It is marked in the agreement: "Specified there."

Q. Do you remember the tenders that were called for the cross-wall?—A. I do.

Q. Do you remember if they had been opened in Quebec by the Harbour Commissioners?—A. They were opened in Quebec.

Q. Can you tell us if Mr. Perley was down in Quebec on the very day they were opened?—A. I am not able from my memory to tell you; but you could ascertain that by the Minutes in the books you have here in your possession. There is no doubt if he was there it is indicated in the minutes.

Q. Had you any knowledge that differences of opinion existed often between Messrs. Larkin, Connolly & Co. and Messrs. Kinipple & Morris?—A. I know they used to complain of the plans and say: "We are not able to work on those plans." That was especially for the graving dock. They never worked under Kinipple & Morris at Quebec.

Q. Did it ever come to your knowledge that Larkin, Connolly & Co. tried to procure the dismissal of Kinipple & Morris?—A. It appeared to me so; but I have no proof of that fact.

Q. What do you know from your knowledge?—A. From my knowledge they used to complain of Kinipple & Morris continually.

Q. From your knowledge of the business of the Harbour Commissioners and from the intercourse you had as officer of the Harbour Commissioners, can you tell us if you know that Messrs. Larkin, Connolly & Co. tried to procure the dismissal of Kinipple & Morris and Mr. Pilkington?—A. It is my opinion.

Q. Based on what?—A. What I heard. Complaints I used to hear.

Q. From whom?—A. The contractors.

Q. Do you remember of the contract for dredging work which was given in 1882 ?—A. I believe there was one given in that year. There was two contracts given for dredging. I do not remember the date or the year.

Q. Can you tell us if in your opinion, as being there on the spot, it is more difficult to throw material into the St. Lawrence or into the embankment ?—A. I am not a jndge, but, according to my opinion——

Mr. FITZPATRICK objected.

Q. Can you tell us how much Mr. Perley was paid as Chief Engineer of the Harbour Commissioners ?—A. I think one year he received $1,500, and other years $1,000. He may have received $1,500 for two years. I am not very sure.

Q. Is that in the book ?—A. There is a resolution in each year awarding him so much.

Q. Is it to your knowledge that in the meetings of the Harbour Commissioners the hon. Thomas McGreevy often used Sir Hector Langevin's name ?—A. I remember that he did very often, "I will see Sir Hector," or "I will consult Sir Hector." The Commissioners used to say, well, Mr. McGreevy, you will see Sir Hector on such a subject. That was done very often.

Q. Did Sir Hector Langevin come down often to the Commissioners' meetings ? —A. Sometimes, not often. It is always entered in the book.

Q. With whom, when he came, was he in the habit of going ?—A. With Mr. McGreevy. He used to come with Mr. McGreevy.

Q. Can you remember some occasion in connection with contracts that Mr. McGreevy specially used Sir Hector Langevin's name ?—A. I have no special occasion in my mind.

Q. He was in the habit of using his name when there was a difficulty or a difference of opinion ?—A. I did not see that very often to my knowledge.

Q. You said Mr. McGreevy's position in the Harbour Commissioners was a leading one ?—A. I considered him the leading man.

By Mr Geoffrion :

Q. Were the members of the Commisson aware of the relations of Sir Hector Langevin and Mr. Thomas McGreevy ?—A. I believe so.

Q. Was it notorious in Quebec ?—A. It was. In my opinion it was. I do not say in Quebec ; I say amongst the Commissioners.

Q. Will you state to the Committee whether to your knowledge this influenced the Commissioners when Mr. McGreevy used the name of the Minister of Public Works ?—A. I believe it did.

Q. Have you any reasons to give the Committee why you have that belief ?— A. Because on many occasions he was requested to see the Minister himself and was coming to Ottawa, and was asked "If he would be kind enough to see the Minister and when you return be kind enough to bring us the answer" when there was some important business to transact.

By Mr. Tarte :

Q. Have you got any recollection of any difficulty or difference of opinion that took place between Mr. Boyd and Larkin, Connolly & Co. about a reduction on dredging for materials thrown into the St. Lawrence ?—A. Yes ; I heard of it, but my recollection is that it was repaid to them. That is all I know about it. It may not be true.

Q. You have no personal recollection or knowledge ?—A. I have no personal knowledge.

By Mr. Osler :

Q. You were custodian of the plans, Mr. Verret ?—A. No, Sir. The plans generally were sent to the engineer's office, after they were signed.

Q. Who had the contract plan of the cross wall ?—A. The contract plans of the cross wall were signed by the contractors, the chairman, myself and the notary,

and afterwards sent back to me and I used to send the plans to the engineer's office. They were left there.

Q. Speaking particularly as to the cross wall, were there signed plans signed by the officials of the Harbour Commissioners and by the contractors?—A. Are you referring to the Kinipple and Morris plans?

Q. The plans on which the work was executed?—A. Certainly.

Q. They were signed plans?—A. They were signed plans.

Q. And those signed plans were handed over to the engineer's office?—A. Yes.

Q. Who would be the custodian of them?—A. It was generally the resident engineer. For a long time Mr. Boyd and then, when he died, Mr. Boswell.

Q. It would then be in Mr. Boswell's custody that the signed plan would be?—A. No doubt.

Q. They were out of your Department after the contract was made?—A. Yes, Sir.

Q. Did you have a personal knowledge that the plans on which the work was executed were signed?—A. They were signed.

Q. And produced before the notary when the contract was made?—A. Yes, Sir, and signed by the notary himself.

Q. Then, there was a change. Was an entirely new plan prepared by Mr. Perley or Mr. Boyd for the cross-wall, or did they alter or vary the Kinipple and Morris plans?—A. No, Sir, it was a new plan.

Q. When you discharged Messrs. Kinipple and Morris from being the chief engineers, did you retain them as consulting engineers?—A. Yes, Sir, for three years. It may have been only two, but I am not sure. I think it is three.

Q. Terminating when?—A. I think in 1889. I believe so.

Q. Did you have occasion to consult them, or were not their functions exercised at all?—A. They were not consulted.

Q. And you paid them $1,000 as a retaining fee, which was dropped after that had gone on for two or three years?—A. Yes.

Q. Having no occasion to consult them?—A. No occasion to consult them.

Q. There had been a good deal of difficulty before they were discharged as to the work executed, or attempted to be executed, under their plans?—A. There was.

Q. And their plans had been the occasion of great trouble to the commissioners?—A. Yes.

Q. In regard to that, was there reasonable ground for changing the chief engineer?—A. I am not prepared to give my opinion on that subject. There may have been ground or not.

Q. You do not desire to express an opinion as to that?—A. I do not desire to express my opinion on that.

Q. I will not press you further. Now, with regard to the tenders for the cross-wall, were the tenders you spoke of as having been opened, opened in Quebec?—A. Yes, Sir.

Q. What was done with them after they were opened? Do you remember—does the correspondence in your office show?—A. Everything is in the minute books. Generally they were sent to the chief engineer to report, but you will see by the minute book what was done, as everything is there.

Q. Was there sufficient information on the opening of the tenders to ascertain from them which was probably highest or the lowest? Did you get a general idea?—A. We used to read the tenders. It was a printed form and filled up by the tenderers. I used to read only that part and everything was then referred to the engineer.

Q. But was there sufficient knowledge in the tenders, sufficient figuring I mean, to show who was the highest or the lowest?—A. There was.

Q. There was a general idea as to how the tenders stood?—A. Oh, yes; there was a lump sum at the bottom.

Q. There was a general idea, as you have stated, at the time the tenders were opened in Quebec?—A. Yes.

Q. You spoke of Mr. McGreevy as being a leading member of the Commission. Do you know of anything connected with his association with Sir Hector, beyond the mere reference of matters to him as the most convenient member of the Board to get information ?—A. No, sir; nothing.

Q. Nothing more?—A. Nothing more.

Q. He would be going to Ottawa and the other members of the Board not, and it would be referred to him to get any particular information from Sir Hector ?—A. Yes, sir.

Q. Nothing more than that ?—A. Nothing more than that, that I know.

By Mr. Langelier:

Q. The chairman of the Harbour Commission was also in the habit of coming to Ottawa ?—A. He was a member of Parliament for at least six years.

Q. Until 1887 ?—A. Yes.

Q. He had therefore as much business to come to Ottawa as Mr. McGreevy ? To your knowledge, Mr. McGreevy had no other business calling him to Ottawa than his duties as member of Parliament ?—A. That is what I believe, sir.

By Mr. Fitzpatrick:

Q. When were you first appointed Secretary-Treasurer of the Board of Harbour Commissioners of Quebec ?—A. In 1877.

Q. And you remained in that capacity until 1890 ?—A. Yes; February, 1890.

Q. You were then appointed Auditor of the Provincial Government at Quebec ? —A. Yes, sir.

Q. And you now occupy that position ?—A. Yes, sir.

Q. Do you remember when the contract for the South Wall was let ?—A. I do not remember that.

Q. You remember the date ?—A. No; I do not remember that.

Q. It was on the 18th January, 1887, was it not ?—A. I do not remember.

Q. The minutes will show that ?—A. The minutes will show that.

Q. Do you remember if any work had been done under the contract of October, 1887, by Gallagher ?—A. I think there was some work done, but I do not believe there was much.

Q. Do you think there was any plant of any sort there on the ground for the purposes of the work ?—A. I am not sure, sir. I think there was, but I am not sure.

Q. Was there much ?—A. I cannot say; I was not in the habit of examining or inspecting the works. It is not my business.

Q. The question of the amount of work done and the material on the work would not be considered an element in your calculatiou as to whether or not the security should be returned ?—A. Sometimes it might. It was always a consideration that if more work had been done and more drawback held back that you had a better security.

Q. Do you remember that the last time you were here having a conversation with Mr. Stuart in reference to the amount of the work done and the plant on the ground ?—A. I believe so.

Q. Do you remember stating to him that there was a large amount of work done and that there was considerable plant on the ground, and what this security was ?—A. Yes; but I was alluding to the other works. At that time the drawback on the Cross-wall was about $30,000 or $40,000. When I spoke to Mr. Stuart we were discussing about Larkin, Connolly & Co. and the firm.

Q. And not about the South Wall ?—A. Not about the South Wall.

Q. You did not tell Mr. Stuart that by the substitution of the security the Commissioners ran no risk whatever ?—A. I did so, and I can repeat it. I am perfectly satisfied that Larkin, Connolly & Co. had drawbacks, plant and materials to cover a very large amount, and that I saw myself there was no risk whatever, but I was not the man to surrender a deposit of that description.

Q. So that you are of the opinion that at the time the deposit was surrendered in 1887 the Commissioners ran no risk by changing the security ?—A. I am prepared to make that statement.

Q. You are absolutely certain ?—A. Yes; but I was alluding to the amount in the hands of the Commissioners representing the drawbacks.

Q. I am now referring to the question of the conversion of security. Are you still of the opinion that no risk was run in changing the security ?—A. I am prepared to say that.

Q. It is your personal opinion, and was so at the time ?—A. Yes; at the time.

Q. Therefore in your opinion, supposing the securities were being changed with the consent of Mr. Thomas McGreevy, there was nothing done by him at that time that would in any way jeopardize the position of the Harbour Commission, in so far as their security was concerned ?—A. Not so far as the security was concerned, it is true.

Q. When this letter, Exhibit " L " was produced here, it was produced by Mr. Woods. He is the gentleman to whom you handed the letter you received from Mr. Murphy, purporting to come from Mr. McGreevy ?—A. Yes.

Q. Therefore, if that is the letter which you handed to Mr. Woods at that time, and produced by him here, have you any doubt that that is the same letter you received from Mr. Murphy ?—A. I am sure it is not the same letter, because the word " no " is gone. The letter was under envelope and put in the cash-box, with the receipt of Mr. Murphy.

Q. Do you say this is not the letter, or do you say it is the letter given to you with the word " no " taken from it ?—A. I say the letter in my possession and given to me had the word " no " on it.

Q. Will you say whether this is the identical letter with the word " no " taken out ?—A. I say it is a letter written by the same man and signed by the same gentleman.

Q. Therefore, this letter is not the same letter handed to you by Murphy in 1887 ?—I am perfectly satisfied it is the same handwriting and the same hand, but the word " no " is not on it.

Q. I want you to say whether or not this letter or any part of this letter formed part of the letter handed to you by Murphy ?—A. There is no doubt that the letter handed to me was the same handwriting, written by the same man, but the word " no " is not on it.

Q. It is quite clear you do not understand me. I want you to say whether this letter, Exhibit " L," now produced, is the same letter shown to you by Murphy, and in the same handwriting, except the word " no " ?—A. It was not shown to me; it was handed to me.

Q. Well, handed to you ?—A. It was under an envelope, and it is not the same letter.

Q. It is not the same letter ?—A. It cannot be the same letter, because the word " no " is not on it.

Q. So that it is not the same letter ?—A. It cannot be the same letter, for the word " no " is gone.

Q. Can you show us where the word " no " is omitted ?—A. I have nothing to say about that.

Q. I beg your pardon; just look at that letter, and say whether or not the word " no " has ever been upon it ?—A. I cannot look at it.

Q. Cannot you say whether the word " no " has ever been upon that letter ?—A. I cannot say if the word " no " has been on that letter.

Q. You cannot say ?—A. I know the letter which was given to me had the word " no " upon it.

Q. You have not got sufficient intelligence to look at that letter and say whether or not the word " no " has ever been effaced from it ?—A. I won't be insulted by you; I call for the protection of the Committee.

Mr. LAVERGNE.—Don't insult the witness.

Mr. FITZPATRICK.—I was not insulting the witness.

Hon. Mr. TUPPER.—He has a perfect right to ask the question.

Mr. FITZPATRICK.—I am quite willing to take back the expression, if the Committee think it ought to be done. I ask you, Mr. Witness, to say whether or not upon an examination of this document you can state to the Committee that the word "no" was ever there or not?—A. I am not able to state that. You see this is a letter of 1887, and it was put in a box, and I never saw it again until when I was first called as a witness, and I was surprised and astonished when that letter was handed to me by Mr. Woods. I said: "This is a mystery to me; the word "no" is gone, or it has been effaced."

Q. Does the appearance of the document indicate to you whether or not the word "no" has ever been effaced by any means whatever?—A. As it appears, there is no indication whatever that the word "no" has been effaced that one could vouch for. If you want to know that, I am ready to state it.

Q. In so far as this document is concerned, it does not appear to you that the word "no" was ever in it. Is that what you say?—A. You ask me if it has been effaced?

Q. Was it ever in it, as far as the appearance of the document is concerned?—A. No; there is a space there where the word "no" could be placed small enough if you crowded it in. The word "no" could be put in if it was crowded in.

Q. Well, if it was effaced, how did it disappear?—A. I don't know, sir; I am unable to answer that myself.

Q. You handed this document, I think you said, to Mr. Woods?—A. With all the documents which were in the envelope.

Q. At all events, you handed the cheque and the document you received from Mr. Murphy purporting to come from Mr. McGreevy, and that document remained in the custody of Mr. Woods from that time up to the time he produced it here?—A. I never saw it since.

Q. So, if there was any substitution of documents it must have been when it was in the custody of Mr. Woods?—A. I think so.

By Mr. Davies:

Q. Do I understand you to say you examined the document at the time you handed it to Mr. Woods?—A. No; before. When I received it I was in my own private office; Mr. Woods had another office, and when I received the document I read it and I prepared the receipt which Mr. Murphy signed and gave me the other cheque. I went down to the office of Mr. Woods, opened the cash box and took the deposit receipt out. All the documents were enclosed in an envelope with the deposit receipt.

Q. The three documents, Exhibits "H" "J" and "K," were all handed to Mr. Woods, with the exception of Exhibit "L"?—A. Yes.

Q. You read that document, Exhibit "L," carefully, of course, when you got it from Mr. Murphy?—A. Yes; I did.

Q. And when it was put in your hands before the Committee a moment ago you read it carefully also?—A. I did.

Q. And when you read that document you read it with as much care as when it was given to you by Mr. Murphy?—A. Yes, sir.

Q. Let the stenographer read the document as he read it before this Committee?

The stenographer then read from his notes—as transcribed in another part of the evidence—the letter as read by the witness and the remarks of Mr. Fitzpatrick at the time.

Q. When you read this document you passed over the word "the" did you not?—A. I am not prepared to say I did, but according to that I did.

Q. But you believe you did not?—A. I believe I did not.

Q. And you are just about as certain you did not pass the word "the" as you were the word "no." It is just about the same is it not?—A. Yes, about the same.

Q. Now, when that document was handed to you by Mr. Murphy, Mr. Murphy told you this, that Mr. McGreevy saw no objections to the document being handed over—to the security being changed?—A. He did not say it then, it was before. He came repeatedly to me and asked me. He said: Mr. McGreevy was perfectly satisfied I should make the change and I said I wont accept anything but a written document from Mr. McGreevy.

Q. That was your impression that Murphy had led you to believe, previous to seeing this document, that Mr. McGreevy had no objection whatever to the change being made?—A. Yes.

Q. Therefore, when you got this document from Murphy, your impression then was it would bear out what Murphy had already said that there was no objection to the change?—A. There was no objection to recommending a substitution or something to that effect.

Q. You said a moment ago that the plans for cross-wall were made by Kinipple & Morris?—A. Yes, sir.

Q. Did you say they were changed?—A. They were abandoned and new made by Mr. Boyd.

Q. Is it not a fact that the plans upon which the contract was allowed were Kinniple & Morris's plans?—A. With a very few changes?

Q. Oh, yes I admit that. Is it not a fact that the plans that were sent to Ottawa in connection with the cross-wall contract of 1882, were the plans of Kinipple & Morris?—A. The plans of Kinipple & Morris? I know they were sent to Ottawa but the plans upon which the contract was awarded were other plans. These plans were the same except that there was to be a slope, instead of a wall.

Q. The changes were very slight?—A. Very slight, yes, sir.

Q. Do you remember if the envelope in which Mr. Murphy handed you the letter Exhibit "L" was sealed up? A. I don't remember.

Q. Was there an address on it? A. There was an address I believe, but I do not remember that.

By Mr. Edgar:

Q. You say that other plans were made for the cross-wall by the Public Works Department did you not? A. By Mr. Boyd and Mr. Perley I believe.

Q. They were held by Mr. Boyd under the supervison of Mr. Perley? A. I believe so.

Q. Some plans have been sent up here recently by the Harbour Commissioners —the plans made by the Harbour Commissioners and some others I think. Do you know whether these were the plans that were made for the new contract? A. I believe so, sir. If they are signed by the chairman and the contractors they are the plans.

Q. They are not signed by the Department? A. It may have been changed afterwards.

Q. Do you know whether there were plans annexed to that particular contract or not? A. No doubt they were not.

Q. There are some drawings here between Larkin, Connolly & Co. and the Harbour Commissioners. There are copies of some of them here in which there are tracings annexed. Now the copy of the contract which we have here which came up from Quebec has no tracings annexed to it. Do you know whether the original had it or not? A. I believe the original must have had the plans; the tracing may have been only for the information of the Harbour Commissioners. I don't remember these things.

Q. The original contract is with Charlebois the notary? A. Yes; for the cross-wall.

Q. Do you know of any other plans besides these sent up here that were made by the Public Works Department? A. No, sir, I do not.

By Mr. German:

Q. There is something to my mind a little mysterious on this Blue Book. Here is the form of tender which was prepared for the contractors.

1st. A quay wall for the wet dock, about 880 feet in length.
2nd. A quay wall for the tidal harbour, about 850 feet in length.
3rd. A facing to the present wharves, about 500 feet in length.
An entrance to the wet dock of the dimensions shown on the plans, two coffer dams and other works.
I want to know if the quay wall for the tidal harbour, and the facing for the present wharves come into the Cross wall contract ?—A. Yes.
Q. What is the south wall, please ?—A. It is for a sewer.

By the Chairman :

Q. When Mr. Murphy left to go to Mr. McGreevy to get his consent to the substitution of security did you expect to see a letter from Mr. McGreevy with the words " there would be objection ? "—A. Not at all. I said get a written document or a recommendation from Mr. McGreevy.
Q. That is not my question. When Mr. Murphy left to go to Mr. McGreevy did you expect to receive a letter from Mr. McGreevy stating there would be no objection ?—A. He told me that he would bring a letter, and I expected that he would.
Q. That is what you expected ?—A. Yes.
Q. When Mr. Murphy came back from Mr. McGreevy were you under the same expectation ?—A. Yes, because he told me : This is not the document at all.
Q. What would be the object for changing the letter and taking out the word "no." You say yourself you could see no objection to the substitution ?—A. I do not know.
Q. Mr. Langelier has asked you whether Mr. Valin, Chairman of the Board, was not a member of Parliament. You said " Yes. " Was he, in 1887 ?—A. No.
Q. But he was before ?—A. Before.
Q. Is it known that Mr. Valin was a practical man in relation to public works ? —A. Yes.
Q. Was he a contractor ?—A. Yes.

By Mr. Amyot :

Q. Did you read that letter hastily, or read and re-read it so as to be perfectly certain of its contents ?—A. Perfectly certain that the word "no" was on the letter handed to me.

By Mr. Mills :

Q. Did you ever have a conversation with Thomas McGreevy on the subject of this letter ?—A. It is possible, but I cannot remember it. Mr. McGreevy came very often to my office, and it is possible.

By Mr. Curran :

Q. Do I understand you to say that at the time this substitution of securities was made that there was ample money in the hands of the Commission to warrant them in making this substitution ?—A. Quite satisfied.
Q. There was no earthly object in any subterfuge. Did you know of any object ?—A. Because it was irregular to do the thing without the consent of the Harbour Commissioners.
Q. Would there be any object in Mr. McGreevy using subterfuge in writing a letter of that kind ?—A. I do not know.
Q. In view of the fact that you held ample security ?—A. It was irregular to surrender the security and I was wanting a voucher.

By the Chairman :

Q. Was it irregular for Mr. McGreevy to surrender that security ?—A. I believe it was, and if I had been in his place I would not have done so.

By Sir John Thompson :

Q. You, however, referred Mr. Murphy to him to get this done?—A. I told Mr. Murphy, "I will do it if Mr. McGreevy will. I do not like to be an obstruction. You say the firm wants it for your own works and if Mr. McGreevy recommends it I will do it."

Q. Was the substitution of the cheque made known to the Board or discussed by the Board?—A. Never.

Q. Did you ever mention it to any other member of the Board?—A. Never.

Q. Are you aware whether any other member of the Board knew it?—A. No.

Q. When you stated to Mr. Murphy to apply to the Board for the substitution of securities, what was the objection of Mr. Murphy?—A. He did not like to do it.

Q. Did he state any reason?—A. I do not think he did. I believe he may have told me that there would be objection and he did not like to do it.

Q. You stated that when the tenders for the cross-wall were received and opened by the Harbour Commissionners—I do not know by whom—you said you had an idea of the relative positions of those tenders?—A. On account of the additions.

Q. Who made the additions?—A. Each tenderer.

Q. How could they make the addition? It was only a schedule tender?—A. They could make additions.

Q. There was no quantities in the tenders. There were only prices per cubic yard?—A. The tenders are here and they can speak by themselves.

Q. You said that you had means of knowing the relative positions of these tenders, that they were opened by the Harbour Commissioners before they were sent in to the Chief Engineer. Who was the Chief Engineer then?—A. At the time it was Mr. Perley.

Q. But it was before they were sent in to the Department of Public Works?—A. Mr. Perley was Chief Engineer of the Harbour Commissioners at that time too.

Q. Can you state if you have had any information while the tenders were in Quebec and before they were sent to the Department of Public Works of the relative positions of the tenderers?—A. I had none myself.

Q. Then how did you come to state that to the Committee?—A. The Commissioners could have done so. The tenders were before them for hours.

Q. You do not remember what kind of information you had to warrant you in stating what you have stated?—A. I do not remember if there was a lump sum. Some of them were lump sums, and there were additions. It would be necessary, there were so many contracts, to examine which were lump sums.

Q. That statement you made is not quite correct?—A. I think I am correct. It may be that there was no lump sum for that contract, and that it was schedule prices.

By Mr. Geoffrion:

Q. You say there was a drawback for a large amount to the credit of Larkin, Connolly & Co. at the time of this surrender?—A. Yes.

Q. Who were the contractors for the South Wall?—A. Gallagher & Murphy.

Q. This guarantee of $25,000 was the property of Gallagher & Murphy?—A. Yes.

Q. And the drawback for other works was the property of Larkin, Connolly & Co.—A. They were all the same firm doing the work. The security was Mr. Connolly's security.

Q. The cheque that was substituted was the cheque of O. E. Murphy endorsed by Nicholas Connolly, not the firm's name?—A. Not the firm's name.

Q. Was it customary to make such surrender before the work was finished?—A. No, sir.

Q. Was that the only time?—A. I think it had been done once, and that the drawback had been reimbursed.

Q. In this case the drawback did not belong to the same contractors?—A. That is true.

Q. In reading the letter which was put in your hands, the stenographic notes show you did not pronounce the word "the." In reading it did you see the word?—A. I am sure of that.

By Mr. Curran:

Q. You just said a moment ago, in the examination in chief, that although the work was being done by Gallagher & Murphy you had no doubt the same firm of Larkin, Connolly & Co. were doing the work?—A. I am sure of that.

By Mr. Osler:

Q. Look at these six sheets, evidently of the same series, and one of a different series, and say if you recognize these plans at all. I may say these are the plans sent up to us as the plans of the Cross-wall. They are not signed, and there is nothing to show by whom they were prepared?—A. I do not remember; the plans that were signed by me must be in existence somewhere. They may be working plans. They are not kept by the notary.

By Mr. Edgar:

Q. You know of no other plans than those of the Cross-wall being in the office down there?—A. I do not know these plans at all. Other plans are in existence, and the real plans are signed by me and the chairman and the contractors. They may have been surrendered to the contractors, and they may be working plans. They generally gave them working plans, but I cannot remember.

NICHOLAS CONNOLLY recalled.

By Mr. Edgar:

Q. Mr. Verret thinks the contractors had the plan for the Cross-wall; had they?—A. They had plans during the construction of the work.

Q. Had they any given to them at the time of the contract?—A. Immediately after the contract being signed.

Q. They got them immediately after the contract was signed. Were they tracings?—A. They were tracings; we had working drawings given to us from time to time.

Q. Whom did you get them from?—A. Mr. Boyd, I think, and Mr. Boswell.

Q. At the time of tendering for the Cross-wall, had you any plans to refer to or have you seen any plans?—A. Yes; I think these were the plans, although there were no plans signed for the Cross-wall. That is my recollection.

Q. You think these were the plans you saw when you were tendering?—A. That is my recollection of it; Mr. Boswell could say.

Q. Where are the plans you had from time to time?—A. I think they are in the box returned to Mr. Boswell. We returned a great many of the plans. Under these circumstances, we make plans for our own convenience, so as not to bother Mr. Boswell. That is working plans.

Q. You are sure you haven't any of them?—A. I do not think we have any of them.

Q. When did you return them?—A. As the work was being finished.

Q. As each portion was being finished?—A. That is my recollection. Mr. Hume always had charge of our plans.

By Mr. Davies:

Q. Was Mr. Larkin a partner in the South Wall contract?

ROBERT H. MCGREEVY recalled.

By the Chairman:

Q. Do you still persist in your refusal to produce papers, as you stated before the Sub-Committee?—A. For the reasons I gave there, I do.

Q. Your reasons are the same as yesterday?—A. Yes.

By Mr. Edgar:

Q. Have you any objection to this Committee having access to any of your books for the purpose of this enquiry?—A. No; I have not.

Q. What is the reason that you object to the production of any of your books?—A. My objection to the production of books of account are that they contain transactions with several parties in business in Quebec, and that they contain nothing that I know of with Larkin, Connolly & Co. They contain an account between myself and Thomas McGreevy which subsequently has been settled in court.

Q. What court?—A. The Superior Court of Quebec.

Q. What case?—A. In the case of McGreevy *vs.* McGreevy. The abstract of the account has been sent to the court in my pleading, and therefore his account in that book would be nothing. It is before the court. Then as to the other accounts, I have objections because the counsel for Mr. Thomas McGreevy—Mr. Fitzpatrick and Mr. Stuart—are acting on behalf of Thomas McGreevy in those cases which are now pending, and the examination of these books would give them an insight into certain things, as I think should not be made known here until such time as the case comes on.

Mr. STUART.—There is no case pending between Thomas and Robert McGreevy in the court of first instance. There is a case before the Court of Appeal, and there is no information which we could get from those books that we could use there—or it is very improbable that we could.

By the Chairman:

Q. Will you show your books to the two accountants?—A. I will do that. I have no objection to going further than that—that in addition to the experts, Mr. Osler and Mr. Geoffrion should have access to them.

The Committee then adjourned.

HOUSE OF COMMONS, FRIDAY, 17th July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. ST. GEORGE BOSWELL, sworn:

By Mr. Geoffrion:

Q. You are in the employ of the Quebec Harbour Commission?—A. I am.

Q. You are their engineer?—A. Yes.

Q. Since how long?—A. I have been in the employ of the Quebec Harbour Commission since 1877.

Q. In different capacities?—A. In different capacities.

Q. What was your capacity in 1877?—A. Assistant Engineer.

Q. Under whose orders?—A. Under Mr. Pilkington.

Q. Afterwards, when Mr. Pilkington left?—A. I was general assistant to Mr. Boyd; that was in 1883, I think.

Q. Until Mr. Boyd's death?—A. Until Mr. Boyd's death.

Q. Then, you took his place?—A. I was Resident Engineer under Mr. Perley as chief engineer.

Q. And when Mr. Perley resigned, you became Chief Engineer?—A. Yes, chief engineer.

Q. Did you bring with you the books and vouchers in connection with the amounts that were paid for the dredging in the harbour?—A. I brought nothing with the detailed estimates.

Q. For what years?—A. For the whole period during which the dredging was carried on.

Q. These estimates naturally would show the totals that were paid?—A. Certainly.

Q. Will you file them?—A. We cannot file them; they are the originals. We can give you certified copies, or anything like that.

Q. Are they very bulky?—A. No.

Q. Please produce them to the Committee? (While witness was procuring the documents, the next witness was called.)

M. P. V. VALIN assermenté:

Par M. Geoffrion:

Q. Vous résidez à Québec?—R. Oui, monsieur.

Q. Vous avez été membre du parlement de la Puissance?—R. Oui.

Q. Et de la province aussi?—R. Oui, monsieur.

Q. Quand avez-vous été représentant pour la Puissance?—R. J'ai été élu la première fois en 1878.

Q. Jusqu'à quand avez-vous siégé?—R. Jusqu'à l'élection de 1887.

Q. Avez-vous été aussi attaché à la commission du havre de Québec?—R. Oui, pendant à peu près douze ans.

Q. En quelle qualité? Avez-vous été simplement membre ou avez-vous exercé quelque fonction?—R. J'étais président de la commission.

Q. Pendant les douze années?—R. Oui, à peu près tout le temps.

Q. Quand avez-vous cessé d'être président?—R. J'ai cessé après les dernières élections fédérales de cette année.

Q. Etes-vous encore commissaire?—A. Oui, monsieur.

Q. Avez-vous eu connaissance du contrat qui a été donné pour la construction du South Wall?—R. Oui, monsieur, j'ai signé moi-même le contrat.

Q. Vous rappelez-vous quels étaient les contracteurs?—R. Oui, monsieur.

Q. Qui étaient-ils?—R. C'était messieurs Gallagher et Murphy.

Q. Vous rappelez-vous si, accompagnant le contrat ou après la signature du contrat, une garantie a été exigée des contracteurs par voie de dépôt entre les mains de la commission du havre?—R. Oui, monsieur, un billet de $25,000 a été donné sur la banque Union.

Q. Un billet, dites-vous?—R. Un chèque accepté par la banque Union.

Q. Avez-vous vu vous-même ce chèque?—R. Oui, monsieur, je l'ai examiné moi-même dans mes mains.

Q. Etait-ce un chèque ou un certificat?—R. Je crois que c'était un chèque, au meilleur de ma connaissance.

Q. Votre impression c'est que c'est un chèque?—R. Oui, et l'acceptation de la banque était évidente. Je m'en rappellerais mieux si on me montrait le chèque.

Q. Savez-vous si cette garantie, dans tous les cas, est restée entre les mains de la commission du havre pendant toute la durée de l'exécution des travaux?—R. Non, monsieur. Un jour, je suis arrivé au bureau, et monsieur Verret m'a dit que M. Murphy lui avait fait la demande de changer cette sûreté et de prendre un chèque de la compagnie.

Q. Qui vous a parlé comme cela?—R. M. Verret. Il m'a demandé mon opinion là-dessus, comme président de la commission. Je lui ai dit que je ne croyais pas que nous avions le droit de faire telle chose sans le soumettre à la commission, à une assemblée des commissaires. M. Verret m'a dit: J'ai recommandé à M. Murphy d'écrire une lettre aux commissaires sur le sujet, mais M. Murphy m'a dit qu'il ne voulait pas que cela paraisse devant les commissaires. M. Verret a ajouté: J'ai con-

seillé à M. Murphy de me donner une lettre de M. McGreevy comme étant le président du comité des finances de l'institution et qu'il me conseillerait de le faire.

Q. Est-ce que je comprends que M. Verret a dit qu'il recommandait la chose?—R. M. Verret m'a dit que s'il avait une lettre de M. McGreevy, il croyait que nous pourrions faire la chose. J'ai dit à M. Verret que je lui défendais de faire la chose à moins qu'il eût une lettre de M. McGreevy satisfaisante sur ce point-là.

Q. Vous parlez de Thomas McGreevy?—R. Oui. Je lui ai dit que je verrais moi-même M. McGreevy sur le sujet. Ensuite, j'ai vu M. McGreevy et je lui ai parlé de l'affaire. J'ai dit à M. McGreevy que je ne croyais pas que nous devrions faire telle chose sans la soumettre à l'assemblée des commissaires. Il m'a dit: Oh! vous devez consentir à cela, parce que ce sont de bons garçons, et nous devons les aider autant que possible. Mais je lui ai dit: Comment est-ce que cela s'arrangera vis-à-vis du gouvernement, parce que c'est une sûreté qui concerne le gouvernement? Il m'a dit: Je verrai que tout soit bien. Alors, la chose est là restée pendant quelque temps. Je ne sais pas combien de jours se sont écoulés, mais, un bon matin, je suis arrivé au bureau, et M. Verret est arrivé et il m'a dit: Je suis un peu en retard; j'arrive de la banque Union et j'ai fait l'échange des sûretés. Alors je lui ai dit: Avez-vous eu la lettre de M. McGreevy et est-elle suffisante; est-elle satisfaisante? Il m'a dit: Oui, sous tous rapports. Je lui ai dit: Montrez-moi donc le document que vous avez reçu en retour et la lettre. Alors, il a pris le document en question; il me l'a mis entre les mains ainsi que la lettre. Alors j'ai mis la main dans la poche de ma veste pour prendre mes lunettes et j'ai vu que mes lunettes n'y étaient pas ce matin-là. C'était une veste que je n'avais pas coutume de porter, et mes lunettes n'étaient pas là. Alors j'ai ouvert la lettre, et M. Verret m'a dit: Je vais vous la lire. J'ai dit: C'est bien, lisez-moi-la, et je tenais le document dans ma main en même temps qu'il m'a lu la lettre.

Q. Eh bien! sans exiger de vous que vous répétiez les mots mêmes de la lettre, que comportait la lettre d'après la lecture qui vous en a été faite?—R. Eh bien! la lettre disait ceci: I see no objection to accepting so and so. Je pourrais m'en rappeler en voyant la lettre, parce que M. McGreevy lui-même m'avait dit qu'il n'avait pas d'objection aucune, et qu'il donnerait le document demandé à M. Verret.

Q. Qu'est-ce que vous avez fait? Vous dites que vous aviez le document dans les mains. Qu'est-ce que vous en avez fait? C'était le chèque ou billet que M. Murphy vous avait donné pour substituer au certificat. Avez-vous remis le tout à M. Verret?—R. Oui, et je lui ai dit d'en prendre bien soin, de prendre bonne note et bien soin de ces documents-là. M. Verret m'a dit là-dessus: J'ai pris une liste des reçus et j'ai pris note de tout ce qui a été fait, et j'ai mis cela dans la même enveloppe que le billet en question ou le chèque en question, afin que tout soit là et qu'on puisse y référer à l'avenir si on en a besoin.

Q. Eh bien! M. Valin, est-ce que M. McGreevy prenait une position proéminente dans la commission du havre? Est-ce qu'il paraissait conduire?—R. Oui, monsieur, il paraissait d'opinion à faire le tout, parce que dans les premiers temps que j'ai été président de la commission, je voyais que M. McGreevy prenait le devant sur beaucoup de choses. Je lui en ai fait la remarque, et il m'a dit: Je dois vous dire que je suis l'homme de confiance de M. Langevin; il lui faut un homme de confiance, et il faut autant que ce soit moi qu'un autre.

Q. Avez-vous eu des conversations avec sir Hector Langevin à ce sujet; au sujet de la position que prenait M. McGreevy dans la commission?—R. Oui, monsieur, j'ai eu plusieurs entrevues à ce sujet avec sir Hector.

Q. Voulez-vous raconter ou expliquer au comité quelle a été la nature de ces entrevues?—R. J'ai dit à sir Hector que M. McGreevy prenait cette attitude en toutes choses et qu'il m'avait dit qu'il communiquait avec le ministre. Je lui ai demandé quelles étaient ses vues sur ce point-là, sur certains votes que nous avions à faire dans la commission, par exemple, quant au South Wall. J'ai dit au ministre alors, que le nom de Gallagher et Murphy pourrait peut-être créer des embarras à la société Larkin, Connolly et Compagnie parce qu'il était un des membres et que je ne voyais pas là que c'était une société séparée, et que cela pourrait créer des embarras.

Il m'a dit: J'en ai parlé avec M. McGreevy de cela; votez pour cela et suivez donc M. McGreevy, et je vous dis que tout sera bien. Il m'a dit: Au reste, quand vous aurez quelque chose comme cela, suivez donc M. McGreevy; vous savez qu'on se voit souvent et on se consulte ensemble. Alors j'ai toujours considéré que j'avais l'opinion de M. Langevin dans la chaise qu'occupait M. McGreevy à mon côté, et chaque fois qu'il y avait un vote important, j'ai toujours consulté M. McGreevy, parce que je croyais que cela renfermait les vues de M. Langevin.

Q. Cela, c'est après toutes les conversations que vous avez eues?—R. C'est à peu près toujours la même répétition. J'ai eu plusieurs conversations avec le ministre. Chaque fois qu'il y avait quelque chose d'important, je le consultais, et j'ai toujours eu à peu près la même réponse.

Q. Eh bien! vous dites que vous l'avez consulté. L'avez-vous consulté spécialement sur ce contrat du South Wall?—R. Oui, monsieur, parce que je croyais que cela pourrait entraîner des difficultés comme je viens de vous dire, parce que je voyais qu'un des associés se séparait des autres, et puis, alors, il m'a dit de ne pas être en trouble à propos de l'affaire, que tout était bien.

Q. L'avez-vous consulté sur d'autres affaires que le South Wall?—R. Oui, monsieur, je l'ai consulté sur d'autres affaires, très souvent.

Q. Avez-vous eu occasion de le consulter, de causer avec le ministre, à propos du contrat de dragage, en 1887?—R. Oui, monsieur, je lui ai parlé de cela. Il m'a dit qu'il croyait que d'après les informations qu'il avait eues, il croyait que le changement était désirable, et qu'il en avait parlé, dit-il, à M. McGreevy et qu'il croyait que c'était la meilleure chose à faire.

Par le président:

Q. Vous avez dit que vous aviez consulté le ministre sur le dragage?—R. Oui, je lui ai expliqué l'affaire sur le dragage.

Q. Lui avez-vous donné votre avis?—R. Oui, je lui ai donné mon opinion.

Q. Mais il y avait une différence d'opinion entre vous et M. McGreevy?—R. Eh bien! c'était à titre de renseignement seulement. Je voulais parler au ministre pour savoir s'il approuvait la chose.

Q. Avez-vous donné des renseignements contraires à M. McGreevy?—R. Non, je voulais savoir si c'était son avis, parce que je ne voulais rien faire jusqu'à ce que la commission fût renseignée, parce que c'était de l'argent voté par le parlement.

Par M. Geoffrion:

Q. Mais vous-même, avez-vous exprimé vos vues, ou bien, n'étant pas homme de l'art, avez-vous donné votre propre opinion sur ces contrats-là?—R. Voulez-vous dire au ministre?

Q. Oui?—R. Je ne m'en rappelle pas.

Q. Vous rappelez-vous s'il y a eu quelque chose de changé relativement au niveau de l'égout qui fait partie du South Wall?—R. D'après le contrat que j'ai signé il devait rester intact suivant le contrat, et on nous a jamais informé, à la commission, qu'il y avait un changement. Je n'ai jamais été informé, ni la commission n'a jamais été informée de cela, à ma connaissance. Ce n'a été que tout dernièrement que j'ai appris la chose. J'en ai fait la remarque à l'ingénieur actuel, et M. Boswell a commencé par me dire qu'il n'en connaissait rien. J'ai insisté, et alors il m'a dit que oui, il en connaissait quelque chose, mais que ce n'était pas son affaire à lui de le dire, parce qu'il était employé sous M. Perley, et que c'était à lui, M. Perley, de le dire.

Q. Avez-vous eu des conversations avec Thomas McGreevy aussi à propos de Larkin, Connolly et Cie.?—R. J'en ai eu plusieurs.

Q. Voulez-vous dire sur quelles matières roulaient ces conversations?—R. La conversation a roulé quelques fois sur les contracteurs, surtout en 1887. Je lui ai demandé si les contracteurs lui avaient donné de l'argent pour aider à faire les élections. Il m'a dit qu'il était très content; qu'ils avaient été très généreux, et puis que

c'était d'excellents garçons, qu'on devait en avoir soin, et qu'ils avaient souscrit largement, et que sir Hector en était très content. J'ai eu d'autres conversations quand nous avons nommé M. Boswell comme ingénieur en chef. Je lui ai demandé alors : pourquoi nommer M. Boswell ingénieur-en-chef avant que M. Perley ait donné sa démission ? Je lui ai dit : Comment est-ce que sir Hector va voir cela ? Alors il m'a dit : Perley est craqué, et puis ça ne fait rien, il faut nommer Boswell, et sir Hector est au fait de cela. Alors il pensait que j'allais demander moi-même la nomination de M. Boswell, et M. Chabot, l'un des membres de la commission, m'a demandé si j'allais le faire ; il a dit que si je ne voulais pas le faire, il allait le faire lui-même. Alors j'ai dit : Faites-le, parce que moi, comme président, ce n'est pas ma place de faire des propositions de cette nature ; et à la séance suivante, M. Chabot, je crois, a proposé la nomination de M. Boswell ainsi que celle de M. Langevin. Au reste les minutes sont là et font foi de cela.

Q. M. Chabot est-il gérant général de la compagnie Richelieu ?—R. Oui, monsieur.

Q. Et quel est ce monsieur Langevin dont vous parlez et qui a été nommé en même temps que M. Boswell ?—R. C'est le fils de sir Hector.

Q. Est-ce Laforce Langevin ?—R. Oui, Laforce et quelque chose. Je ne sais pas au juste cependant. J'ai eu d'autres conversations également avec M. McGreevy dans le temps où nous avons démis les ingénieurs Kinipple et Morris, et je crois également,—je ne me rappelle pas très-bien cette circonstance-là, mais je crois également que j'ai consulté Sir Hector dans le temps, et M. McGreevy m'a dit qu'il fallait que Kinipple et Morris partent, parce qu'il était entendu que sir Hector nous donnerait M. Perley qui était l'ingénieur en chef du département des travaux publics, et que cela ne nous coûterait rien, et il m'a donné pour raison que les ingénieurs anglais coûtaient très cher et que nous aurions l'ingénieur du gouvernement qui ferait l'affaire pour rien. J'ai eu une foule d'autres conversations, dont je ne me rappelle pas très bien, mais je l'ai consulté très souvent.

Q. Quand M. McGreevy vous a dit que les contracteurs souscrivaient largement pour les élections, vous a-t-il donné les noms d'aucun des contracteurs en particulier ?—R. Non ; il m'a parlé d'une manière générale des contracteurs.

Q. Il ne vous a pas donné de noms ?—R. Non, j'ai compris qu'il comprenait tous les contracteurs.

Q. Mais quand vous dites " les contracteurs " était-ce Larkin, Connolly et Cie., ou tous les contracteurs en général ?—R. Non, Larkin Connolly et Cie. J'ai toujours compris que quand on avait quelque chose à référer à la compagnie nous nous adressions toujours à M. Murphy. M. Murphy était l'homme qui agissait dans le temps pour les affaires de la compagnie avec notre bureau. C'était à lui que nous faisions tous les paiements pour la compagnie Larkin Connolly et Cie., et pour Gallagher et Murphy, et quand nous avions quelque chose à régler nous nous adressions toujours à lui, et j'ai compris que spécialement parlant, on entendait par là aussi Murphy.

Q. Maintenant, avez-vous en aucun temps depuis que ces affaires-là se sont passées, été prié de signer une certaine déclaration en rapport avec les affaires du havre de Québec ?—R. De quelle part voulez-vous dire ?

Q. Je ne puis pas vous dire de quelle part. Je vous demande si vous avez été invité, à un moment donné, de faire une telle déclaration en rapport avec l'administration des affaires du havre de Québec ?—R. Oui. Au temps des élections dernières le ministre des Travaux Publics m'a dit un matin qu'il avait vu dans les journaux un certain morceau signé : " Avertissement à Sir Hector et trahi par les siens," ou quelque chose dans ce sens-là. Alors, il m'a fait monter chez lui, et il y avait quelques électeurs ; il m'a présenté l'article en question. Je ne l'avais pas vu. Il m'a demandé si l'article était vrai. Je lui ai dit qu'il était faux. Je lui ai dit : Il est faux parce qu'il contient un article disant que j'ai été voir un M. Fortier chez lui, et je n'ai jamais été là ; il dit aussi que j'ai été chez M. Tarte. J'y suis allé à son invitation, après qu'il m'eût envoyé chercher pour le rencontrer, et M. Tarte m'a fait quelques demandes que je croyais parfaitement indiscrètes sur des conversations que nous avions eues ensemble, et j'ai dit à M. Tarte que ni lui ni d'autres ne sauraient mes conversations

privées dans le temps actuel. C'est sur cela que le ministre m'a demandé si je lui signerais une lettre niant cela. J'ai dit : Je signerai un déniment de cet article là. Il m'a donné une lettre lui-même dont je n'ai pas trop compris le contenu ; j'ai cru que c'était un calmant dans un temps d'élection qui faisait plaisir au ministre plutôt qu'autre chose, parce que je savais bien que le ministre savait que nous avions eu des conversations ensemble concernant la dite question. Je dois ajouter que j'ai été parfaitement pris par surprise, n'ayant pas eu le temps de réfléchir. J'ai cru que je donnais cela pour faire plaisir au ministre.

Q. Eh bien ! M. Valin, vous avez parlé de souscriptions politiques ou autres faites par Larkin, Connolly et Cie. En avez-vous reçu vous aussi des souscriptions d'eux ? —R. J'ai reçu des souscriptions, et je vais vous en donner la nature si le comité veut bien me le permettre. Un jour, un homme résidant dans le comté que je représentais, le comté de Montmorency, a passé au feu, et cet homme s'est recommandé à moi ; il n'avait pas d'assurance, et il avait tout brûlé sa maison, son ménage, et ses bâtiments. Il s'est adressé à moi comme député du comté, j'étais député dans le temps, pour lui avoir une souscription. Ne connaissant pas trop si j'aurais une souscription de ces messieurs, je rencontrai M. Murphy et je lui ai demandé : envoyez-moi donc cent piastres pour ce pauvre homme-là. Il m'a dit : Oui, quand voulez-vous l'avoir ? J'ai dit : Aujourd'hui. Il me l'a envoyé sous enveloppe sans lettre ni commentaire. Dans le temps de l'élection de 1886, l'élection locale, il m'a envoyé des souscriptions pour l'élection locale, pour le député au local.

Q. Combien à peu près ?—R. Je ne me rappelle pas trop quel était le montant, si c'est deux cent cinquante piastres, ou si c'est cent cinquante piastres, ou si c'est cent piastres. Je ne me rappelle pas le montant ; leur entrée pourra prouver cela. Après ces élections-là il y a eu des réclamations pour des dettes laissées en arrière, comme cela se fait ordinairement après les élections, pour un montant de à peu près $275.00. J'avais la liste de ces noms-là, et M. Murphy m'a dit : Donnez-moi cela et ne vous en occupez plus, et je n'en ai plus entendu parler. Mais je vois aussi, j'ai vu par la voie des journaux qu'on a mis vis-à-vis mon nom une somme de $3,000.00. Je dois déclarer à ce comité que je n'ai jamais reçu une somme de $3 000.00, que je n'ai jamais reçu un sou pour moi-même, et que les explications ont été données à M. Murphy pour toutes les sommes que j'ai reçues, et je prendrai le serment de M. Murphy pour la vérité sur ce qu'il dira là-dessus.

Q. Maintenant, vous nous avez parlé des élections de 1886 ?—R. Oui.

Q. Durant les élections de 1887, vous êtes-vous mêlé des élections aussi ?—R. Oui, monsieur.

Q. Avez-vous eu des rapports avec M. McGreevy relativement à ces élections ?—R. Oui monsieur, j'étais sur les rangs à cette élection-là, et je leur ai dit que j'avais dépensé des sommes assez rondes dans le passé pour faire un grand nombre d'élections, et que je voulais qu'on m'aidât à cette élection-ci. Il m'a dit qu'il m'aiderait.

Q. Qui vous a dit cela ?—R. M. McGreevy. Alors il m'a dit qu'il m'aiderait et qu'il me donnerait de l'argent. Alors je me suis adressé à M. McGreevy deux ou trois fois ; il m'a donné, je crois, au meilleur de ma mémoire, je crois que c'est trois fois qu'il m'a donné de l'argent, et M. McGreevy, chaque fois a pris un reçu. Je ne me rappelle pas le montant. Mes agents d'élection, à la dernière heure, m'ont fait connaître que si nos amis ne donnaient pas plus d'argent nous étions en risque de perdre l'élection. Je me suis adressé à M. McGreevy de nouveau et à M. Murphy. M. Murphy m'a dit : Nous avons remis entre les mains de M. McGreevy tout ce qu'il faut, et nous avons recommandé de t'aider particulièrement ; adresse-toi à lui tu en auras. Alors m'étant adressé à M. McGreevy il m'a dit : Les élections du comté de Québec coûtent cher ; les élections de Québec coûtent cher ; les ministres nous coûtent très cher et je n'ai plus d'argent à te donner.

Q. M. McGreevy vous a-t-il nommé d'autres comtés à part ceux que vous venez de nommer qui coûtaient cher ?—R. Il m'a nommé spécialement le comté de Québec pour le local et le fédéral. Il a dit : Caron est toujours après moi, et il a dit : Je ne puis suffire à lui donner de l'argent ; il a dit : On a sir Hector à Trois-Rivières, et puis d'autres comtés.

Q. Avez-vous eu des conversations avec sir Hector Langevin pendant les élections de 1887 aussi ?—R. Oui, monsieur. Un jour je me rappelle que je lui ai parlé d'argent que j'avais besoin ce jour-là, et il a dit : J'ai vu M. McGreevy ce matin ; allez le trouver chez lui ; c'est lui qui est chargé de distribuer l'argent du comité.

Q. Voulez-vous prendre communication de l'état qui est maintenant exhibé marqué "K 11" et nous dire si cet état a été préparé à votre connaissance ?—R. Oui, monsieur, c'est moi-même qui l'ai fait préparer par le *Acting-Secretary*. Le document se lit comme suit :—

(Exhibit "K 11.")

QUEBEC, April 5th, 1890.

STATEMENTS of amounts paid to Contractors Harbour Improvements, from the 1st March, 1889, to date.

Larkin, Connolly & Co.,	Cross-Wall	46,729.79
do	Dredging	34,453.34
do	Entrance Gates	11,561.32
do	Fly Bank	7,041.69
do	Sundries	3,000.00
Gallagher & Murphy,	South Wall	136,397.69
F. X. Drolet,	Sluice Valves	2,925.00
Dominion Bridge Co.,	Draw Bridge	13,000.00

Certificated unpaid, for which Messrs Larkin, Connolly & Co. hold our letter of recognizance, $33,461.68.

Transquestionné par M. Fitzpatrick :

Q. M. Valin, vous avez commencé à être président de la commission du havre en quelle année, vous en rappellez-vous ?—R. En 1879.

Q. Et vous avez toujours occupé cette position-là, jusqu'après les élections dernières, n'est-ce pas ?—R. Oui.

Q. Vous avez, durant cette période, eu connaissance nécessairement, comme président de la commission, de tout ce qui s'est fait ?—R. J'ai eu connaissance de ce qui s'est fait en face du bureau, excepté durant six mois que j'ai été absent en Europe.

Q. Voulez-vous nous indiquer quels sont les travaux sur lesquels la commission du havre avait contrôle pendant votre présidence ? Quels sont les différents bassins par exemple ?—R. Nous avons eu affaire à tous les bassins à peu près.

Q. Quels sont les bassins ? Voulez-vous nommer les bassins ?—R. Le bassin Louise. Nous avions les deux ; on appelait cela généralement le bassin Louise. Nous avions la finission du contrat.

Q. Par finission du contrat que voulez-vous dire ?—R. Ils étaient après monter le mur dans le bassin Louise.

Q. Dans tous les cas, la première chose dont vous avez eu connaissance, d'après ce que vous nous avez dit, et ce qui a attiré votre attention d'une manière particulière, c'est ce changement de cautionnement qui a été donné par rapport au *South Wall* ?—R. Je ne dis pas qu'il n'y a pas eu autre chose.

Q. S'il y a eu autre chose, voulez-vous vous rappeler maintenant ce que c'est ?—R. Je ne me rappelle pas dans le moment.

Q. Eh bien ; jusqu'au moment où vous avez vu M. Verret ou M. McGreevy au sujet du changement dans le cautionnement pour le *South Wall*, pouvez-vous nous indiquer quelque chose qui vous a paru un peu louche, ou qui n'était pas tout-à-fait selon ce que vous croyiez correct ? Je parle de ce qui s'est passé pendant que vous étiez président ?—R. Non, je n'ai jamais rien vu de direct par moi-même, parce que tout ce qui a été fait a été soumis au bureau, et j'ai tout soumis comme affaire directe.

Q. Maintenant voulez-vous nous dire si, dans ce qui a été fait devant la commission du havre ou ce dont vous avez eu connaissance personnellement qui a été fait en dehors de la commission du havre, il y a eu quelque chose qui était irrégulier ?—R. D'après ce que j'ai vu, et ce que j'ai dit dans mon examen en chef——

Q. D'après ce que vous connaissez personnellement ?—R. C'était une chose bien connue du *board*. C'était le changement des messieurs Kinipple et Morris auxquels j'ai fait allusion qui est venu après le commencement des choses.

Q. Alors, à part l'affaire de Kinipple et Morris, il n'y a rien eu jusqu'au changement de cautionnement par rapport au *South Wall* ?—R. Eh bien ! je me rappelle maintenant, qu'un jour, je crois avant que ce fût venu à la connaissance de tous cela, je crois qu'on m'a apporté des documents qui montraient d'une manière à peu près exacte, un certain document au moins, qui était une copie de ce qui a été remis à sir John.

Q. Un document comportant avoir été signé par M. McGreevy et par M. Murphy ?—R. Oui.

Q. Mais à part de cela, comme président de la commission du havre, avez-vous eu connaissance, dans les transactions de la commission du havre, de quelque chose qui vous paraissait extraordinaire ?—R. Pas que je sache.

Q. Quand l'affaire de Kinipple et Morris est venue devant la commission du havre vous étiez président et vous étiez présent à l'assemblée, n'est-ce pas ?—R. Oui, monsieur.

Q. Avez-vous protesté contre leur renvoi ?—R. Je n'ai pas protesté contre leur renvoi ; c'est-à-dire j'ai objecté au renvoi jusqu'à un certain point, et avant de donner mon vote sur la dite question, j'ai été consulter MM. Stewart, Andrews et Cie. On a ajourné l'assemblée pour une demi-heure pour me donner le temps d'aller consulter ces messieurs, et j'ai agi là-dessus. Nous étions à discuter l'affaire en comité. Les commissaires à part moi étaient à peu près également divisés, et je leur ai demandé, comme il paraissait y avoir un point de loi, je leur ai demandé de suspendre la séance pour une demi-heure pour me donner le temps d'aller consulter nos avocats qui étaient la société dont M. Stewart fait partie. Je ne me rappelle pas si c'est M. Stewart ou M. Andrews qui m'a répondu, mais j'ai agi au meilleur de ma connaissance pour donner mon vote. Je ne veux pas que M. Stewart prenne objection à ce que je dis. Je sais que M. Andrews était là dans le temps, et c'est M. Andrews qui venait le plus souvent chez nous.

Q. Maintenant, vous avez dit que la commission du havre était à peu près également divisée sur cette question ?—R. Oui.

Q. N'est-il pas vrai qu'il n'y avait que M. Rae et M. Dobell qui demandaient que MM. Kinipple et Morris ne fussent pas renvoyés sur toute la commission du havre ?—R. Je sais que M. Dobell et M. Rae étaient fortement opposés à cela, mais si je me rappelle bien, je ne sais pas s'ils étaient tous présents à l'assemblée ; je ne me rappelle pas de cela. Ils pouvaient y être tous, mais je sais qu'on a suspendu la séance parce qu'il pourrait peut-être y avoir un point de droit qui serait soulevé par rapport à la mise à la retraite de ces messieurs, et c'est pour cela qu'on m'a donné le temps d'aller consulter les avocats. Je ne me rappelle pas du nombre ; je puis me tromper, mais je crois qu'on était tous présents.

Q. Afin de mettre cette question hors de doute, n'est-il pas vrai qu'à l'assemblée du 4 juin 1883, il a été unanimement résolu en votre présence, sans que vous ayiez dit un mot de protêt, que Kinipple et Morris devaient être renvoyés, et que les seuls qui ont objecté sont M. Rae et M. Dobell ?—R. Cela peut se faire. C'est si loin passé que je n'ai pas les minutes dans ma tête, mais enfin j'ai eu à consulter les avocats sur les affaires légales qui pourraient se présenter. Je ne me suis pas prononcé avant d'avoir cette opinion.

Q. N'est-il pas vrai que le 31 juillet 1883, vous avez été partie à un rapport qui a été fait par un comité spécial réglant unanimement la question du renvoi de Kinipple et Morris tel qu'il appert par le document maintenant produit, exhibit "Q" ?—R. Je ne me rappelle pas du tout de la chose, mais ça peut être le cas pour les raisons qui m'ont été données que nous avions un ingénieur pour rien et que c'était sauver les finances de la commission, et par ce que j'ai dit dans mon examen en chef.

Q. Maintenant, pour revenir à l'autre question, lorsqu'il s'est agi du changement du cautionnement donné par Gallagher et Murphy, M. Murphy vous a parlé à propos de cela ?—R. Je ne me rappelle pas que Murphy m'ait parlé de cela.

Q. Qui vous en a parlé le premier?—R. C'est M. Verret.

Q. M. Verret vous en a parlé et il vous a dit qu'il avait en sa possession une lettre qui provenait de M. Murphy?—R. Pas la première fois qu'il m'en a parlé.

Q. La deuxième fois?—R. La première fois qu'il m'en a parlé, c'est ce que j'ai dit dans mon examen en chef et la deuxième fois également. Je n'ai rien à changer.

Q. Quand le changement a été fait, vous avez trouvé que ce n'était pas correct; que ce n'était pas dans l'intérêt de la commission de faire cela?—R. Je n'ai pas dit cela. Je n'en ai pas parlé à personne de cela, ni c'était mon opinion. J'ai cru que je m'en rapporterais à la parole de M. McGreevy parce qu'il m'avait dit que tout serait correct, et qu'il m'avait dit qu'il avait l'habitude de s'entendre avec le ministre, et que par là tout serait bien, qu'il nous protégerait.

Q. Lorsque vous avez parlé de cette substitution, avez-vous cru, dans ce temps-là, que c'était contraire aux intérêts de la commission du havre de faire la substitetion proposée?—A. C'est pour cela que je prenais des renseignements, et M. McGreevy m'a dit: non, vous ne pouvez pas avoir de doute, parce que vous avez dans vos mains le premier certificat que l'ingénieur va émettre, et, s'il y a quelque chose qui va mal, vous pourrez retenir ce certificat-là, vous faire remettre le certificat, et vous aurez encore le percentage et vous pourrez encore vous rembourser là-dessus.

Q. Alors, la lettre que M. McGreevy vous a donnée dans le temps était suffisante pour vous? Vous croyiez qu'il n'y avait aucun danger à faire le changement?—R. Mon intention était, en lui faisant donner cette lettre-là, de lui faire porter la responsabilité comme président du comité des finances, et pour que je n'aie pas cette responsabilité moi-même.

Q. Ce n'est pas une réponse à ma question. La question que je vous pose est celle-ci: Je vous demande si, en faisant le changement de cautionnement proposé, on a en aucune manière enfreint les droits de la commission du havre, ou bien si on a mis en péril les intérêts de la commission?—R. Je ne crois pas qu'ils étaient en péril, parce qu'on avait les moyens d'en revenir, mais cela pouvait nous amener du trouble. Je dois ajouter à ceci que l'on m'avait dit de suivre l'opinion de M. McGreevy dans cette transaction-là, et j'ai cru, par le rapport du ministre, que j'étais bien en la suivant.

Q. Vous avez été nommé président de la commission du havre par le gouvernement, vous-même?—R. Oui; c'est-à-dire j'ai été élu par le vote de la commission.

Q. Mais c'était compris que c'était le gouvernement qui vous nommait?—R. Oui.

Q. Maintenant, quand vous avez été nommé président de la commission du havre, avez-vous été mis là pour sauvegarder les intérêts de la commission ou bien pour faire ce que M. McGreevy vous dirait de faire?—R. C'est ce que j'ai dit dans mon examen en chef. Quand j'ai vu que M. McGreevy voulait contrôler, alors, j'ai demandé au ministre si je faisais bien en suivant ses avis ou non.

Q. Alors, quand M. McGreevy proposait quelquechose devant la commission, vous considériez que vous n'aviez rien à faire excepté d'accepter ses propositions?—R. Pas toujours, puisque j'ai consulté en différentes occasions le ministre des travaux publics. Si vous voulez savoir un peu plus, M. Fitzpatrick, je vais vous le dire; M. Langevin m'a dit à moi, dans une circonstance: Si la commission ne fait pas bien je vais la dissoudre.

Q. Voulez-vous nous dire quels sont les différents points sur lesquels vous avez consulté Sir Hector Langevin et sur lesquels vous avez cru que la commission ne faisait pas son devoir? En d'autres termes vous êtes-vous jamais plaint à sir Hector Langevin que M. McGreevy faisait quelque chose dans la commission du havre qu'il ne devait pas faire?—R. Je ne me suis jamais plaint spécialement en disant que quelqu'un faisait mal dans la commission. Tout simplement j'ai dit ce que j'ai dit dans mon examen en chef, c'est-à-dire que M. McGreevy avait l'air de contrôler et se servait toujours du nom de sir Hector, et j'ai voulu m'assurer par des conversations privées avec sir Hector, comme par des conversations privées avec M. McGreevy, si c'était bien là le cas. Alors j'ai dit certaines choses à M. Langevin qui m'ont été répétées ensuite, surtout les derniers mots que je viens de dire: que si la commission

ne faisait pas bien il dissoudrait la commission. Ces mots m'ont été répétés et rapportés par M. McGreevy, et cela établissait que les communications se faisaient entre M. McGreevy et sir Hector. Je me suis plaint à sir Hector, une fois, que les dépenses de la commission étaient un peu trop élevées. Je me suis fait donner des documents de toutes les dépenses, et je crois qu'il y en a un qui a été soumis au comité ici aujourd'hui, et je lui ai donné le chiffre de tous les montants dépensés par la commission. Je lui ai demandé de faire des réductions dans le bureau et j'ai agi d'après ce que sir Hector m'en a dit dans les circonstances.

Q. Quand vous avez vu cette substitution de cautionnement, à propos du contrat de Gallagher et Murphy, que vous avez cru n'être pas régulière, vous en êtes-vous plaint à quelqu'un dans le temps? Vous êtes-vous plaint à la commission du havre ou à quelqu'un des membres de la commission du havre?—R. Je me rappelle qu'il y a eu une lettre qui a été soumise à la commission du havre pour informer la compagnie——

Q. La question que je vous pose est celle-ci: lorsque le changement de cautionnement dont vous avez parlé comme ayant été fait sur une lettre de M. McGreevy a eu lieu, en avez-vous parlé alors à la commission du havre ou à quelqu'un des membres de la commission du havre?—R. Je ne me rappelle pas.

Q. En avez-vous parlé à Sir Hector Langevin de cette substitution-là?—R. Je ne me rappelle pas de lui en avoir parlé.

Q. Si ce n'était pas suivant ce que vous croyiez devoir être fait dans le temps, pourquoi n'en avez-vous pas parlé devant la commission du havre, et pourquoi n'en avez-vous pas parlé à sir Hector Langevin?—R. Je n'en ai pas parlé à sir Hector Langevin parce que j'avais ses mots tels que je vous ai dit: que je devais agir, et de ne pas me tromper, de suivre M. McGreevy et que je ne pouvais pas me tromper, parce qu'il était notre ami commun; qu'il était un homme de confiance, et alors je l'ai suivi. Je n'en ai pas parlé à la commission du havre parce que c'était le désir de M. McGreevy qu'on n'en parlât pas.

Q. De sorte que, comme président de la commission du havre, ayant connaissance de transactions comme celle-ci, que vous croyiez n'être pas tout-à-fait en règle, vous n'en avez pas parlé à la commission dont vous étiez président, parce que M. McGreevy vous demandait de ne pas le faire? C'est ce que vous dites, n'est-ce pas? —R. C'est ce que je viens de répéter. Je l'ai fait parce que M. McGreevy a insisté, comme étant le président du comité des finances, que c'était lui qui devait décider et que sir Hector Langevin savait la chose.

Q. Voulez-vous maintenant nous répéter, s'il vous plait, la lettre ou les mots de la lettre qui vous a été lue par M. Verret comme vous nous l'avez dit dans votre examen-en-chef, comme venant de M. McGreevy?—R. Je ne me rappelle pas tous les mots.

Q. Au meilleur de votre connaissance, dites-nous-les?—R. Je sais bien qu'il a commencé la lettre par les mots: "*I see no objection, and so on.*"

Q. Avez-vous lu la lettre vous-même ou l'avez-vous entendu lire seulement?—R. J'ai pris la lettre dans ma main; j'ai vu la signature de la lettre et j'ai vu l'écriture, et comme j'allais pour tirer mes lunettes pour lire la lettre, j'ai vu que je ne les avais pas, alors M. Verret m'a lu la lettre. J'ai cru prendre la version de M. Verret parce que c'est un très-honnête homme.

Q. Voulez-vous lire la lettre à haute voix qui vous est maintenant soumise et qui est produite comme exhibit "L"?—R. La lettre se lit comme suit:—"I see objection to your taking Mr. O. E. Murphy's cheque enclosed by N. Connolly for the one you now hold on deposit. Yours truly, THOMAS McGREEVY."

Q. That is not the letter read to you?—A. No. If it had been the one that was read to me I would have said, "Mr. Verret, don't you accept it."

Q. Can you say whether or not the letter Mr. Verret read to you is or is not the letter you have just read?—A. All I can say is that I did not read the letter, but I saw a letter similar to this one. It appeared to me to be a similar letter to this.

Q. Was not this in all respects the letter that Mr. Verret read to you?—A. He gave me this letter, and as I stated I felt for my spectacles. I said, I have not got

my spectacles with me, and he says, "I will read it for you." He took the letter and read it to me.

Q. So that, as far as you are concerned, you cannot say whether this is the same letter or not?—A. I cannot say it was, yes or no. It is the same signature that I saw at the foot of the letter.

Mr. FITZPATRICK.—There is one word that you made a mistake about in reading the letter. You said "enclosed" instead of "endorsed."

Q. Vous avez parlé d'une déclaration que vous avez faite à sir Hector, lors des élections générales dernières?—R. Oui.

Q. Dans cette déclaration—là, vous avez dit que les accusations que l'on portait contre la commission du havre, comme ayant commis des malversations, n'étaient pas fondées?—R. Je ne me rappelle pas du tout maintenant ce que la lettre disait. Elle était écrite de la main de sir Hector et il me l'a présentée d'une manière si inattendue, j'ai cru que c'était faire plaisir au ministre en temps d'élection. J'ai cru que c'était une affaire d'élection, rien de plus.

Q. Dans tous les cas, un homme qui occupait une position importante comme vous; qui était président de la commission du havre alors, qui était candidat aux élections générales et qui avait occupé une position comme député auparavant ne signerait pas un document qui contiendrait ce qui n'est pas vrai?—R. Pourquoi celui qui me l'a demandé, qui savait bien que ce n'était pas vrai et qui était plus haut que moi me l'a-t-il demandé?

Q. Mais est-ce que c'est parce qu'un homme est plus haut placé que vous que vous signeriez un document qui ne contiendrait pas la vérité?—R. Si je n'avais pas été pressé et avoir eu le temps de réfléchir, mais, vous comprenez que dans un temps qu'on est pris sans réfléchir, je n'ai pas fait la chose avec réflection. J'ai cru que c'était un calmant, comme je vous l'ai dit, pour le ministre.

Q. Depuis que vous avez signé ce document-là vous avez été battu aux élections fédérales, n'est-ce pas?—R. Oui, monsieur, étant deux conservateurs sur les rangs nous savions que nous devions être battus; c'est-à-dire, nous étions trois conservateurs sur les rangs.

Q. Vous, comme représentant un élément du parti conservateur dans le comté, vous n'avez pas eu une grosse majorité; le nombre des voix que vous avez eu n'a pas diminué la majorité de M. Tarte?—R. Je n'ai pas diminué la majorité de M. Tarte parceque je savais bien que deux conservateurs ne pouvaient pas être élus.

Q. Depuis ce temps-là vous avez cessé d'être président de la commission du havre?—R. Oui.

Q. N'est-il pas vrai qu'on vous a également promis une position de sénateur et qu'on a toujours refusé de vous la donner?—R. Je dois répondre à ceci que j'ai eu la même promesse d'être sénateur comme vous avez eu celle de ministre dans le goument local.

Par le président:

Q. Et vous avez eu le même succès tous les deux?—R. Oui.

Par M. Fitzpatrick:

Q. Maintenant, en réponse à cela, comme je n'ai jamais eu de promesse de qui que ce soit d'être fait ministre, pouvez-vous m'en dire autant de votre position de sénateur?—R. Je ne puis pas dire tout cela, mais je vous dirai que Sir Adolphe Caron est venu me faire cette promesse, chez moi, en 1879 ou 1880, en présence de ma défunte femme. Et je ne l'avais pas demandée, remarquez bien. On était venu me l'offrir pour obtenir une faveur de moi, c'est-à-dire de ne pas me présenter dans ce temps-là, parce qu'en 1879 j'avais été contesté et j'avais fait des arrangements, un compromis avec M. Langlois d'alors, que si je me représentais je devais donner un chèque de $1,000, un dédit. Alors on est venu me donner pour raison, M. Caron est venu parler au nom de sir Hector et de feu sir John, en disant que si je ne me présentais pas dans le comté que j'aurais la place de sénateur, parce qu'on voulait faire élire monsieur notre lieutenant-gouverneur, M. Angers. Voici pourquoi on vou-

lait me faire disparaître, et la raison pour laquelle on m'a offert une place de sénateur; et voilà pourquoi on m'a parlé depuis ce temps-là de la place de sénateur. Je n'ai pas cédé pour cela. Je n'ai cédé qu'après avoir eu une entrevue avec sir Hector qui m'a fait comprendre comme une nécessité de parti que l'on devait laisser passer M. Angers.

Q. Did Sir Hector tell you also that you would be made Senator?—A. No; he told me in the presence of Mr. Caron, "You may take our friend, Mr. Caron's word." The minister would not promise, but I understood that I might trust what Mr. Caron said would be executed.

Q. Cette promesse-là n'a jamais été remplie?—R. J'attends ma nomination en même temps que la vôtre.

Q. Maintenant, vous avez parlé des souscriptions électorales qui ont été faites par Larkin, Connolly et Cie en 1887. Vous rappelez-vous quelle somme vous avez eue de M. McGreevy, en 1887, pour vos élections?—R. Non, je ne m'en rappelle pas, mais vous pourrez avoir les reçus de M. McGreevy; chaque fois que M. McGreevy m'a donné de l'argent il a pris un reçu.

Q. Maintenant, vous dites que vous avez reçu cent piastres de M. Murphy pour un homme qui avait passé au feu?—R. Oui.

Q. Vous êtiez président de la commission du havre en 1885?—R. Je crois que oui.

Q. Et M. Murphy, et Larkin, Connolly et Cie, étaient des contracteurs dans le temps?—R. Oui.

Q. Le 12 août 1885, avez-vous reçu de M. Murphy $125?—R. Je ne dis pas que je ne les ai pas reçues. Je ne me rappelle pas de tout. Je me suis adressé pour des fins de charité, deux ou trois, à M. Murphy et il me les a donnés pour les mêmes fins. Je prendrai la version de M. Murphy, pour cela, de bonne foi. Je sais que j'ai reçu de l'argent de lui pour ces fins, et surtout une qui a été donnée à St. Tite. Je crois que c'est cent piastres. Je l'ai envoyé au curé de St. Tite et c'est un monsieur Poulin qui a reçu cet argent là.

Q. Pendant les élections dernières, vous avez encore reçu, n'est-ce pas, une souscription électorale?—R. Oui; cette fois c'était de M. Connolly.

Q. Lequel?—R. Michael.

Q. Maintenant, nous avez-vous donné tous les montants que vous avez eus de la société Larkin, Connolly et Cie ou de M. Murphy?—R. Je ne me rappelle pas de tous les montants. Ce sont de petits montants et je lui ai donné la liste. M. Murphy vous renseignera sur ces détails.

Q. Mais, à part de M. Murphy, personne ne vous a rien donné?—R. Je ne me rappelle pas; il peut se faire. C'était comme souscription ou comme article de charité pour lesquels je leur ai donné les détails.

Q. De sorte que, lorsque vous aviez obtenu des souscriptions électorales ou lorsque vous aviez besoin de souscriptions électorales, vous vous adressiez à eux naturellement comme contracteurs publics, dans le temps?—R. Je ne m'adressais pas à eux comme contracteurs mais comme amis. Il y a des amis qui ont souscrit de l'argent dans mes élections qui ne sont pas des contracteurs. De fait, avant cela, j'ai reçu des souscriptions sous enveloppe de gens que je ne connaissais pas, ou des petits montants quelquefois, mais je sais bien que ça ne venait pas de cette source-là. J'ai su depuis de qui cela venait.

Q. Quand vous avez eu une entrevue avec sir Hector Langevin, pendant les élections générales dernières, vous rappelez-vous quels étaient les deux électeurs qui étaient présents là?—R. Je me rappelle seulement du nom de M. Edouard Cauchon, l'autre, je ne m'en rappelle pas.

Q. C'était un homme de votre comté, du comté de Montmorency?—R. Oui, je ne nie pas cela. J'ai donné la lettre. J'ai été là.

Q. N'est-il pas vrai, maintenant, que vous avez signé la déclaration dont vous avez parlé, devant ces gens-là, et qu'ils ont agi comme témoins à la déclaration que vous faisiez?—R. Il les a pris comme témoins, naturellement, et la lettre était

écrite par la main de sir Hector. Je ne l'ai pas vue; elle m'a été présentée par lui ; je l'ai vue dans sa main mais je ne l'ai pas examinée.

Q. D'après la constitution de la commission du havre, il était nécessaire que tous les contrats qui devaient être donnés soient soumis pour approbation au commissaire des travaux publics du Canada ?—R. Oui.

Q. Et le commissaire des travaux publics du Canada devait exercer nécessairement une certaine influence sur les contrats qui devaient être donnés ?—R. C'était lui qui devait faire passer l'ordre en conseil qui autorisait l'exécution du contrat.

Q. Ceci s'applique également au ministre de la Marine et des Pêcheries, n'est-ce pas ?—R. Je ne sais pas cela ; mais nos communications ont toujours été avec sir Hector. Il peut se faire qu'il y ait quelque rapport avec le ministre de la Marine et des Pêcheries, mais je ne me rappelle pas de cela.

Q. De sorte que c'est en rapport à sa position comme ministre des Travaux Publics que vous avez eu des rapports avec sir Hector ?—R. Toujours avec sir Hector.

Par M. Amyot :

Q. De combien de membres se compose la commission du havre ?—R. Nous étions neuf.

Q. Cinq étaient nommés par le gouvernement ?—R. Oui, cinq par le gouvernement.

Q. Et c'est la majorité des neuf qui nommait le président ?—R. Oui monsieur.

Q. Avez-vous eu connaissance s'il y a eu un contrat de fait pour trente-cinq cents la verge pour le creusage du bassin ?—R. Il y a eu deux contrats.

Q. Le deuxième contrat ?—R. Oui monsieur.

Q. Vous n'avez fait que ratifier les instructions qui sont arrivées d'Ottawa ?—R. Oui, par l'entremise de M. McGreevy qui parlait au nom de M. Langevin, et je crois que j'en ai parlé au ministre comme je l'ai dit quand j'ai été examiné précédemment.

Q. Est-ce que vous avez eu connaissance de quelque changement fait dans la construction d'un mur du bassin, une diminution ou une augmentation ?—R. Voulez-vous dire le South Wall ?

Q. Quelle était l'épaisseur du changement qui a été fait ?—R. C'est un changement qui a été fait hors de ma connaissance, parce que si un changement de cette nature-là avait été porté à ma connaissance, je l'aurais soumis à la commission, mais il a été fait hors de ma connaissance, c'est-à-dire pour l'élévation du dessous.

Q. Si je vous comprends bien, la majorité de la commission recevait, par l'entremise de M. McGreevy, les désirs du ministre et agissait en conséquence ?— R. Je vais vous dire comment. Par exemple, quand nous avions besoin d'argent, c'était M. McGreevy qui agissait pour le ministre et qui disait toujours: Le ministre m'a dit que vous devriez demander de l'argent parce qu'il va s'absenter pendant la vacance ; demandez donc de l'argent. Alors quand on avait demandé de l'argent cela retardait et M. McGreevy nous disait: Pressez-vous, je viens d'Ottawa et je sais que c'est passé au conseil. Nous savions nos instructions plutôt par M. McGreevy que par le département.

Par M. Fitzpatrick :

Q. Vous avez dit que le contrat pour le dragage à trente-cinq cents avait été donné sur des ordres et des directions donnés par M. McGreevy comme représentant sir Hector Langevin sur la commission du havre ?—R. J'ai dit que je voyais par cela qu'après avoir été renseigné par M. McGreevy que c'était correct, cela avait été décidé par toute la commission tel que c'est entré dans les minutes.

Q. N'est-il pas vrai que ce contrat de trente-cinq cents dont vous venez de parler, comme ayant été donné parce que M. McGreevy avait demandé que cela se fît ainsi au nom du département, a été donné à une assemblée de la commission tenue le 10 mai 1887, et que cela a été sur une lettre écrite par M. Perley ?—R. Je ne vous dis pas qu'il n'est pas venu une lettre de M. Perley. Je ne vous parle pas de cela

du tout, mais je vous dis que j'ai eu l'idée de M. McGreevy me disant qu'on devait le faire; que c'était la meilleure chose à faire et qu'on devait le faire.

Q. N'est-il pas vrai que par les minutes de la commission du havre, il est constaté, à la page 116 du volume 6, numéro 182, que le 10 mai 1887, la lettre suivante a été lue :—

" Received a letter from Henry F. Perley, Chief Engineer to the Quebec Harbour Works, transmitting a copy of a correspondence exchanged between himself and the contractors Larkin, Connolly & Co., in relation to the dredging to be done in the Wet Dock, Harbour Works, a portion of which, he states, it is desirable should be done during the ensuing summer, and recommending that the offer of Messrs. Larkin, Connolly & Co. to do the work at thirty-five (35) cents per yard be accepted, as he considers their price to be fair and reasonable, and suggesting that the expenditure in dredging during the year be limited to $100,000."

R. Par qui la lettre est-elle signée ?

Q. Par qui vous voudrez ?—R. Je n'ai pas les minutes.

Q. Alors la minute est-elle correcte?—R. Je pense bien qu'elle est correcte.

Q. N'est-il pas vrai qu'à la même assemblée de la commission du havre il a été résolu comme suit, ainsi qu'il appert à la page 117 du volume 6 :

" *Resolved*,—That a contract be signed with Messrs. Larkin, Connolly & Co., agreeably with their tender for dredging the basin of the new Harbour Works, provided, *first*, that the dredged material be placed and levelled in the Louise Embankment or on such other locality belonging to the Harbour Commissioners or that may hereafter be acquired by the Commissioners. *Second*, that the actual contract be confined to work this summer, limited to an expenditure of one hundred thousand dollars ($100,000); *Third*, that after conclusion of this season, the Harbour Commissioners are to have the power of cancelling this contract without claim for damages of any kind, or compensation whatever The price in tender for dredging being thirty-five cents per cubic yard."

" The following named Pay-lists and accounts are examined, approved and ordered to be paid :—

Dock Master's Pay-list for week ended 7th instant				$ 38.35
Nadeau's Pay-list for week ended the 6th instant				16.25
Engineer's Pay-list for work ended the 7th instant, G.D.				24.10
An Account from Larkin, Connolly & Co				799.20
do	do	do	do	147.39
do	do	C. Ruel		4.05
do	do	Z. Lemieux		2.40
do	do	S. Arel		1[illegible].00
do	do	J. Hamel et Cie		235.18
do	do	J. B. Dutil		24.00
do	do	Jos. Samson		17.50
do	do	J. Hamel Frères		176.14
do	do	H. Binet		15.00
do	do	B. Sewell		2.00
			Total	$1,513.56

" The meeting is then adjourned at 4.35 p.m.

(Signed,) " P. V. VALIN,
" *Chairman*."

R. Je vous dis, quand je présidais ce corps, que la majorité du corps forçait le président de faire ces minutes et de les signer. Alors j'accepte les minutes telles qu'elles sont écrites, bien volontiers, parce que tout ce qui s'est passé devant le bureau m'a paru parfaitement régulier, et je n'aurais rien voulu souffrir qui ne fut pas régulier; mais cela ne prouve pas l'influence exercée par un membre sur un autre membre en dehors de l'assemblée.

Q. Vous avez dit, il y a un instant, que c'était sous l'influence de M. McGreevy? —R. J'ai dit que c'était M. McGreevy; que moi, pour ce qui me concerne, je l'avais consulté pour savoir si nous devions voter pour cela. Je ne vous dis pas pour les autres. Je parle pour moi.

Q. N'est-il pas vrai qu'à cette assemblée-là, où le contrat a été donné, M. McGreevy n'était pas présent du tout?—R. Je ne le sais pas, mais je sais que j'avais son opinion.

Q. Constatez par les registres s'il y était ou non?—R. Je vous dis que j'ai endossé les minutes telles qu'elles étaient, mais je vous dis que M. McGreevy m'avait donné son opinion sur la chose.

Q. Constatez donc par les minutes s'il était présent ou non?—R. Je vois bien que son nom n'y est pas, mais je vous dis que j'avais consulté M. McGreevy là-dessus.

Q. Votre salaire était de $2,000.00 par année, comme président de la commission du havre?—R. Non, monsieur.

Q. De combien était-il?—R. $1,000.00.

Q. De tout temps?—R. Il a toujours été cela, de tout temps. Là-dessus, on retirait pour les souscriptions politiques $1,000.00 ou $1,500.00.

Q. En plus du salaire il y avait $5.00 par jour comme membre de la commission? —R. Oui.

Q. Dans le contrat du South Wall vous rapelez-vous s'il y a eu des changements de faits à la commission du havre?—R. Non, excepté un changement de substitution de pierre à la brique. Ceci devait être fait sans augmenter le prix du contrat.

Par M. Langelier;

Q. M. Valin, quand vous étiez membre du parlement, à Ottawa, vous voyiez très-souvent M. McGreevy et sir Hector Langevin?—R. Oui, très-souvent.

Q. Savez-vous s'il y avait entre eux des rapports intimes, fréquents?—R. Oui, parfaitement.

Q. Savez-vous où ils demeuraient tous les deux, ici, à Ottawa?—R. Oui; j'ai été invité par sir Hector chez lui, et j'ai été invité également par M. McGreevy à prendre un verre de vin, ici, et dans la résidence de M. Langevin, où était M. McGreevy. Il m'a dit très-souvent qu'il restait là; que c'était sa maison; qu'il se considérait comme chez lui; ils vivaient ensemble.

Q. M. Laforce Langevin dont vous avez parlé tantôt, qui a été nommé sous-ingénieur des commissaires du havre, est-ce un jeune homme d'une grande réputation comme ingénieur? Est-ce qu'il passait pour très-capable?—R. Non, il a toujours été considéré comme n'étant pas très-capable. J'ai vu notre ingénieur nous donner plusieurs doutes là-dessus sans trop s'exprimer.

Par M. Curran:

Q. Avez-vous pris note des conversations que vous avez eues avec sir Hector Langevin?—R. J'en ai pris quelquefois qui maintenant sont détruites. J'ai eu beaucoup de conversations dans le temps que j'étais député. J'ai été le voir souvent en rapport avec ces travaux-là. J'ai été voir M. Perley et d'autres personnes.

Q. Je vous demande cette question parce que vous ne paraissez pas avoir de doute sur la nature de ces conversations-là? Vous vous rappelez parfaitement de la nature de ces conversations-là?—R. Parfaitement. J'en ai eu chaque fois que j'ai rencontré sir Hector, soit à Québec, ou ici, ou ailleurs.

Q. M. Valin, c'est subséquemment à ces conversations avec sir Hector Langevin que vous avez obtenu de M. McGreevy ces trois montants pour les élections?—R. Il était compris que je serais candidat, et j'ai dit à sir Hector Langevin que je devrais être assisté. Je ne me rappelle peut-être pas tout, mais je me rappelle une circonstance sur les deux ou trois que j'ai eues.

Q. Vous avez donné trois reçus à M. McGreevy?—R. Oui, j'ai donné deux ou trois reçus suivant les montants que j'ai reçus de lui.

Q. Voulez-vous me dire comment il se fait que vous vous rappelez des conversations que vous avez eues avec sir Hector et que vous ne vous rappelez pas des sommes que vous avez reçues de M. McGreevy et pour lesquelles vous avez donné des reçus?—R. Je m'en rappelle un peu comme cela, mais de peur de faire une erreur, je voudrais les voir ici afin de connaître la chose.

Q. You state that although having given receipts you do not remember the amount of the subscriptions given to you by Mr. McGreevy for which you gave those receipts?—A. I do not remember whether it was $250 or $500 at a time, but the receipts will show. I am not fully clear on that, but the receipts will prove.

The Committee then adjourned till 3 p. m.

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3 o'clock p.m.

Mr. JULIEN CHABOT, sworn.

By the Chairman:

Q. You live in Quebec?—A. I live at Lévis.

Q. Near Quebec?—A. Yes.

By Mr. Geoffrion:

Q. You are the manager of the Richelieu and Ontario Navigation Company?—A. I am.

Q. Since how long?—A. Since 1889.

Q. Are you also a member of the Harbour Commission at Quebec?—A. Yes.

Q. Since how long?—A. Since 1870, I think it is.

Q. By whom were you appointed?—A. By the Government and by the Board of Trade.

Q. You know the steamer "Admiral"?—A. I do.

Q. Where is that steamer running?—A. From Dalhousie to Gaspé.

Q. How long have you known that ship?—A. Since 1883.

Q Had you an interest in that ship?—A. I have no interest.

Q. Was your name connected with the ship?—A. I was the owner of the vessel.

Q. The registered owner?—A. The registered owner.

Q. Where you owning the ship on your own account or on somebody else's account?—A. It was on somebody else's account.

Q. You were running it in your name in the interest of a third party?—A. I was authorized by the President of the St. Lawrence Steam Navigation Company at the time, the Hon. Thomas McGreevy, to look out for a steamer for the Baie Chaleurs route, and I had that part of the transaction—to look out for a steamer—and Mr. McGreevy, the president, had the financial part of the transaction.

Q. The steamer was bought in your own name?—A. The steamer was bought in my name.

Q. Was it paid for with your money?—A. No.

Q. With whose money was it paid?—A. Mr. McGreevy told me to buy a boat. I objected then, because the company had no money. Well, he says, "I will advance you the money, by advancing $2,000, and then we will get the balance sometime afterwards." Try to secure the boat, "because the boat is exactly the proportion we want." Mr. McGreevy advanced the money $2,000, and by his direction I bought the boat in my own name, because he advanced the money himself.

Q. How much did you pay for the boat; what was the agreed price?—A. $16,000.

Q How much was paid in cash?—A. $2,000.

Q. And the ship was registered in your name?—A. In my name.

Q. How was the balance paid?—A. The balance was paid about three weeks after, and the money was provided by Mr. McGreevy.

Q. So you put no money of your own into that ship?—A. No, with the exception of some disbursements that was re-imbursed.

Q. They were considered advanced?—A. Yes.

Q. And after each season did you account for the result of the season?—A. Certainly.

Q. To whom did you account?—A. To Mr. McGreevy.

Q. And whatever had been realized would it be paid to Mr. Thomas McGreevy?—A. Yes; to Thomas McGreevy.

Q. Amongst the moneys received by you on account of the running of that ship was a subsidy from the Federal Government, was there not?—A. There was.

Q. Will you take communication of Exhibit "F 10" and say whether these are the articles of agreement?—A. They were. It was the contract which I signed for five years for $12,500.

Q. These articles are between yourself as apparent owner on the one side, and the Government of Her Majesty on the other?—A. Yes.

Q. And in these articles of agreement it was stipulated that you should receive for certain services rendered in connection with the postal service, $12,500 a year?—A. Exactly.

Q. And this agreement was made for five years?—A. For five years.

Q. And was it executed between both parties for that period?—A. Certainly.

Q. And the money was paid to you?—A. Exactly.

Q. And being received by you from Her Majesty's Government was accounted for and the money was paid to Mr. McGreevy?—A. Exactly.

Q. At the expiry of this agreement, dated November, 1883, and marked Exhibit "F 10," was it renewed with the Government?—A. Yes; I did not sign any agreement in 1883.

Q. Was it renewed?—A. Yes; it was renewed.

Q. You received a letter?—A. I received a letter which I did not sign.

Q. Will you take communication of a letter dated May 25th, 1888, being a copy of a letter sent by A. P. Bradley, Secretary of the Department of Railways and Canals, purporting to be addressed to you, and say whether you have received a letter similar to that?—A. I received such a letter. It read as follows:—

(Exhibit "L11.")

"DEPARTMENT OF RAILWAYS AND CANALS,
"OTTAWA, 25th May, 1888.

"SIR,—I am instructed to enclose to you herewith a draft of contract in duplicate for the running of your steamer 'Admiral' between Dalhousie and Gaspé, for the period of five years, dating from the opening of navigation in 1888 in connection with the Intercolonial Railway.

"Will you please fill in the date of your signature and have it properly witnessed, returning both the documents here for the Minister's execution.

"I am, Sir, your obedient servant,
(Signed) "A. P. BRADLEY,
Secretary.

"JULIEN CHABOT, Esq.,
"Lévis, Province of Quebec.
"Enclosed agreement in duplicate No. 9331."

Q. Will you also look at another document, dated 17th May, 1890, being a copy of a letter signed by Mr. Bradley and addressed to you, and say whether you received such a letter?—A. Yes; that is it. I know it was in 1890. It reads as follows:—

(Exhibit "M11.")

"DEPARTMENT OF RAILWAYS AND CANALS,
"OTTAWA, 17th May, 1890.

"SIR,—On the 25th May, 1888, a draft of agreement respecting the terms by which the steamer 'Admiral' was to receive a subsidy for plying between Dalhousie

and the Baie des Chaleurs and Gaspé Ports was sent to you for signature, but has not been received in the Department. I am instructed to draw your attention to this, and to ask that the agreement be executed and returned here at as early a date as possible.

"I am, Sir, your obedient servant,

(Signed) "A. P. BRADLEY,
"*Secretary.*

"J. CHABOT, Esq.,
"Lévis, P.Q."

Q. This letter also refers to the same steamer "Admiral"?—A. Yes.

Q. I see by this letter of the 17th May, 1890, reference is made to a letter previously mentioned and addressed to you on the 25th May, 1888, with enclosure, and your attention is called to the fact that you have not signed the agreement therein contained. What did you answer to this letter?—A. At the time I could not find it out, but since, in looking over my papers I find it out. I know the reason. It mentioned that I was the owner of the "Admiral" in 1888, and I was not. That was the reason I did not sign it then.

Q. Who was the owner in 1888?—A. Mr. Robert McGreevy.

Q. When did you transfer your apparent ownership in the ship to Mr. Robert McGreevy?—A. It was in 1888 some time.

Q. Will you take communication of the document now shown to you and say whether it is not the transfer of your apparent right in the property of the ship—a bill of sale you would call it. Did you sign in favour of Mr. Robert McGreevy? A.—Yes.

Q. It is dated 2nd February, 1888, and will be marked Exhibit "N-11." Since that date you have had nothing to do with the "Admiral?"—A. Since last year.

Q. When did you become owner again?—A. Some time last year, under the mortgage.

Q. Who was the mortgagee?—A. Nicholas Connolly.

Q. For what consideration did he re-transfer you the ship? Did you pay him his mortgage?—A. No.

Q. Did anybody pay him his mortgage?—A. No.

Q. Is the mortgage still due him?—A. I had to give him the mortgage. He transferred the boat in my name and I gave him the mortgage.

Q. He still remained the mortgagee?—A. I became the owner.

Q. You became the apparent debtor and mortgagor?—A. Yes.

Q. How much is that mortgage?—A. $25,000.

Q. Is the amount still due?—A. Still due.

Q. What rate of interest is paid on it?—A. Six per cent.

Q. Is it your debt?—A. No.

Q. Whose?—A. Mr. McGreevy's.

Q. Which Mr. McGreevy?—A. The Hon. Thomas McGreevy.

Q. The amount is really due by the Hon. Thomas McGreevy?—A. The boat was transferred to me and I gave a mortgage for $25,000.

Q. As a mortgage is only a guarantee of debt I want to know who owes the debt?—A. I owe the debt and the boat is responsible for it.

Q. Suppose the ship would be lost would you look to some one else?—A. I am not responsible for it. I got an arrangement with Mr. Connolly. I have his letter.

Q. Are there any writings showing this arrangement?—A. Yes.

Q. You have a letter from Nicholas Connolly about that?—A. Yes.

Q. You have brought those papers with you?—A. Yes.

Q. They are now in your possession?—A. They are at the hotel.

Q. You are ready to state that you never borrowed that money for your own private use?—A. No.

Q. The ship now stands in your name?—A. Yes.

Q. Who owns the ship?—A. Me.

Q. For whom?—A. For the same party—the Hon. Thomas McGreevy.

Q. Whatever may be profits made during the present season on that ship, to whom will you account?—A. Hon. Thomas McGreevy.

Q. You are now keeping your books with a view of accounting at the end of the season to the Hon. Thomas McGreevy?—A. Exactly.

Q. Whilst you were owner for the first time of the ship, did you not mortgage the ship in favour of James Ross?—A. Yes.

Q. Will you look at this document (which will be marked Exhibit "O11,") and say whether this would not be the mortgage you signed?—A. That is my signature.

Q. At whose request did you sign it?—A. Hon. Thomas McGreevy.

Q. And when the mortgage was settled who paid it?—A. Mr. Thomas McGreevy borrowed the money from Mr. Connolly. The transaction was made by Mr. Thomas McGreevy. When the boat was transferred by Mr. Connolly he was the mortgagee.

Q. Did you receive the Federal subsidy last year as usual?—A. I did.

Q And are you now under articles of agreement as in the previous years for the same amount of Federal subsidy of $12,500?—A. The same subsidy was paid last year.

Q. But the present year?—A. No. Everything was transferred by Mr. Thomas McGreevy to Nicholas Connolly.

Q. The subsidy was transferred?—A. All his interest in the ship is transferred.

Q. Have you any papers to show that?—A. I have got the notarial document.

Q. That you can fyle?—A. Yes, but I have not got it with me.

By the Chairman:

Q. It is a pity you did not bring it with you.—A. I asked Mr. Geoffrion if I would be required to-day, and he told me he would not require me this afternoon.

Mr. GEOFFRION—I acknowledge it is my fault. (To witness.) You just mentioned that Thomas McGreevy transferred his interest to Nicholas K. Connolly. When was that?—A. I could not exactly say. It was in the month of February, but I could not exactly say what date.

Q. At any rate the paper would tell?—A. Yes.

Q. Notwithstanding the paper fyled with you, is it not a fact that you are to account for the proceeds of the season's receipts to Thomas McGreevy?—A. No, to Nicholas K. Connolly. All the interests in regard to the vote I am to account to Nicholas K. Connolly.

Q. And you have nothing more to do with Thomas McGreevy?—A. I have nothing more to do with Thomas McGreevy.

By the Chairman:

Q. Who is the owner of the ship to-day?—A. I am.

Q. In name?—A. Yes.

Q. On whose behalf do you hold the ship?—A. Nicholas Connolly.

Q. What is the position of Nicholas Connolly in regard to that ship—I am talking of this year, not of any other year?—A. He owns the whole interest in the ship now.

Q. He has the mortgage?—A. He has the mortgage.

Q. Is Thomas McGreevy responsible for the amount of the mortgage?—A. Not at all.

Q. He has no more responsibility?—A. Exactly, because everything was transferred to Nicholas Connolly.

Q. But the private understanding I mean—Is Thomas McGreevy to remain responsible to Mr. Connolly?—A. I cannot tell.

Q. But from what Mr. McGreevy told you?—A. He did not tell me. All he did say was that his interest had been transferred. I have not had a word with him about the "Admiral" since.

Q. So you are no longer responsible to Thomas McGreevy?—A. No.

Q. Is Thomas McGreevy responsible in any way for the vessel now?—It depends entirely on the signing of that document whether he is or not.

Q. When was that document signed?—A. Last February.

Q. Before that time was Thomas McGreevy responsible for the mortgage?—A. —He was; but since I do not know.

Q. That contract with the Government is in whose name?—A. In my name.

By Mr. Davies:

Q. All these proceedings were colourable, I suppose. You were not the *bonâ fide* contractor then or since; you simply held in trust for Mr. McGreevy?—A. That is it, I suppose.

Q. You do not know whether Connolly holds in trust for McGreevy or not, so far as you are concerned?—A. No.

By Mr. Edgar:

Q. Did you account every year to Thomas McGreevy?—A. Exactly.

Q. For the whole of the working period?—A. Yes.

Q. And transferred to him any balance remaining?—A. Certainly.

Q. You did this every year until this year?—A. Until the month of February.

Q. And when Robert had the vessel he did the same?—A. Robert made the transfer to Thomas McGreevy.

Q. And to whom did you render your accounts?—A. To Robert McGreevy, until he made a transfer of his interest to Thomas.

By Mr. Fitzpatrick:

Q. When did you purchase the "Admiral"?—A. In 1883.

Q. At that time you were the manager, and Mr. McGreevy was the President of the St. Lawrence Steam Navigation Company?—A. Exactly.

Q. And you went with Mr. McGreevy to New York to buy the boat for the Company?—A. Yes.

Q. And you there saw the "Admiral," and thought she would suit you?—A. Yes.

Q. And after you had bought her and brought her to Canada you found the Company had not got the money to pay for her?—A. Yes.

Q. And you therefore had her registered in your name?—A. Exactly.

Q. Things went on until Mr. Connolly loaned $25,000 on the boat?—A. Mr. Ross.

Q. This money was borrowed from Mr. Connolly who bought Mr. Ross out?—A. That was when Mr. Robert McGreevy was owner.

Q. And subsequently Connolly as mortgagee took possession of the boat and handed her back to you after being in the name of Robert McGreevy?—A. Exactly.

Q. Then you remained proprietor nominally after Connolly became the mortgagee up to February last?—A. No; since February last.

Q. Up to that time Mr. McGreevy had an interest in the boat?—A. Exactly.

Q. And since February last Mr. Connolly is practically in possession and you are nominally the registered owner?—A. That is it.

Q. The agreement or assignment by Thomas McGreevy to Nicholas K. Connolly was executed before Mr. Meredith in Quebec on the 25th February, 1891?—A. Yes.

Q. Look at the document now produced and say whether it is a copy of the assignment or not?—A. Of course to be certain I would require to compare it with the document I have.

(Exhibit "P11."

Q. Have you any doubt it is not a notarial copy?—A. I have no doubt.

Q. That assignment by Thomas McGreevy to Nicholas Connolly was duly certified by you?—A. Exactly.

Q. Since that assignment was made have you any reason to believe that Thomas McGreevy has any interest whatever direct or indirect in the "Admiral"?—A. I do not know anything about it.

Q. Have you any reason to believe that anything of the sort exists—that Thomas McGreevy has any interest in the boat now ?—A. I do not believe he has.

Q. Is the boat still running ?—A. She is running now on the Baie des Chaleurs.

Q. Did Thomas McGreevy exercise any control over her now ?—A. Not in the least. Since the transfer was made I have had no conversation with him about the "Admiral" at all.

Q. No conversation with Thomas McGreevy ?—A. Yes.

Q. You have ceased to deal with Thomas McGreevy as an interested party in the "Admiral" ?—A. Yes.

Q. And you deal now only with Nicholas Connolly ?—A. Yes.

Q. When is the subsidy from the Government payable ?—A. At the end of the season.

Q. And the end of the season is when ?—A. About the 30th November.

By Mr. McLeod:

Q. Do I understand you that when you went to New York to buy the boat it was the intention to buy it for the St. Lawrence Steam Navigation Company ?—A. Yes. When Mr. McGreevy told me to buy the "Admiral" I objected because I knew the Company had not the money to pay the purchase price. He said I was to buy it in my name, and that he would advance $2,000 to secure the boat, and that I was to make an arrangement to pay the balance in 30 days. I did so and he furnished the money.

By Mr. Mulock:

Q. Thomas McGreevy furnished the money to pay it ?—A. Exactly.

By Mr. Geoffrion:

Q. You have a contra letter from Mr. Nicholas Connolly ?—A. I got one.

By Mr. Curran:

Q. Upon your oath now as an honest man, have you any doubts in your mind, who is the actual proprietor of that boat, since the transfer to Nicholas Connolly ?—A. I have not the least doubt that Mr. Nicholas Connolly is now the proprietor of the boat.

Q. Who is the proprietor of that boat now ?—A. By the fact that Mr. McGreevy transferred all his interest in the "Admiral" in February, the supposition is Mr. Nicholas Connolly is the owner of the boat.

By the Chairman:

Q. Is he the owner since the transfer ?—A. I believe he is.

By Mr. Curran:

Q. What is your belief as to the owner of the boat since ?—A. I have had no interview with Mr. Thomas McGreevy since, and I had several interviews with Mr. Nicholas Connolly.

By Mr. Osler:

Q. Is the vessel running now ?—A. She is running now.

Q. Do you disburse for her and get her receipts, or who is the immediate agent ?—A. Well, I am. The control is entirely with the captain.

Q. Who furnishes the captain with funds if he wants them ?—A. I do.

Q. Where do you get them ?—A. Of course I have the money.

Q. You have the ship's money ?—A. I keep always a sufficient balance for the repairs.

Q. I see, you have money at the credit of the ship and you manage her. For whom are you managing her now ?—A. Nicholas Connolly.

Q. From whom you are now receiving instructions?—A. Exactly. Of course I have always acted on my own judgment, and this is one of the reasons that I took the management of the vessel, because I did not want any interference whatever in the management. I am responsible for all the transactions on the boat.

Q. When you were notified in February last, was there money to the credit of the ship?—A. Yes, there was some money.

Q. And it continued to the same account.—A. Everything was transferred.

Q. Including the money?—A. Exactly.

By Mr. Tarte :

Q. Is the purser on board the same?—A. Yes.

Q, What is his name?—A. Thomas Boulton.

By Mr. Mills :

Q. To whom has the subsidy been paid?

Mr. OSLER.—The subsidy was paid last year to Mr. McGreevy, but it has not yet been paid this year.

By the Chairman :

Q. The ship is in your name, why is it not in the name of Mr. Connolly?—A. Well, the transfer was made.

Q. Tell me what is the reason you use your name?—A. Because I get the subsidy. I am responsible to the Government for carrying on that work.

Q. When was the contract signed?—A. The last contract in 1888 has not been signed, but it was by a letter which I have acknowledged.

Q. The contract has to be renewed every year?—A. Every year.

Q. And the contract, as well as the boat, stands in your own name?—A. Yes.

Q. Is that the only reason?—A. That is the only reason. I must explain that the boat was put in my name, and when Mr. McGreevy advanced the money he told me "I cannot contract with the Government as a member of Parliament, and as I am advancing the money you will put the boat in your own name until the matter is settled."

By Mr. Fitzpatrick :

Q. Then Mr. McGreevy was really the mortgagee?—A. Exactly.

Q. So his name does not appear?—A. His name does not appear.

Q. When was that?—A. In 1883.

Q. And matters remained in that way until you got $25,000 from Mr. Ross?—A. Mr. Ross advanced the money, I presume, because I gave the mortgage by the instructions of Mr. McGreevy.

Q. When did you give that mortgage?—A. It was two years after that.

By Mr. Mills (Bothwell) :

Q. With whom is the contract made with the Government now for the subsidy? A. It is with me.

Q. And you know no reason why it should now stand in your own name? You have given a reason why it stood formerly, that Mr. McGreevy could not make a contract with the Government? What is the reason now?—A. Because the contract has been renewed in my name.

Q. But why?—A. Because it was for the "Admiral," and it has been renewed as owner of the "Admiral," and I told you before that at the time the contract was renewed I was asked if I was the owner of the "Admiral," and I was not, and at the time I objected to signing the contract.

Q. The last time the contract was renewed was last November?—A. No. It was in 1888.

Q. That is the first time it was made. But when was it renewed? I understood you to say it was from year to year?—A. In 1888.

By Mr. Mulock:

Q. I want to understand from you what occurred, as I did not hear the first part of your evidence. You received original instructions to act as ship's husband from Mr. McGreevy?—A. Yes, because he was advancing the money.

Q. No matter what the reasons were, you acted?—A. I may tell you that the objection of buying the boat from the St. Lawrence Steam Navigation Company was——

Q. I heard that. Have the instructions given to you by Mr. McGreevy in 1883 been cancelled?—A. No.

Q. You have continued on them the same as from the beginning?—A. Yes.

Q. I am speaking of your personal dealings. You have been keeping account, buying supplies and supplying funds just the same as in 1883?—A. Yes, with the exception that now the interests I am keeping are the interests of Mr. N. K. Connolly.

Q. I say that you are carrying on the account the same as originally?—A. Exactly.

Q. And you began your connection with the boat and the keeping of this account under instructions from Mr. McGreevy?—Exactly.

Q. That those instructions from Mr. McGreevy had never been cancelled by him?—A. No.

Q. You may think you have to account to somebody else from what you know has happened?—A. I have to account to Nicholas Connolly.

Q. Do you know from the transfer?—A. From the notarial deed.

Q. Has Mr. McGreevy himself ever given you any notice?—A. By that notarial signification and he told me verbally too.

Q. Was the enterprise a profitable one, and the surplus from the work large?—A. Yes.

Q. Quite a surplus?—A. Yes.

Q. What was the amount that Mr. McGreevy advanced for the purchase of the boat?—A. $20,000.

Q. He sold it or transferred his interest to Mr. Nicholas Connolly for $25,000?—A. $35,000. The deed will explain it.

Q. The profits during that period until he transferred it to Mr. Connolly went to Mr. McGreevy?—A. Went to Mr. McGreevy.

Q. Personally?—A. Certainly.

By Mr. Kirkpatrick:

Q. Was this notarial document served on you?—A. Yes.

By the Chairman:

Q. At the time Mr. Ross was mortgagee, to whom did you account?—A. Mr. McGreevy.

Q. What is the difference to-day between Mr. Ross and Mr. Connolly, as far as the interest is concerned?—A. Mr. Ross was a mortgagee and also Mr. Nicholas Connolly, but there is the additional difference that Mr. McGreevy has made a transfer of all his interest in the ship to Mr. Connolly.

Q. What can be that interest as you are the legal owner yourself?—A. Mortgagee in possession.

By Mr. Davies:

Q. Did you give any answer to the gentleman over there as to what the profits of the boat were each year?—A. He asked me if the transaction was profitable.

A. How much did you say it was profitable?—A. I cannot tell.

Q. About?—A. I will be able to-morrow to give you the information.

Q, About how much do you remember?—A. About from $8,000 to $10,000 a year.

Q. Of profit?—A. Yes.

By Mr. Mulock :

Q. Did you owe Mr. McGreevy any money in connection with the purchase of this boat?—A. No.

Q. Were you ever a really a debtor to Mr. McGreevy?—A. I was a debtor in this way, and my books will show it too—first, as a debtor because when Mr. McGreevy first advanced the money he advanced it with the expectation of being refunded by the St. Lawrence Steam Navigation Company; but finding they were unable to refund it, everything was considered his own interest. The earnings of the boat were credited to him every year.

By the Chairman :

Q. Is this a registered boat at Quebec?—A. Yes.

Q. Under the Canadian law?—A. Yes.

The following document was filed by Mr. Geoffrion :

(Exhibit "2.")

"P.C. No. 993.

"A CERTIFIED COPY *of a Report of a Committee of the Honourable the Privy Council, approved by His Excellency the Governor General in Council, on the* 10*th May,* 1888.

"On a Memorandum dated 2nd May, 1888, from the Minister of Railways and Canals recommending that he be authorized to sign on behalf of the Government the agreement, a draft of which is herewith submitted, by which Mr. Julien Chabot undertakes to run his steamer the "Admiral" on the route between Dalhousie and Gaspé in connection with the Intercolonial Railway, for the period of five years dating from the opening of Navigation in 1888, the Government undertaking, subject to conditions expressed in the said draft, to subsidise the said steamer service to the extent of $12,500.00 per annum.

"The Minister further recommends that provision of this amount for the forthcoming season be made in the Supplementary estimates for the year 1888–1889.

"The Committee advise that the requisite authority be granted as recommended.

"JOHN J. McGEE,
"*Clerk, Privy Council.*

"The Minister of Railways and Canals."

"An agreement made and entered into this day of A.D. one thousand eight hundred and eighty-eight.

"Between Her Majesty Queen Victoria, represented in this behalf by the Honourable the Minister of Railways and Canals for Canada, of the one part,

"And Julien Chabot, of the Town of Lévis, in the Province of Quebec, steamboat-owner, of the other part.

"This agreement provides as follows :—

"1. The said Julien Chabot agrees to place his steamer, the "Admiral," on the route between Dalhousie and Gaspé, to run in connection with the Intercolonial Railway for the period of five years, commencing at the earliest opening of navigation in the year 1888, and in each of the four following years, and continuing the whole season in each of said years without interruption and until navigation is actually closed in each year respectively, by the freezing over of the river at Dalhousie. Provided, however, that if, by reason of the opening of all or any part of the Baie des Chaleurs Railway within the term of this contract, the said contractor should be called upon so to do, the said steamer may be required by the said Minister to perform this service in part only between Dalhousie and Gaspé with an equal mileage on another route.

"2. The said Julien Chabot agrees that the said side-wheel steamer "Admiral" aforesaid, shall be provided with a proper and sufficient crew, and with sufficient

boats and life-saving apparatus, and that she will in all respects conform to all the legal requirements. She will also be maintained during the whole term of this contract in the same state of efficiency.

"3. The steamer shall make two round trips per week, leaving either end at such day and hour as may, from time to time, be fixed by the said Minister of Railways and Canals, or his successors in office, and she shall call at the following places, viz., Dalhousie, Carleton, New Richmond, Paspebiac, Port Daniel, Newport, Little Pabos and Percé, and at such other place or places on the north side of the Baie des Chaleurs as the said Minister or his successors in office may from time to time direct.

"4. The steamer shall carry all mails and the officer in charge of them free of charge, landing and receiving the mails on the shore by her boats at such places as she cannot come alongside a wharf, or where there is no wharf.

"5. The steamer shall have free of charge the use of the railway wharf at Dalhousie, but the Railway Department reserves the right to charge wharfage and storage on all local freight landed and embarked at the said railway wharf.

" 6 The railway will deliver and receive all freight at the railway wharf, Dalhousie, in cars. The said Julien Chabot, must at his own expense, provide all the labour necessary at the wharf, and must unload the freight from the steamer and put it into the store and into the cars.

"7. The said Julien Chabot shall be at the expense of transferring the mails and passengers, and baggage between the Dalhousie passenger station and the railway wharf, and the vehicles used for these purposes will be subject to the approval of the said Minister or his successors in office.

"8. The rates for passengers and for freight shall be subject to the approval of the said Minister or his successors in office, and in the case of through rates, the divisions shall be such as may be settled by the said Minister or his successors in office.

"9. The said Julien Chabot shall provide at his own expense the necessary agents at the different points on the route.

"10. The said Julien Chabot shall be responsible for all railway freight, back charges and other expenses due upon any freight or baggage transferred to the steamer, and the full amount shall be paid over to the railway without deduction or abatement of any kind.

"11. The accounts between the railway and the steamer shall be settled every week and the balance due paid over in cash.

"12. The said Julien Chabot shall settle in a just and equitable manner any claim which may arise on account of injury to passengers or of loss of, or of damage delay to freight while in transit by the steamer or in the hands of his agents.

"13. If coal or other stores or labour is furnished to the steamer by the railway, the charges on the same must be paid weekly.

"14. The said Julien Chabot shall pay one-half the cost of advertising the route.

"15. In consideration of the foregoing and provided that said Julien Chabot perform the requirements of this contract, Her Majesty will pay to the said Julien Chabot for each of the seasons of 1888, 1889, 1890, 1891 and 1892, the annual subsidy or sum of twelve thousand five hundred dollars, but Her Majesty shall not be bound to pay any portion of the said subsidy unless the service for the period then expired has been performed to the satisfaction of the said Minister or his successors in office.

"16. The Government shall have the right to deduct from the said subsidy any balance due to the railway, for freight or back charges, or for coal or other stores or labour furnished, or for damages to passengers or animals or goods while in transit in the steamer.

"17. The said Julien Chabot shall conform to such orders and regulations as may be made from time to time by the said Minister of Railways and Canals, or his successors in office.

"18. Should the steamer fail at any time during the term of this contract to meet all or any of the foregoing requirements, or should the said Julien Chabot fail to perform all the stipulations herein contained or any of them, the said Minister or his

successors in office shall have the right to terminate the contract, and all the subsidy then due shall be forfeited, and the said Minister of Railways and Canals, or his successors in office, shall be the sole and final judge of the performance or non-performance by the said Julien Chabot of the stipulations, conditions, and agreements herein contained.

"In witness whereof the said Julien Chabot hath hereto set his hand and seal, and these presents have been signed and sealed by the said Minister, and countersigned by the Secretary of the Department of Railways and Canals on behalf of Her Majesty.

Signed, sealed and delivered by } Julien Chabot in presence of }

Signed and sealedby the said Minister } and the Secretary of Railways and } Canals in presence of }

Minister of Railways and Canals.

"*Secretary.*"

Mr. G. B. BURLAND (sworn):

By Mr. Geoffrion:

Q. Will you take communication of Exhibit "X10" and say whether this letter is signed by you?—A. It is signed by me.

Q. In whose handwriting is the body of the document?—A. That I cannot say.

Q. Is it in the handwriting of any of your clerks?—A. I think not.

Q. Was not the document prepared beforehand and handed to you for signature?—A. I should say this one was.

Q. I will put you the same question with regard to Exhibit "B11." Is this also signed by you?—A. It is signed by my son.

Q. Your son Jeffrey Burland. You notice that the body of the document is in the same handwriting as the body of the other letter I showed you?—A. I think not.

Q. Will you compare?—A. The first one I do not recognize at present. The second is my son's.

Q. The body of the document also?—A, Yes.

Q. The first one is dated 1st October, 1886, and the second is dated 13th November, 1886. Do you notice that the letters are exactly in the same terms?—A. It is the same meaning, but the words are not the same.

Q. I think there is a third one. Will you look at another letter, being Exhibit "D11", dated 17th December, and say whom it is signed by?—A. These letters are signed by my son and I think while I was in bed with a broken leg.

Q. The handwriting in the body you do not recognize?—A. No.

Q. Mr. Noel is manager of the Quebec Bank in this city?—A. Yes.

Q. You say in that letter, "As trustee of the Baie des Chaleurs Railway, I am instructed to send you a cheque for $8,000, which sum you will be good enough to pay over to any person whom the Hon. T. Robitaille, president of the company, may direct." That is signed by yourself, "G. B. Burland." Will you say by whom you were so instructed?—A. Perhaps, to make the transaction clear, I should make an explanation. The letter says I am trustee for the Baie des Chaleurs Railway. I am, properly speaking, trustee for the sub-contractors. I have nothing to do with the railway. I assisted the sub-contractors and the subsidies were transferred to me to pay them and secure myself. There were instalments to be paid from time to time by the Government as the work progressed and there was a surplus over what the sub-contractors ought to get and that money was to be handed to the bank. I am

pretty sure it was Mr. Armstrong, the contractor, who instructed me that the balance of the money was to go in this way.

Q. So far as you can remember now, you were so instructed by Mr. C. N. Armstrong?—A. I think so; I never saw Mr. Robitaille or Mr. Riopel.

Q. Nor Robert H. McGreevy?—A. I do not know the gentleman.

Q. The only parties you saw were Armstrong and O'Brien?—A. Yes. I assisted O'Brien to take the work and the money was paid to me as the estimates were coming in and I paid it out to O'Brien as he required it from time to time. The balance, that is the surplus, I was ordered to send in this way to the bank by Mr. Armstrong.

Q. How much of that surplus did you pay to Mr. Robitaille or anyone else by the order of Mr. Armstrong and Mr. O'Brien?—A. I paid $8,000 to Mr. Armstrong and three payments out of three instalments from the Government to Mr. Noel. There were also other payments due by the sub-contractors, that is, liabilities, but I do not remember the names just now. There were, however, liabilities to other parties which were paid on behalf of the sub-contractors.

Q. Did you pay anything to Mr. Riopel?—A. No.

Q. And the only amounts you did not pay to the contractors or to yourself were the four amounts of $8,000 each?—A. The only cash paid to Mr. Armstrong on his account was the first $8,000. I handed that to Mr. C. N. Armstrong himself, and then there were the three other instalments at the three different periods paid to Mr. Noel.

Q. That is the three cheques referred to in those letters?—A. Yes; I have the dates of them.

Q. Give the dates, please?—A. The first instalment I received from the Government was $60,000; the first payment was 30th September, to Mr. Armstrong.

By Mr. Amyot:

Q. What year?—A. 1886. Then on 1st October I paid $8,000 to Mr. Noel; 15th November, $8,000 to Mr. Noel; 18th November, $8,000 to Mr. Noel. These are the four items of money I paid out of moneys received, apart from the sub-contractors.

By Mr. Mulock:

Q. Directly out of the Government subsidies?—A. The money that I received —yes.

Q. From the Government?—A. Yes.

Q. When you say you paid these sums to Mr. Noel they were paid to him to dispose of as Mr. Robitaille directed?—A. This is the authority for Mr. Noel. Of course I had to get a receipt.

Mr. John G. Billet, sworn:

By Mr. Fitzpatrick:

Q. What position do you occupy?—A. I am local manager of the Union Bank, Quebec.

By Mr. Geoffrion:

Q. What do you produce?—A. I produce a copy of the current account of the Honourable Thomas McGreevy with the Union Bank, from 1st January, 1882, to the 1st January, 1889 (Exhibit "R11.") I produce a copy of O. E. Murphy's account for the same period (Exhibit "S11.") I have also N. K. Connolly's from 23rd January, 1889, to 6th June of the same year (Exhibit "T11.")

By Mr. Geoffrion:

Q. The account was only opened then?—A. Yes. I produce also copy of Larkin, Connolly & Co.'s account from 30th December, 1888 to 30th June, 1889. (Exhibit "U11.")

The Committee then adjourned.

HOUSE OF COMMONS, TUESDAY, 21st July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. C. N. ARMSTRONG sworn.

By the Chairman:

Q. What is your name?—A. Charles N. Armstrong.

By Mr. Geoffrion:

Q. You were contractor for the building of part of the Baie des Chaleurs Railway?—A. I was.

Q. For the whole or part of it?—A. The whole 100 miles.

Q. When did you have that contract?—A. In June, 1886.

Q. Have you been one of the directors of the Company at any time?—A. No, sir.

Q. Or a promoter?—A. No, sir.

Q. Who were the president and directors?—A. The Honourable Théodore Robitaille was president, and Mr. L. G. Riopel was managing director.

Q. And the other directors you cannot remember?—A. There was another Mr. Robitaille—Dr. Robitaille—who was a director at that time, and Mr. Robert McGreevy, and I am not quite sure whether Mr. Thomas McGreevy was a director at that time.

Q. Were they shareholders?—A. Robert McGreevy was a shareholder.

Q. Do you know whether Thomas McGreevy was ever a shareholder?—A. I believe he was, or had been. I believe he transferred his shares to his brother. I had nothing to do with the Company, so I don't know personally.

Q. Did you buy any shares from Robert McGreevy—it was at the time when Thomas McGreevy had ceased to be stockholder—that is what you were told, he had transferred his shares to his brother Robert?—A. That is what I was told.

Q. What was the number of shares you bought from Robert?—A. $75,000.

Q. Was that the nominal value of the shares?—A. Yes; the nominal value.

Q. How much did you agree to pay for them?—A. I agreed to pay $50,000 in cash and $25,000 in bonds of the Company.

Q. Was there a written agreement to that effect?—A. There was an agreement of some kind, but I forget exactly the terms of it.

Q. Did you keep a copy of the original agreement?—A. No, sir.

Q. You have not got it in your own possession?—A. No, sir.

Q. No copy or original?—A. No, sir.

Q. The memorandum in writing would be to the effect that you were purchasing the shares for $50,000 cash and bonds of the company?—A. There was not only shares but it included certain work that was done on the railway, and certain plant he had on the railway. He had commenced the construction of it.

Q. Do you remember whether Mr. Thomas McGreevy was a party to that original memorandum?—A. He was not.

Q. The only parties were you and Mr. Robert McGreevy?—A. And Mr. Riopel, representing the Company.

Q. Had you an inventory made of the plant you purchased?—A. There was none.

Q. Had you a valuation made of the work that had been done by Robert McGreevy?—A. No; I had not, sir.

Q. Have you an idea of what it was worth?—A. From what Mr. Robert McGreevy told me it was worth considerably more than it turned out to be.

Q. How much did it turn out to be worth?—A. Probably $10,000.

Q. Can you give us any information where that memorandum can be found if it still exists?—A. I have not the slightest idea.

Q. How were the $50,000 to be paid?—A. $10,000 in cash and five payments of $8,000 each.

Q. Upon the receipt of five different payments and subsidies from the Dominion Government. How much of that money was paid?—A. $42,000.

Q. Were the $10,000 cash paid?—A. It was paid in $3,000 cash, and in notes for $7,000, which was afterwards paid.

Q. And how many of the $8,000 payments were made?—A. Four.

Q. These four payments of $8,000 each were taken out of the Government subsidies as they became due, on account of the progress of the work?—A. Indirectly they were.

Q. But as a matter of fact they were all taken out of Government subsidies; there was no other source for paying it except the Government subsidies?—A. There was another source, but that was the agreement.

Q. As earned by you on the contract?—A. As earned by me on the contract.

Q. The subsidies were Dominion Government subsidies?—A. Yes, from the Dominion Government.

Q. There was a sub-contractor by the name of O'Brien, I believe, who had a sub-contract?—A. The firm of O'Brien & Co.

Q. You remember Mr. G. B. Burland who acted for or represented these sub-contractors?—A. Mr. Burland acted as trustee between the sub-contractors and myself, receiving the subsidies and paying them their proportion as they became entitled to it, and accounting to me for the balance.

Q. Will you look at the letter marked Exhibit "X10," and say whether you have seen this document before?—A. Yes; it is in my handwriting.

Q. And signed by G. B. Burland, is it not?—A. Yes; signed by G. B. Burland.

Q. Has this any reference to the first $8,000 paid out of the subsidies?—A. It refers to one of the payments.

Q. Is it not the first one?—A. I cannot say from memory whether it is the first one or not.

Q. At the subsequent payments similar letters were given to Mr. Burland, were there not, all of the same terms?—A. The letter produced refers to another payment of $8.000.

Q. Also signed by Mr. Burland, or somebody for him?—A. I don't know the signature, it is not his.

Q. And the letter marked Exhibit "D11" is also one of those letters referring to one of those payments?—A. That refers to another payment.

Q. Will you explain why, in Mr. Burland's letter, Exhibit "X10," in your handwriting, the person to whom the money is to be paid is not indicated?—A. There was no reason why Mr. Burland should know who was the person indicated at all. He had no interest in the matter at all. He was simply acting as trustee for me, and had to pay that money to whichever were directed by me.

Q. That is your reason why Mr. Burland's letters would not indicate the person to whom the money was to be paid?—A. It did not affect him at all.

Q. And this reason applies to the three letters in reference to the three payments of $8,000 each?—A. They have apparently used the same form that I used for the first payment.

Q. Do you remember how the fourth payment of $8,000 was made? Was it made through Mr. Burland or directly by you?—A. I don't remember making any payment directly at all.

Q. Do you remember when this memorandum in writing about the purchase of the shares was signed?—A. It would be probably a few days before the contract was

entered into by the company—somewhere probably about the 1st June, 1886, possibly the end of May.

Q. And your contract was signed when?—A. On the 9th June, 1886.

Q. This purchase of Robert McGreevy's shares would have taken place early in June, or at the end of May?—A. A few days or a week or two before.

Q. There appears by your statement a balance due on the purchase. Was there any agreement about that?—A. It is not payable yet. The conditions have not been carried out.

Q. What were the conditions?—A. That upon the payment of each sum of $60,000 by the Dominion Government. The last payment has not been received yet.

Q. As all the subsidies have not been paid this amount is not settled?—A. No.

Q. That would be how much?—A. $8,000.

Q. But the bonds were given?—A. Not to my knowledge.

Q. Can you tell us what was the exact value of the shares of this Company at the time you bought them. That is to say, at the end of May or the beginning of June?—A. That is impossible. There was no market quotation for them. I considered them worth what I paid for them.

Q. If you had bought the shares alone, without being a contractor, what would you have given for them?—A. I would not have bought them at all.

Q. Is it not a fact that this bargain was accessory to another one?—A. Not at all. I did not get the contract from McGreevy at all.

Q. But from the Company. Was it not understood that the contract was to be given to you as a consequence of that purchase of the shares you made?—A. No. I refused to take the contract unless Mr. McGreevy sold out all his interest.

Q. What was the reason why?—A. Because I did not want to have anything to do with McGreevy in the matter.

Q. You wanted to have the controlling interest?—A. Certainly.

Q. Did you buy any other shares?—A. No.

Q. Had you any shares yourself before going into that contract?—A. No, but by my contract with the Company I was entitled on completion to one-half of the stock of the Company.

Q. How many shares did you buy from Robert McGreevy?—A. I forget whether the shares were $100 or $50; but the amount was $75,000.

Q. By your contract you were entitled to half the shares?—A. On the completion of the work.

Q. And to get control you thought you would have to spend $50,000?—B. Not only that, but I was given a certain amount of work done and a certain amount of plant.

Q. You say that the work was worth $10,000?—A. I was given to understand it was worth considerably more.

Q. You had gone over the work?—A. I had formed a rough idea, but I had not seen the plant.

Q. The McGreevys were not anxious to go out of that Company?—A. That I do not know anything about.

Q. When this written memorandum or agreement was signed, was it made in duplicate, or was there only a single copy made?—A. There was only a single copy I believe.

Q. In whose hands was it left?—A. In Mr. Riopel's I think.

Q. Did you see the document since?—A. No.

Q. As far as you were concerned you did not take it from the hands of Mr. Riopel?—A. No. I have no recollection of seeing the document since it was signed.

By Mr. Stuart:

Q. What was the value put by Robert McGreevy upon the working plant at the time of the agreement?—A. I do not think there was any special amount named.

Q. From the tenor of the conversation, what were you led to suppose was the value of each of them?—A. From $20,000 to $25,000.

Q. From representations made?—A. Only general representations. There were no details given.

Q. I understand you had nothing whatever to do with Thomas McGreevy in this matter?—A. No.

Q. All your dealings were with Robert?—A. With Robert.

By Mr. Davies:

Q. I understood you to say that in your own mind you did not put much value in the work?—A. No. I drove over it but I could not see all the work.

Mr. Martin P. Connolly sworn.

By Mr. Geoffrion:

Q. When did you first come to be in the employment of Larkin, Connolly & Co.?—A. 2nd January, 1885.

Q. You live in Quebec?—A. Yes, sir.

Q. You have always lived there?—A. Always had my home there. I have been absent occasionally.

Q. Were you hired by the year or by the month?—A. The first year I was hired by the year at an allowance of so much per month.

Q. Was there afterward any change?—A. The next year Mr. Connolly told me he would raise my salary to $800 a year. The first year it was $500.

Q. That was a change in the salary. You were hired by the year?—A. I understood I was hired by the year.

Q. Were you still in their employment on the 2nd of January, 1890?—A. Yes sir, with the new firm.

Q. On the 2nd of January, 1891, were you still in their employ?—A. I was in the employ of the new firm of N. K. & M. Connolly.

Q. Was there any increase of salary?—A. It was increased to $1,000 a year afterward and it remained at that afterward.

Q. On the 2nd of January you were continued at the same salary of $1,000?—A. Yes.

Q. You began on the 2nd of January, 1891, your second year with the new firm?—A. Yes, with N. K. & M. Connolly.

Q. And you will not finish this second engagement until January, 1892?—A. I did not hold them liable for my salary. I considered them liable to discharge me any time they liked.

Q. Because you had not behaved yourself properly?—A. No.

Q. Was there any breach of your contract to entitle them to discharge you in the middle of the year?—A. No.

Q. Did you ever give them cause to discharge you?—A. Not willingly.

Q. Why don't you hold them responsible for your salary?—A. When anybody wishes to dispense with me I am willing to go.

Q. You are ready to be engaged for a year one day and discharged the next day. Did they want you any more?—A. I do not know I am sure.

Q. Was there no more works going on?—A. They have a little work at Kingston, but I understand it is about finished.

Q. Is it finished?—A. I really cannot say.

Q. You do not know if it would take many months before it would be finished?—A. I really cannot say.

Q. Have they any other book-keeper besides you?—A. Not during my time.

Q. Have they any book-keeper in Kingston?—A. Yes.

Q. Who is he?—A. Mr. Claxton.

Q. Since the Connollys have had work at Kingston, have you been occasionally called to go there ?—A. Yes.

Q. To work at the books ?—A. To work at the books; yes.

Q. How often were you in the habit of going there ?—A. Once a month. I generally went there in the winter time.

Q. In the summer time you are in Quebec ?—A. Yes.

Q. Is there a great deal of business doing in Quebec ?—A. Not a great deal now.

Q. Do they do any more dredging there ?—A. Not this year.

Q. In Quebec were you in the habit of keeping the private books of Nicholas K. Connolly ?—A. I started a set of private books for him.

Q. You had a good deal to do in Quebec for Nicholas K. Connolly—is he well off ? —A. I do not know that.

Q. Do you not know that he is running a ship on the Baie des Chaleurs ?—A. I do not know that.

Q. Did you make any entry of return s about a ship or otherwise in his books ? —A. No, sir.

Q. Have you any entries made in Nicholas K. Connolly's books about a steamboat on the Baie des Chaleurs ?—A. No, sir.

Q. No private entries ?—A. No, sir. I brought all the books up and I could find such entries if they were there.

Q. Had you any work for Michael Connolly in Quebec, too ?—A. Not privately.

Q. You absented yourself from Quebec sometime in May ?—A. Yes, sir,; I went to Kingston.

Q. How long did you stay in Kingston ?—A. Four or five days, I guess.

Q. Do you remember when it was you went to Kingston ?—A. On the 20th of May, this year.

Q. Who called you there ?—A. Mr. Nicholas Connolly.

Q. For what purpose did he want you there ?—A. He had been expecting me to go up for some time.

Q. What for ?—A. To do the general office work.

Q. So there was work to be done there ?—A. Certainly.

Q. You were there how many days, do you say ?—A. Four or five days : probably a week.

Q. Out of which there was the Queen's Birthday ? You did not work on that day ?—A. I do not think we celebrated the Queen's Birthday ; it was on a Sunday anyway.

Q. But the next day was proclaimed a holiday, you did not see that proclamation ?—A. No.

Q. You left Kingston after that week, you say ?—A. Yes. I think it was the same week.

Q. Did you leave on business ?—A. Partly.

Q. And partly on pleasure ?—A. Partly on pleasure.

Q. What is the part of business in your trip ?—A. Mr. Connolly came into the office one morning and told me he had no further use of my services, so I wanted to see if I could get anything to do elsewhere.

Q. He did not give you any further time to decide ?—A. No.

Q. He told you he did not want you any more ?—A. Yes.

Q. And you were in receipt of a salary of $1,000 a year ?—Yes.

Q. And entitled to remain until January next ?—A. Yes.

Q. You never said a word to Mr. Connolly ?—A. No.

Q. Did you say anything to him when you were going away ?—A. I told him to give me the balance of my salary, and I would go.

Q. You took him at his word ?—A. I took him at this word.

Q. What was the balance due you ?—A. I think it was $162.

Q. Did he pay you well ?—A. He paid me at the rate of $1,000 a year.

Q. Just your regular salary ?—A. Just my salary.

Q. Did you make any entry in the books?—A. I did not stay to make any entry. I gave him a voucher.

Q. Did you go away on the same day?—A. Yes, sir.

Q. What train did you take?—A. I went that afternoon to Toronto.

Q. What hour?—A. I think it was 3:30, or something like that.

Q. Then how long did you stay in Toronto?—A. All night.

Q. And then?—A. I went over to Buffalo.

Q. Did you go there alone?—A. No.

Q. Who was with you?—A. I telegraphed to St. Catharines to Mr. Cloney to meet me.

Q. Where did he go to meet you?—A. He met me at St. Catharines. I asked him if he was doing anything and he said no; I then said to him, come over to Buffalo. We had promised each other to make a trip to Buffalo together a good many years before and he decided to go with me.

Q. Who is Mr. Cloney?—A. He was the time-keeper on the works at Quebec.

Q. You thought you would go to Buffalo for a little pic-nic?—A. Yes; for a little pic-nic.

Q. How long did you remain in Buffalo?—A. I remained in Buffalo four or five days.

Q. Did you stay at any hotel there?—A. Yes, sir.

Q. What hotel?—A. The Stafford House.

Q. Did you register when you went there?—A. I did.

Q. Under your own name?—A. Under my name.

Q. Did Mr. Cloney register under his name, too?—A. I guess so.

Q. You say you stayed at the Stafford House first? Where did you stay afterwards?—A. The Carleton House.

Q. Did you register there?—A. I registered there, too.

Q. Under your name?—A. Under my name.

Q. And you think Cloney did the same?—A. I think so.

Q. Did you look for employment there, or did you simply enjoy yourself in Buffalo?—A. I looked for employment.

Q. Can you name a place where you applied for employment?—A. I had a letter of introduction to a gentleman named Day.

Q. Mr. Day would not take you?—A. He would.

Q. What is his occupation?—A. I think he is manager for W. L. Scott, a coal man.

Q. Who had given you the letter of introduction?—A. Mr. Hume.

Q. Who is Hume?—A. He is Engineer on the works.

Q. Did you close any engagement there?—A. No sir.

Q. He would not give you a sufficient salary?—A. I was about to make an engagement when I got a telegram from Mr. Connolly, asking me to come to Ottawa and give evidence before the Committee on Privileges and Elections.

Q. Had you given information to Connolly where you were gone?—A. I had not.

Q. Had you written to your family to say where you had gone?—A. I had written a letter but I had not time to post it. As a matter of fact I brought it back with me in my pocket.

Q. Your father and mother did not know where you had gone?—A. I do not think they did.

Q. Then how did Connolly find out your address?—A. I left my address behind me at Kingston, so that if any mail came for me it could be forwarded.

Q. With whom did you leave your address?—A. With Mr. Hume.

Q. And Connolly did not know your address?—A. I think not.

Q. Unless Hume told him he did not?—A. I think not.

Q. Which of the Connollys telegraphed you?—A. Mr. Nicholas.

Q. Have you the telegram with you?—A. Yes.

(Exhibit "V11.") "OTTAWA, ONT., 6-3-91.

"To M. P. CONNOLLY,

"Hotel Carleton—Buffalo.

"If possible would like you to come here to give evidence before Committee.

"N. K. CONNOLLY."

Q. Have you also the telegram that asked you to come from Quebec to Kingston?—A. Think I have.

(Exhibit "W11.")

"From KINGSTON, ONT., 20th May, 1891.

"To M. P. CONNOLLY, 124 Dalhousie St., Quebec.

"Am waiting for you here. Leave at once.

"N. K. CONNOLLY."

Q. Until 1887, as book-keeper at Quebec, you were under the general orders of O. E. Murphy, were you not?—A. Generally, yes.

Q. He was manager of the cash? And it was generally he who gave instructions to you to make entries in the books?—A. Yes, sir.

Q. Do you remember that a change took place in reference to the management in 1887?—A. I remember that Mr. Murphy said he would have nothing more to do with the cash.

Q. Not only did he say so, but a new arrangement took place?—A. Yes; Mr. Connolly took charge of it.

Q. Mr. Nicholas K. Connolly took the management of the cash?—A. Yes; or rather, he signed the cheques. That is all he did.

Q. By whose orders would you make entries in the books?—A. I do not know as I was ordered especially.

Q. You must have authority. By whose authority would you make entries in the books, when not to your own knowledge?—A. Any one of the firm.

Q. When a member of the firm signed a cheque or had a cheque made out to his order, was it not your duty to charge it to him—to charge it to the item explained by him?—A. Certainly.

Q. Who were the members of the firm in 1887 at Quebec?—A. Mr. Nicholas Connolly, Mr. Michael Connolly, Mr. Murphy and Mr. Robert McGreevy.

Q. Who generally remained in Quebec?—A. Mr. Murphy, McGreevy and Mr. Nicholas Connolly.

Q. In 1887, 1888 and 1889, is it not a fact that Nicholas Connolly was always in Quebec until the works at Kingston had commenced?—A. I think he was.

Q. Will you look at page 109 and see whether you can give any explanation about the items which were charged subsequent to the first January, 1887—for instance, $27,000 under date of 28th March, 1887?—A.—I have no explanation other than was given before the Sub-Committee.

Q. At page 10 of the evidence given before the sub-committee there is a reference to a charge of $25,000. I think you have stated that this $25,000 would represent the five promissory notes?—A. No, Sir; it would represent four cheques of $5,000 each, and another $5,000, I believe, had been expended by Mr. Murphy. I don't know how many cheques he took at all.

Q. Well, did you not ascertain that all these cheques were made and signed in the name of the firm by Nicholas Connolly and made payable to his order?—A. No, sir; not all of them.

Q. Well, point out those that were.—A. I think the first four.

Q. Get the cheques and the books.—A. There are three cheques, according to the books, charged to the order of N. K. Connolly.

By Mr. Tarte:

Q. Signed by whom?—A. Signed in his name

By Mr Geoffrion:

Q. You say you find three cheques to the order of N. K. Connolly?—A. Signed by him there is an entry: "February 4, 1887: Cash, Dr. Union Bank cheque, order of N. K. C., B. C. division, $5,000." That is the reason I know that cheque was given to Mr. Connolly's order.

Q. You find three to his order?—A. Yes, sir.

Q. By whose order did you make these entries?—A. I don't remember which member of the firm. I know they discussed with me where the account was to be charged up. That is all I know.

Q. Did not anybody tell you?—A. No.

Q. Do you know when a cheque was made to the order of N. K. Connolly?—A. No, Sir, I do not.

Q. Who were the members of the firm who discussed it?—A. The members of the firm who were there.

Q. Who are they?—A. Mr. Murphy, Mr. Robert McGreevy and Mr. Connolly, I suppose.

Q. These three were generally living in Quebec then?—A. Yes.

Q. And a discussion took place between these three?—A. Yes.

Q. And if there had been any other partners in Quebec they would have joined in the discussion?—A. No doubt.

Q. Was this discussed in your presence?—A. I do not remember.

Q. You said there was some discussion in your presence?—A. The only discussion I have any remembrance of was the fact Mr. Murphy had already been agreed to charge $25,000, and he wanted $2,000 extra, and I was in hot water, you see, between Mr. Connolly and Mr. Murphy—Mr. Murphy insisting upon having it charged and Mr. Connolly not being willing to allow it to go in.

Q. So Mr. Murphy was claiming to have spent $2,000 over and above $25,000?—A. Yes.

Q. Well, what were these $25,000 upon which there was no disagreement?—A. It is impossible for me to say.

Q. Well try now, it is a pretty large item. If there was a discussion about $2,000 cannot you remember what took place about that $25,000?—A. They never told me anything. It was like pulling teeth to get any information for any of those entries for which I had no vouchers.

Q. Of course, as there were no vouchers you made these entries?—A. Yes.

Q. You made it sure that the partners were satisfied that the entries should be made?—A. Sometimes a cheque was made out to Nicholas Connolly's order and endorsed by him. I would take that cheque, draw the money from the bank and give the money to Mr. Murphy or Robert McGreevy, and without being told I had sufficient knowledge to know that Mr. Connolly did not use that and I would not charge it to him. I would charge that to expenses and let the discussion take place afterward.

Q. There was no disagreement as to the $25,000 payment and when Mr. Murphy insisted on another $2,000 being charged?—A. Yes.

Q. Mr. Nicholas Connolly objected?—A. Yes.

Q. Was Mr. Robert McGreevy objecting?—A. I do not remember.

Q. Did Nicholas Connolly agree to the $2,000?—A. I supposed he did.

Q. As a matter of fact, you know it was audited and that the item passed?—A. Yes.

Q. Did you not find in another book, "E. No. 3," that this charge was transferred to another account?—A. Yes.

Q. To what account was it transferred first?—A. British Columbia.

Q. What date were these sums charged?—A. Two sums were charged to the Esquimalt dock on February 4th, of $5,000 each.

Q. On whose signature?—A. It does not state in this book.

Q. Read the entry.—A. "Cash Dr., February 4th, 1887, cheque to order N. K. C., B. C. division, $5,000." On the same date: "Bank B. N. A. cheque to order of N. K. C., $5,000." On February 14th there is another one charged. The entry reads: "Quebec, February 14th, 1887, Esquimalt Dock Dr. to cash, $5,000, for B. N. A. Bank cheque disbursed on account of division."

By Mr. Lister:

Q. What does that mean, "on account of division?"—A. It having been agreed to be divided on the B. C. Dock.

By Sir John Thompson:

Q. What kind of division? Does it say?—A. It does not say.

By Mr. Tarte:

Q. Will you give us an account of the last cheque of $5,000. You have given us only four?—A. On page 272, "Quebec, February 28th, 1887, Esquimalt Dock Dr. to cash, $5,000, cheques drawn by O. E. M. on account of B. C. division."

By Mr. Moncrieff:

Q. Does that mean division of the work?—A. It means division of the money from the B. C. work.

By Mr. Lister:

Q. Why did you understand that?—A. I understood at the time that it was a portion of the amount of $25,000 that had agreed to be expended.

Q. And divided?—A. And divided.

Q. How divided?—A. I do not know that it had been agreed to be divided.

Q. Why did you put the word "division" in there? On whose orders?—A. Under nobody's orders.

Q. Why did you put it there?—A. I understood——I do not remember how I came to put it down.

Q. What did you understand?—A. I do not remember.

By Mr. Davies:

Q. You started to say just now "I understood." What did you understand?—A. I understood that was the sum that had been agreed to be divided.

By Mr. Lister:

Q. Divided how?—A. I do not know.

Q. What did you put the word there at all for?—A. Probably if I had to do it again I would not put it there.

Q. Was it divided amongst the partners?—A. No.

Q. What did you put the word there for at all? If it had to be divided you should have divided it? A. I had nothing to do with the dividing.

By Mr. Mills (Bothwell):

Q. As a gain or a charge?—A. I knew it did not go to any member of the firm and of course was not charged to any member of the firm.

By Mr. Lister:

Q. You knew it did not go to the work?—A. I was under that impression.

Q. Then you thought it went to some church or charity?—A. I suppose so.

Q. Your opinion was that it was a donation?—A. Yes.

By Mr. Geoffrion:

Q. I was just asking you why it had been transferred from British Columbia works to other works. To what works was it transferred?—A. The Quebec Harbour Improvement works.

Q. When was the transfer made?—A. March 28th 1887: "Suspense Dr. to Esquimalt Dock, $25,000, per error in charging British Columbia with following cheques: February 4th, British North American Bank, journal folio 264, $5,000; February 4th, Union Bank, journal folio 268, $5,000; February 14th, journal folio 269, $5,000; February 17th, Journal folio 270, $5,000; February 28th, Union Bank, journal folio 272, $5,000."

Q. Is that credited to the Esquimalt Dock?—A. Yes.

Q. And charged to suspense account?—A. Yes.

Q. Will you explain why this was first charged to Esquimalt dock?—A. Because I believed there was a large estimate the firm had received just at that time from British Columbia.

Q. Some $72,000?—A. In round numbers.

Q. $71,800—about that date it came?—A. Yes.

Q. In the haste of the moment this $25,000, plus $2,000, were charged to that first?—A. Not in haste. I think, to the best of my knowledge, we did not have any sum of $25,000 to be credited to the firm on Quebec works.

Q. And Quebec works had to be borrowed from Esquimalt works?—A. It was all the same thing. It was taken out of the British Columbia estimates when they came some time prior.

By Mr. Lister:

Q. How did you come to make these entries to Esquimalt Dock?—A. Because the money was taken from that fund.

Q. Who told you to make the entry against suspense account?—A. I do not remember.

Q. It is now suspense account under March?—A. Yes.

Q. Who told you to charge it to suspense account?—A. It was agreed among the members of the firm.

Q. Which members?—A. All the members who were there at the time.

Q. Name them.—A. Mr. O. E. Murphy, Mr. Robert McGreevy and Mr. Nicholas Connolly.

Q. When you charged it against Esquimalt Dock it was charged with the consent of these members of the firm?—A. I understood so.

Q. And when you charged the account it was made with the consent of the members of the firm?—A. Yes.

Q. What members of the firm were present?—A. I do not remember.

Q. You have no recollection?—A. I have no recollection of it.

Q. Do you remember if some members of the firm were absent?—A. No.

Q. Have you any recollection of why you made this charge to suspense account?—A. Yes. The recollection I have about the matter was that the money was taken from this fund, and at the time it was taken it was supposed to be charged to the Quebec Harbour Improvement works. I do not remember being told by any member of the firm to charge it to suspense, but I do say it made no——

Q. Why didn't you charge it to Quebec Harbour works straight in the first place? You say that was the intention?—A. That is about what we did do.

Q I want to know why you did not do it, if that was the understanding?—A. I do not remember why we did not do it.

Q. Do you remember why you charged it to Esquimalt?—A. Certainly; because the cheques were from that fund.

Q. Who told you to take it from that fund?—A. I do not know.

Q. Nick Connolly?—A. I do not know.

Q. He signed the cheque?—A. He signed some of them.

Q. And you swear you do not know how you came to make the change to suspense account?—A. I said first the sum was to be charged to the Quebec Harbour Improvement works.

Q. And you did not charge it there?—A. It is charged there. It is charged on 28th March 1887.

Q. A year after?—A. No, the following month.

Q. And you do not remember who told you to do that?—A. No.

By Mr. Geoffrion:

Q. Was there not another item of $10,000, taken out of that large estimate paid to the British Columbia works?—A. I do not think so.

Q. Is there not another item of $10,000 paid to Mr. Robert McGreevy?—A. There may be. It was the same cheque that I have already mentioned as being part of the $25,000. Two cheques.

Q. In Exhibit "E7" printed at page 178, and which is in your handwriting, you indicate an item under date March, 1887, $5,000, with the words "Three Rivers." When you were examined before the Sub-Committee you stated as follows:—"Q. How did you put it there then?—A. To the best of my recollection I put it from a conversation I overheard." Will you state to the Committee what was the conversation you overheard?—A. It is very hard for me to state exactly what was the conversation I overheard, but I understood at the time, when I put the words "Three Rivers," there, that the $5,000 had been sent to Three Rivers.

Q. The purport of the conversation which you overheard, and by which you felt justified in making the entry, was that the money had been been sent to Three Rivers?—A. Yes, sir.

Q. Though the entry is made in that exhibit "E7" under the heading March, 1887, does it mean that the money had been paid or sent to Three Rivers during March, or does it mean only the date of the entry?—A. I could not say that. I do not remember.

Q. It is very important to find out when that $5,000 was sent to Three Rivers—can you find it by the books?—A. It was impossible for me to tell you.

Q. Because for those payments the books do not always show the dates when the payments were made?—A. No, sir.

Q. And you have not the cheques for that amount?—A. I do not know, sir. I had the cheques.

Q. But it is not here. Is it not a fact that all the cheques from April, 1886, to April, 1887, on the Union Bank, are lost?—A. It is a fact that when you asked me the other day to look for them that I could not find them, but I was under the impression until the other day that they were put in the box.

Q. But without putting the responsibility on any one for their having gone, they cannot be found now?—A. I do not think so.

Q. And therefore you are unable to say whether this amount of $5,000 was made by a cheque or not, seeing the cheques for the Union Bank are missing at that time?—A. Yes, sir.

By Mr. Davies:

Q. You have searched thoroughly for these cheques?—A. I have.

Q. Have you satisfied yourself that they are not here now?—A. I have.

Q. And you are thoroughly satisfied in your own mind that you brought them here?—A. I am under that impression or rather Mr. Kelly brought them here.

Q. And you were under the impression, what—that you had seen them brought here or had sent them to be brought here?—A. I was under the impression from the volume of the cheques that came here that they were all here.

Q. Did you go over them in bundles to form any accurate impression?—A. No.

Q. But you have now?—A. Oh, yes.

Q. And you do not know whether Kelly brought them or not?—A. Yes.

Q. Between what dates are the cheques missing?—A. From April, 1886 to 1887, I think.

By Mr. Geoffrion:

Q. That is your fiscal year?—A. Yes.

By Mr. Davies:

Q. And covers the period about which the dispute is?—A. Part of it.

By Mr. Geoffrion:

Q. Did I not ask you also to ascertain whether the stubs of those missing cheques from April, 1886 to 1887, could be found, and did you not ascertain that they also were missing?—A. I did not ascertain that those stubs were missing, but some are missing I know. Whether they are here or missing, I do not know. I will look them up if you like.

Q. So not having any of the cheques or seeing the stubs therefor, you are unable to say when the amount of $5,000, mentioned in Exhibit "E7," was disbursed?—A. No; I cannot.

Q. As far as your memory is concerned is it not a fact that this amount of $5,000, which you overheard in a conversation as having been sent to Three Rivers, was sent during the elections?—A. Not so far as my memory is concerned.

Q. Your memory will not allow you to recollect that?—A. No, sir.

Q. Do you know when the elections took place?—A. I think it was in February, 1887.

Q. Independently of the conversation you overheard, can you remember to whom the money was handed?—A. No, sir.

Q. Do you remember having been instructed by Mr. Nicholas K. Connolly to charge that amount of $5,000 which he said had been sent to Three Rivers?—A. No, sir; I had never been instructed. I credited him with the amount of $5,000, but where it went to I was not told.

Q. This may be another item independently of the $5,000 to Three Rivers?—A. It may be.

Q. Do you remember that Nicholas Connolly told you to credit him with two amounts of $5,000, subject to giving explanations to his partners?—A. I do not remember that.

Q. Can you remember whether you were called in or referred to by Mr. Nicholas Connolly to give explanations of one or two items of $5,000 to Mr. Robert McGreevy and to Mr. O. E. Murphy?—A. I never gave any explanations to Mr. Murphy or Mr. McGreevy in regard to any sums in the books. I always understood they knew more about them than I did.

Q. But they could not know what payments had been made by Nicholas Connolly?—A. At that time I understood Mr. Nicholas Connolly would make no payment without being consulted by them or at their request.

Q. Were there not occasions where Nicholas Connolly had to make payments and then give them the information?—A. Not to my knowledge.

Q. Between whom was the conversation held, which you overheard, and by which you felt authorized to charge this $5,000 to Three Rivers?—A. I did not charge it to Three Rivers. Understand that. I overheard some conversation from which I gathered that the sum of $5,000 had been expended on the election at Three Rivers, and I marked "Three Rivers" opposite an item of $5,000, so as to enable me to recollect the sum.

By Mr. Davies:

Q. A kind of ear mark?—A. Yes.

By Mr. Geoffrion:

Q. Between whom was that conversation held?—A. I have already told you I think between the members of the firm.

Q. So now you remember that this conversation was to the effect that the money had been spent in the election at Three Rivers?—A. Something to that effect.

Q. In your books we find two entries in blank as to the destination of the money, namely, on the 3rd of August, 1887, and the 8th August, 1887. You have already stated that you left that blank, when the entry was made, because you had not then any instructions? (*Vide* report of proceedings, p. 109). Have you since making the entry ascertained what those two payments were for ?—A. No, sir.

Q. Who told you to make the entries with those blanks ?—A. Nobody. I guess I made them myself, and left the blanks for the explanation to be put in, if ever I should get it. I do not believe I got it.

Q. Is it not the fact that these two payments were made by cheques of the firm signed by Nicholas K. Connolly, and payable to the order of Nicholas K. Connolly? —A. I could tell you that by turning up the cash book. (After referring to book): Yes; they are both to the order of Mr. Nicholas K. Connolly.

Q. And it is in blank?—A. Yes, sir.

Q. Was not this entry made at the request of Mr. Connolly?—A. It must have been at his request?

Q. You did not get the money yourself?—A. I may have.

Q. And if you had you should have been able to fill the blank, unless you pocketed it.—A. Oh no.

Q. And you, who were the book-keeper, say you do not know what you did with the money?—A. Certainly. I may have got the cheque, gone to the bank and handed the money over to Mr. Connolly.

Q. And would it not then be charged to Nicholas Connolly?—A. Certainly not. The cheque was made payable to Nicholas K. Connolly, but I might have handed the money to any member of the firm, and it would not therefore be charged to Nicholas Connolly.

Q. As a matter of fact, to whom did you give the money?—A. I may have given to Mr. Robert McGreevy or Mr. O. E. Murphy.

Q. You say positively you cannot state to whom you gave the money and leaving those blank entries?—A. It is impossible for me to remember that.

Q. Is it not a fact that the $1,000 cheque, dated 3rd August, was to re-imburse Owen Murphy for a similar sum which he had paid on the 21st July to Thomas McGreevy?—A. Not to my knowledge.

Q. Was the money given to O. E. Murphy to re-imburse him for disbursements made by him under "donations"?—A. I don't know.

Q. Is it not a fact that the cheque, dated 8th August, for $4,000, was the balance of the amount of $5,000 he paid to Mr. McGreevy—that is to say, $1,000 by O. E. Murphy on the 25th July, and the balance of $4,000 on the 8th August by M. K. Connolly?—A. It is impossible for me to answer that.

Q. And you cannot remember whether you went for the money yourself to the bank?—A. No, sir.

Q. Or who received the money?—A. No, sir.

Q. Your memory would not supplement what is missing in the book?—A. Not in that particular instance.

Q. And these two amounts were charged to "Expense" and "Donations"?—A. I think so. They are marked so here.

By Mr. Tarte:

Q. Can you give any information about the cheque entered as Exhibit "L" on page 36 of the evidence before the Sub-Committee "8th March, 1888, N. K. Connolly, for amount of his private cheque for Donation *re* B. C., as agreed, $2,000"?—A. Nothing further than what I gave before the Sub-Committee.

Q. Is this entry the only one you find in the books about that?—A. No; this would be journalized and posted in the ledger.

Q. Read it.—A. On page 346 of Exhibit "L3" is to be found the entry reading: "March 8th, 1888, to N. K. Connolly, for amount of his private cheque for donation *re* B. C., as agreed, $2,000."

Q. You cannot tell us what that means at all?—A. No, sir; I cannot.

Q. You have no knowledge of what the agreement was that is mentioned there? A. None whatever.

Q. But is it not a fact that all the members of the firm agreed to that payment of $2,000?—A. I judge so from reading the entry.

Q. And you have no idea of the use that was made of the $2,000 mentioned here?—A. Not the slightest.

Q. You told us that in 1887 you got a large estimate of $72,000 from the British Columbia Dock?—A. Yes, sir. The firm got a large estimate of $71,800.

Q. I believe that sum of money was divided between the members of the firm? —A. Yes.

Q. Can you shew us when that amount was finally divided, and how it was divided?—A. An entry showing it was finally divided was made on 28th March, 1887.

Q. Read it, if you please?—A.

"Esquimalt Dock Dr. to sundries	$20,560
To R. H. McGreevy	3,000
" N. K. Connolly	6,640
" P. Larkin	1,640
" O. E. Murphy	1,640
" Michael Connolly	1,640
" Graving Dock	6,000"

"This entry is made to square a division of $71,800 received on account of final on B. C.

Amount received	$71,800
" from Q. H. I.	200
Total to be divided	$72,000
Less disbursed	17,000
To be divided by five	$55,000
Making for each member	11,000

Of which P. L. received		$9,360	balance	$1,640
"	N. K. C. "	9,360	"	1,640
"	O. W. M. "	9,360	"	1,640
"	M. C. "	9,360	"	1,640
"	R. H. Mc. "	8,000	"	3,000

"And N. K. C., who received from the $17,000 for sums disbursed of private funds $5,000, and the two amounts charged to G. D., journal folios 264-6, of $6,000 charged B. C. in the $17,000.

Q. Then you say that out of the $17,000 that were charged to expenses, the sum of $5,000 was re-imbursed to Mr. N. K. Connolly for a similar sum he had paid out of his private funds?—A. Yes, sir.

Q. Would not this $5,000 be the $5,000 sent to Three Rivers?—A. They might be.

Q. You do not believe they are?—A. I do not know.

Q. There is a sum of $2,000 that I cannot explain very well. You say that $5,000 were reimbursed to Mr. N. K. Connolly?—A. Yes.

Q. There is another sum of $5,000. Can you tell us where it went?—A. There is no other sum that I know of.

Q. You have $17,000. There are two other $5,000, and you will find it so?— A. The balance of that $17,000, to the best of my recollection, as per my evidence

before the Sub-Committee, is constituted of an item charged to Graving Dock of $1,000 on 24th January, 1887, being one-third of the $3,000 of the cheque drawn by Mr. O. E. Murphy.

Q. I believe that was the cheque for Mr. Perley's jewellery?—A. The balance is for this item in the same exhibit, page 281, which reads: "Quebec, March 28th, 1887. Esquimalt Dock Dr. to expense, $5,000. This item of $5,000 is now charged to British Columbia. It is for the cheque dated 20th March, 1886, and was then charged to expense of Quebec Harbour Improvements, journal folio 117 and ledger folio 176. It is now to be charged to British Columbia." The $3,000 entry reads: "Quebec, January 24th, 1887. Sundries Dr. to cash, $3,000; Graving Dock, $1,000; Esquimalt Dock, $1,000, and O. E. Murphy, $1,000, for cheque drawn by O. E. Murphy and charged one-third to Graving Dock, one-third to British Columbia, and one-third to O. E. M., as agreed."

Q. When that division took place all the members of the firm were there?—A. They might not have been.

Q. They were there to get their share of the money?—A. They were there, but not all there together.

Q. When such division is made, you do not mean to say the members of the firm do not take knowledge of that division?—A. They take knowledge among themselves and then come to me afterward.

Q. Have you got any recollection of a statement that was made in the month of April, 1887, with respect to the state of affairs of the Quebec Harbour Works by you?—A. Yes; I think I made a statement about that time.

Q. Could you find that statement in the books?—A. No; there was no copy of the statement kept in the books. I may have made the statement from the books.

Q. You have not kept a copy of that statement?—A. The account went on.

Q. Did you not keep the account in your copying book?—A. I do not remember.

Q. Do you not remember that you made such a statement for the members of the firm?—A. As a matter of fact, I do not remember. If I saw the statement probably I would remember.

Q. Did Mr. Robert McGreevy and Mr. O. E. Murphy ever come to you and ask for information about a sum of $10,000 that was charged in the books agains teach member of the firm for his share?—A. No, sir.

Q. They never went there?—A. They never came to me.

Q. Not to your knowledge?—A. Not to my knowledge. Mr. Robert McGreevy paid periodical visits to the office and examined the books at the end of every month.

Q. In that statement of the month of April, 1887, do you remember if that sum of $25,000 that was borrowed from the British Columbia fund, was stated as paid back to the British Columbia fund?—A. I have no recollection of that statement at all. If I made such a statement, I have not seen it since.

Q. Then, you have no recollection if outside of that $25,000 that was paid back you stated another sum of $10,000 was allowed for elections?—A. No; no recollection whatever.

Q. Did anybody ever tell you that Mr. Laforce Langevin got this $5,000 for Three Rivers?—A. No, sir; nobody ever told me that.

Q. You never heard anything of that?—A. No.

Q. You never saw Mr. Laforce Langevin in the office at such a date?—A. Not at any date. He may have been in occasionally.

Q. You have no knowledge that Mr. Laforce Langevin got any money from any members of the firm?—A. Yes; I have.

Q. Tell it then. I am asking a clear question?—A. I have knowledge of the fact that Mr. Nicholas Connolly loaned Mr. Laforce Langevin $600 to erect a new ladder which he had sold to Montreal.

Q. Is this the only sum of money you have knowledge of?—A. That is the only sum.

Q. Do you know if that sum of money has been paid back?—A. Mr. Connolly told me he had received a portion of it.

Q. Was it entered in the books?—A. I do not think so.

Q. At what date was that money lent?—A. I do not remember. It will take me sometime to hunt it up. I can get you the date though.

Q. Did you ever tell to anyone that Mr. Nicholas Connolly told you where the $10,000 that he caused to be charged in the books went?—A. What $10,000?

Q. In the statement that you prepared on the Graving Dock at Lévis (Exhibit, "L5") there is a sum of $10,000 charged under date November, 1887?—A. Mr. Connolly never told me anything.

Q. You do not know where that money went?—A. I do not know anything about it.

Q. You were told to charge it to "Expense"?—A. I must have been.

By Mr. Lister:

Q. You have not answered Mr. Tarte's question. Did you tell to anyone that Connolly told you where the $10,000 went?—A. I do not remember saying anything about it.

By Mr. Tarte:

Q. As a matter of fact, you swear positively you never said to anyone that you knew this $10,000 was going to Sir Hector Langevin, or to his son?—A. I do not remember saying anything about that to anybody.

Q. Did you say to Mr. O. E. Murphy and to Mr. Robert McGreevy that Mr. Nicholas Connolly told you that the sum of $10,000 had gone for Sir Hector Langevin, or his son?—A. I do not remember saying anything of the kind. I am positive as to that.

Q. Do you swear positively that you have not made any statements to that effect to Mr. Murphy and Mr. Robert McGreevy?—A. It is almost impossible for me to say that, but to the best of my recollection I do not remember saying anything of the kind, because I never got any explanation from any members of the firm about these items, or where they went to.

Q. But still you have stated that you overheard a conversation which caused you to make that entry for $5,000 spent in Three Rivers?—A. Certainly.

Q. Is it not possible then for you to remember now to whom this $10,000 was given?—A. If I had overheard any conversation of that kind I would have put down the entry in the books to show that.

Q. It is hardly possible to admit that, because we do not see any names in the books. We find "donations," "expense," "suspense," and so on?—A. That is all the explanation I have to give.

By Mr. Lister:

Q. You said this man Hume was the engineer with Larkin, Connolly & Co.?—A. Yes.

Q. He was looking after the works for them?—A. Yes, sir.

Q. How long had he been in their employ?—A. A good many years; it was before I came.

Q. He was therefore an old employé?—A. Yes.

Q. He had been with them ten or fifteen years?—A. Probably that.

Q. Did you work in the same office with him?—A. Yes, sir.

Q. For all the years you were employed by the Company?—A. I think he had an office in his house, too.

Q. Was he frequently, if not all the time, doing his work in your office?—A. I think after we moved our office to the Quebec side Mr. Hume came into the office frequently, but he did very little work there.

Q. Prior to that you had done a great deal together?—A. At the Graving Dock the office had two apartments. One of them I used; the other was the general office, in which Hume was.

Q. How long were you associated in that way together?—A. The summer of 1885.

Q. And when the firm undertook the contract at Kingston, Hume removed to Kingston?—A. It was sometime afterwards.

Q. How long afterwards?—A. I think he moved his family up there a year afterwards.

Q. When did he go there?—A. I do not remember. He made short trips up and down.

Q. I suppose you are pretty well acquainted with Hume considering all the years you were employed by the company?—A. Oh yes.

Q. Now with reference to this sudden and extraordinary dismissal of yourself, had you had any conversation with Mr. Hume?—A. No, sir.

Q. You had had no conversation at all about your going away?—A. No, sir, because I had only just arrived there a few days before.

Q. You swear that no conversation took place between Hume and yourself about your going away?—A. Not until I was discharged.

Q. Prior to your discharge you had no intimation from Hume or the Connolly or anybody else that the discharge was going to take place.

Q. Had you any intimation that you were going to be subpœnaed to attend before this committee?—A. Yes, sir. I received a telegram from Mr. Todd.

Q. Was that telegram received in Quebec or Kingston?—A. It was received in Quebec.

Q. Before you left Quebec to come up to Kingston?—A. Before I left Quebec to go up to Kingston.

Q. Did you tell Mr. Hume you had received that telegram?—A. I don't remember.

Q. Did you tell anybody?—A. No, sir, I don't think I mentioned it to anybody.

Q. You swear your recollection is, you never mentioned the fact that you were subpœnaed before this Committee to anybody?—A. I may have.

Q. I am asking you if you remember?—A. No, sir.

Q. You have no recollection at all?—A. No, sir.

Q. You knew that Connolly was subpœnaed?—A. Yes, sir, he was here at the time.

Q. You knew what his business was here?—A. Yes.

Q. And you had an idea what you were being brought here for?—A. Yes, I think I had an idea.

Q. To give evidence in this case?—A. Yes.

Q. You had seen Mr. Nicholas K. Connolly?—A. After I arrived.

Q. You never said anything to him about being subpœnaed?—A. I don't remember.

Q. By your oath you are obliged to tell the whole truth. Do you say you have no recollection of having spoken to him at all?—A. I got a telegram from Mr. Todd. It reads: "I have mailed you and Nicholas K. Connolly a summons." I repeated that telegram to Mr. Connolly when I first got to Kingston.

Q. When you got to Kingston you saw Nicholas?—A. Yes.

Q. And you say no conversation took place about this trial at all?—A. We may have had some conversation, but I don't remember any about being subpœnaed to Ottawa.

Q. Did you tell Mr. Hume you were subpœnaed?—A. Well, I don't think I did because——

Q. Now be careful?—A. I don't remember telling him, he may have known of the fact, he was in the office when the telegram got there.

Q. Then you swear you have no recollection of having ever told Mr. Hume?—A. No, sir, I have no recollection.

Q. You never had any conversation with Mr. Hume about it at all?—A. Oh, I may have had a conversation.

Q. Had you, or had you not?—A. I could not swear.

Q. Did Mr. Connolly tell you your services were no longer required?—A. Yes.

Q. He never asked you whether you had been subpoenaed to come down here? —A. No, I don't remember.

Q. He never told you his brother was here?—A. I knew his brother was here.

Q. He never told you that?—A. No; I don't remember his telling me.

Q. And you have no recollection of having told Mr. Hume that you had been subpœnaed?—A. I have no recollection of it.

Q. And you went into the office as usual to do your work?—A. Yes.

Q. And the first thing was you were told by Michael, or, did Nicholas tell you? —A. Nicholas told me.

Q. That your services were no longer required, and you left?—A. Yes.

Q. And did you say anything to Mr. Hume on the point?—A. Yes.

Q. What did you tell him?—A. That Mr. Connolly had discharged me.

Q. Did you tell him any reasons?—A. He did not give me any.

Q. You were very angry, of course?—A. I was not extraordinarily angry.

By Mr. Mulock:

Q. You were surprised?—A. No; I was not surprised for this reason—that ou work had been drawing to a close, and I had been expecting to be discharged, for the last twelve months, I may say.

By Mr. Lister:

Q. So that it did not come like a thunder-clap to you—you were expecting it?— A. I had been.

Q. Although you had been working only three months, and were entitled to be employed for a year, you did not offer any objection when you were told you could get a situation somewhere else?—A. It did not make any difference. If a man does not want my services, I am not the person for to work with him any way.

Q. Then you saw Mr. Hume?—A. Yes.

Q. And he was the first man you told you had been discharged?—A. I think he was.

Q. And you got your money?—A. Yes.

Q. And you left your address with Mr. Hume?—A. I did.

Q. In the office?—A. It may not have been in the office, but on the works.

Q. Where was it?—A. I think it was outside the works.

Q. You told him where you would be found?—A. I told him, I was going over to Buffalo to see Cloney.

Q. Did you tell him where you would be found in Buffalo?—A. It was he suggested I should go to the Stafford House in Buffalo.

Q. He told you to go to the Stafford House? You had never been in Buffalo before?—A. No, sir; I asked him to suggest an hotel, and he said the Stafford House.

Q. So you made up your mind to go to the Stafford House?—A. I did.

Q. But before going away you saw Connolly, did you not, again?—A. I saw him, yes.

Q. Where, at the railway station?—A. I think I saw him at one of the docks where the boat was going out.

Q. You were looking for a boat?—A. I was. The boat was going up to Toronto and I asked him if he would not pass me up there.

Q. Did you have any conversation about your dismissal?—A. No.

Q. Not a word as to where you were going?—A. Not a word.

Q. You did not even ask him for a letter of recommendation?—A. No letter of recommendation from him.

Q. You did not get a recommendation from him, but you wanted to get a pass? You did not get a pass?—A. I did not.

Q. Have you got a letter Mr. Hume gave you?—A. I left it with Mr. Day.

Q. So there was no more conversation between you and Mr.McGreevy as to your dismissal?—A. Not that I remember.

Q. Not a word?—A. No, sir.

Q. You never asked why you were dismissed?—A. No, sir.

Q. And he never told you why you were dismissed?—A. No.

Q. Never a word after all your service?—A. No.

Q. He only told you to go to the Stafford House?—A. I had made up my mind to go to Buffalo, and asked Mr. Hume for a good hotel to go to.

Q. You telegraphed him to meet you, where?—A. At St. Catherines.

Q. Cloney lived in St. Catharines? What does he do there?—A. He lives with his mother and father.

Q. Does he drive a cab?—A. He was a time-keeper on the works, and I think after leaving Quebec when the works closed down he went there.

Q. You got over to Buffalo?—A. Yes.

Q. You did not go to the Stafford House?—A. I did first.

Q. You left there and went to the Hotel Carlton?—A. Yes.

Q. Did you know you were being searched for?—A. Some days afterwards.

Q. Before you left to come to Ottawa, did you know the detectives were after you?—A. I had received a letter from Mr. Cloney saying that Kimmett and Mr. Preston were coming over to St. Catharines.

Q. He had gone back to St. Catharines and left you in Buffalo?—A. Yes.

Q. And he told you that Preston and Dick Kimmett were after you?—A. As a matter of fact they were in Buffalo the day I was in Ottawa.

Q. What did you do when you got the letter? Did you leave Buffalo that night?—A. I left on getting a telegram from Mr. Connolly.

Q. Did you leave on the night of the day you got the letter from Cloney?—A. I left the day I got the telegram from Mr. Connolly to come here.

Q. Did you come back to St. Catharines or did you go straight to Ottawa?—A. Straight to Ottawa from Buffalo.

Q. Did you stop the night at any place?—A. At Toronto, at the Walker House.

Q. Where did the telegram find you?—A. At the Carlton House.

Q. So you came straight on?—A. Yes.

Q. And have been here ever since?—A. I went away on the day of Sir John's death.

Q. But you were not employed again by the Connollys?—A. No.

Q. And did not expect to be, of course?—A. Not just now, no.

By Mr. Fraser:

Q. Did you send that telegram to Mr. Connolly at Kingston before you received a telegram to come up?—A. Yes, sir; I think I did.

Q. You received a telegram from here to give evidence before he sent for you?—A. Yes; I think.

Q. Why were you delaying and going to Kingston at a time when a telegram was sent hurrying you up?—A. I had been intending to go up there; in fact, we had no work to do in Quebec. There was very little.

By Mr. Lister:

Q. Did you tell Cloney you were subpœnaed before this committee?—A. No; because I had not been subpœnaed.

Q. Did you tell him you had received a telegram?—A. I may have told him that.

Q. Did you?—A. I think I did.

Q. Do you remember?—A. Well, I don't remember the conversation that took place.

Q. You think you told him you had received a telegram to come here?—A. I think it is very likely I did.

Q. You remember telling him whether you were keeping away?—A. No; I don't remember.

Q. Do you swear to that ?—A. I just told him just exactly what Mr. Connolly told me, but I may have told him before, sir.

By Mr. Davies :

Q. You produced an entry as to the division of the $72,000 received from the Esquimalt Dock, appropriating portions of that money to each member of the firm and accounting for the balances that did not seem to be appropriated to each member. I want to ask you was that made by the authority of the different members of the firm ?—A. Oh, they left making the entries to myself. Yes, there is no question about that. It was on the basis that they arrived at that I made the entry.

Q. So the entry correctly expresses the agreement between the different members of the firm ?—A. This is as I understand it.

Q. You were present when that division took place between them ?—A. No I may not have been.

Q. How did you know how to make it ?—A. They probably came to me and told me how to make it.

Q. The different members of the firm came to you ?—A. Not all of them. Mr. Murphy or Mr. Connolly—that would be sufficient.

Q. At any rate, the division you made was afterward approved of by the different members ?—A. Yes.

Q. There was no question about that ?—A. None that I know of.

By Mr. Geoffrion :

Q. Will you take Exhibit " L 3 " and look at folio 175. That is with respect to the amount paid to inspectors. Do you find an entry there " P, dredging, $50 " ?—A. Yes.

Q. What is meant by " P " ?—A. I suppose it is probably the initial of the party who received the money.

Q. Was it a regular entry to put only the intitial ? Can you explain why you made that mysterious entry ?—A. No ; I have no explanation to make.

Q. Was this entry made by the order of somebody ?—A. No doubt it was.

Q. By whose order ?—A. I cannot remember now.

Q. It was in 1887, was it not ?—A. Yes, 1887.

Q. It was at the time Mr. Nicholas Connolly had charge of the cash ?—A. I believe so.

Q. Is it not a fact that this " P " stands for Pelletier, one of the Government inspectors on the works—or the Harbour Commissioners' inspectors ?—A. I do not think I ought to answer that question.

The CHAIRMAN—You are obliged to answer.

Q. What is your answer ?—A. I think I will refuse to answer.

The CHAIRMAN—I think you had better not. We will have to report you to the House.

WITNESS—I do not see why these men should be brought in.

The CHAIRMAN—Do you persist in your refusal ?

Sir JOHN THOMPSON—This is an entry of your own in your own book and we have the right to know it. You are not in any way accountable to Mr. Pelletier or anybody else for your answer; but we are bound to have an answer and the House is bound to have it.

WITNESS—My answer is yes.

Q. What is the entry just above it? " March 18th, donation, P. V., $275 ? " who do those initials represent ?—A. P. Valin.

Q. Then on folio 167, on the 12th May, do you find another; " P. do (that is dredging) $10." Do you find such an entry ?—A. Yes.

Q. Would that sum be for Pelletier ?—A. I do not know any other.

Q. That is to whom the money would have gone ?—A. No.

Q. Was there any other inspector on the works whose name began by P ?—A. Not that I know of.

Q. In the statement prepared by you, B-5, you give the names of Pelletier, Germain and Brunel. Do you know of any other inspectors?—A. No.

Q. Then "P." there meant Pelletier?—A. Yes.

Q. At folio 177: "June 2nd, paid donation, dredging $180." Explain that entry?—A. It was a donation on account of dredging.

Q. To whom would that donation be made?—A. I do not remember.

Q. Do you mean to say that was to be charged to dredging?—A. Yes; it is charged to dredging.

Q. Is that entry in your handwriting?—A. Yes. "1887, June 2nd, dredging, paid donation $180."

By Mr. Lister:

Q. That would be the amount paid to men who were inspectors, or outside donations?—A. It might be either. I do not remember.

By Mr. Geoffrion:

Q. Turn to page 209 and read the entry on July 16th?—A. "July 16th, dredging, B., $15, P., $100; total, $115."

Q. Who is meant by "B."?—A. Brunel.

Q. B. and P. were for Brunel and Pelletier?—A. Yes.

Q. Page 215, "July 25th, donation $100, dredging." Can you explain that?—A. $100 to Brunel, I guess.

Q. Page 229, August 13th, donation, H. A. P., $10. Who is that?—A. The same man.

Q. That would be Pelletier; those are his initials?—A. Yes.

Q. Now, page 237, August 20th, donation, H. A. P., $37.50. Is that the same man?—A. It is only "dredging, donation," $37.50.

Q. And you cannot explain that item?—A. No, sir.

Q. Page 239, August 23rd, do you see a donation entered there, $100?—A. Yes, sir.

Q. Can you explain the donation?—A. No, sir.

Q. Page 275, October 10th, do you see any entries about dredging there, "dredging, donations," G., $105; B., $154, total, $259. Who is "G."; is it not Germain?—A. I believe so.

Q. And "B." would be Brunel?—A. Yes, I believe so.

Q. Now, page 279, October 14th. Do you see any entries corresponding to these?—A. Yes, $240.

Q. To whom?—A. It does not say.

Q. Do you not read initials H. A. P.?—A. Yes, H. A. P.

Q. At page 291, November 2nd, "P." $16. Is that Pelletier?—A. Yes, sir.

Q. A payment of the same nature, is it not?—A. I do not know what the nature of it is.

Q. An amount of $16 appears to have been given to Pelletier?—A. Yes.

Q. Is it entered as a donation?—A. It is entered as a donation.

Q. Now, page 293, November 4th. What entries have you got there?—A. "Dredging, donations"; B., $345, G., $200; total, $545.

Q. That is Brunel and Germain?—A. I believe so.

Q. Page 307, November 24th. Do you see any donations about dredging there?—A. Yes; $600.

Q. To whom?—A. I do not know.

Q. And you cannot remember?—A. No, sir.

By Mr. Lister:

Q. How is it entered?—A. "Dredging; paid donations, $600."

By Mr. Mills:

Q. No initials?—A. No.

By Mr. Geoffrion:

Q. Now, page 317, December 3rd, read the entry about donations there?—A. "Dredging, donations, $375."

Q. You cannot explain that entry better than the other?—A. No, sir.

Q. Are there no marks to show to whom it went?—A. Yes, there is a mark there; I cannot say what it is.

Q. What is the mark?—A. "B."

By Mr. Davies:

Q. What does that stand for?—A. It may be Brunel.

Q. Have you any doubt in your own mind whom it does stand for?—A. I have no doubt.

By Mr. Geoffrion:

Q. Then on the same page, December 7th, look if there are any other donations?—A. Yes.

Q. Read the entry?—A. December 7th, "Dredging; donation, $800."

Q. To whom?—A. It does not say.

Q. Is there no mark?—A. No.

Q. Do you remember to whom it was paid?—A. I do not, sir.

Q. Page 319, December 10th. Is there any entry there about "donations"?—A. Yes, $165.

Q. Read the entry?—.A "Dredging; donation, $165."

Q. Is there any mark to indicate to whom it went?—A. "G".

Q. "G" means "Germain"?—A. Yes.

Q. Page 321; December 12th, small entry?—A. $17.50.

Q. Are there any marks to show where it went?—A. "B", I suppose that is Brunel.

Q. Page 323; December 16th, are there any entries there about donations?—A. $56.

Q. To whom; read the entry?—A. "Dredging donation", and a mark that stands for "P".

Q. Is it a "P"?—A. No, sir. It is a private mark.

Q. Is it a telegraph mark?—A. Yes.

Q. Oh, I did not know what those dots and dashes meant. Now I understand. You used the telegraphic character some times?—A. Yes.

Q. Page 327, December 29th, read the entries there about donations?—A. Cheque to order of N. K. Connolly, donation $100.

Q. Can you explain to whom the donation went?—A. No, sir.

Q. Any telegraphic mark there?—A. There are two marks here but I do not remember anything about them.

Q. I see two long dots, what would they be?—A. I do not know.

Q. Whenever any of these donations are referred to either by a letter or marks equal to a letter "P", "B" or "G" they stand for Pelletier, Germain and Brunel?—A. I believe so.

Q. Have you any doubt it is so?—A. No, sir.

Q. All these entries were made by yourself?—A. Yes, sir.

Q. In your handwriting?—A. Yes.

By Mr. Lister:

Q. And some of the letters in telegraphic characters represent "P" "B" and "G"?—A. Yes; some are and some are not.

Q. Would you have any receipt for those payments?—A. Sometimes I had and sometimes I had not.

Q. Do you know what it was paid for?—A. Not positively.

Q. Was it charged to salaries account?—A. It was charged to whatever dredging is there.

Q. But afterwards, as you frequently transferred an error in charging, was it transmitted to salaries account?—A. I don't think so.

Q. They were not enjoying a salary from Larkin, Connolly & Co., at this time?—A. Not that I know of.

By Sir John Thompson:

Q. They were not doing any work for them?—A. I don't know they were doing any work for them.

By Mr. Geoffrion:

Q. Do you know what these parties were doing in Quebec?—A. They were supposed to be Inspectors on the works.

Q. Were you aware they were inspectors on the works?—A. Yes, sir.

Q. That they were making returns and so forth?—A. Yes.

Q. And were they inspectors on the works of Larkin, Connolly & Co., during the whole of that period, from March 18th to the close of the season?—A. Oh yes; they must have been there at that time.

Q. And when you paid them money yourself it must have been on the order of some member of the firm? Was it?—A. It may not have been on the order of a member of the firm.

Q. If you gave cash for services of which you have no knowledge, who told you they were entitled to that money?—A. I don't remember now.

Q. Then did you remember?—A. It may have been one of the time-keepers, I could not mention the names now, but the men who had the superintending of the work.

By Mr. Lister:

Q. Who told you to pay the money?—A. Yes.

By Mr. Geoffrion:

Q. Mr. Cloney was one of them you say?—A. Yes.

By Mr. Mills (Bothwell):

Q. Where would these sums be first charged?—A. That is where it is first charged (indicating book).

Q. Were they not charged in the blotter?—A. No, I did not keep a blotter.

By Mr. Lister:

Q. They gave no certificates?—A. I don't know.

Q. You don't know they were giving certificates for this money?—A. I don't know.

Q. Do you swear you had no idea of what it was for?—A. I think I had.

By Mr. Geoffrion:

Q. What was the duty of these inspectors? Had they to make certain reports about the quantity of work done?—A. To make returns of that kind.

Q. And to whom did they make these returns?—A. To the Harbour Commissioners I guess.

Q. Or the Engineer?—A. Yes.

Q. Their returns were to be the basis of the following estimates to be made for Larkin, Connolly & Co., were they?—A. I suppose so.

By Mr. Lister:

Q. You told me you had some idea what this money was paid for. What was it paid for?—A. Well, I had an idea it was paid in returns.

Q. For work?—A. For work.

Q. That was never done?—A. Yes, that was never done.

Q. Is it not a fact that Mr. Hume was one of the parties who gave you instructions to make some, if not all these payments?—A. Yes.

Q. Peter Hume was the Engineer of Larkin, Connolly & Co.?—A. Yes, Sir.

Q. Do you know whether Mr. Nicholas Connolly was aware that these large "donations" were made?—A. I think he was aware of them.

Q. And were you not instructed generally by Mr. Nicholas Connolly to pay to these Inspectors any amounts that would be ordered by Peter Hume or Cloney?—A. No, I never remember Nicholas Connolly telling me anything of the kind.

Q. He never instructed you to pay whatever was received by Hume and Cloney for any of these men?—A. I do not remember getting any instructions of this kind.

Q. Did you not ask authority from your employers? Do you mean to say you were an accomplice, were you authorized to do that?—A. It was a system that was inaugurated by Mr. Murphy before.

By Mr. Mills (Bothwell):

Q. But now Nicholas Connolly was in charge of the cash?—A. Yes.

Q. Then who would give you the orders for this year, 1887?—A. I don't remember exactly if I got any. I understood these men were to get this money and I would ask Mr. Connolly for a cheque for whatever amount was owing and pay it over.

By Mr. Lister:

Q. Who would you understand it from then, that they were to get the money?—A. The Superintendent or Mr. Hume.

Q. Mr. Hume or Mr. Cloney?—A. Yes.

Q. Did you respect their orders?—A. I always respected their orders.

Q. You respected their orders to pay over this money without consulting your own employers? They were the authorities were they?—A. Yes.

Q. It had been done for years under that authority?—A. Yes.

Q. Custom had made it law for you and you did not question it?—A. No.

Q. You paid the money?—A. Yes.

By Mr. Geoffrion:

Q. When you wanted the cash to pay these people Nicholas Connolly had to give you a cheque?—A. Yes.

By Mr. Mills:

Q. He knew at the time what it was for?—A. Yes, I understood he knew.

By Mr. Lister:

Q. Were these payments made by cheques?—A. No, they were made by cash. He would sign a cheque and draw the money.

Q. And were they made payable to you or to Connolly?—A. To Mr. Connolly's order.

Q. He would endorse it, draw the money and hand it over to you?—A. Yes.

Q. Sometimes you would take a receipt?—A. Yes.

Q. What would you do that for?—A. I don't know.

Q. Where are the receipts?—A. I guess they are torn up.

Q. You did not tear up receipts on your own responsibility did you?—A. Sometimes.

Q. Are those receipts torn up?—A. They may be.

Q. Are they? Have you taken the trouble to satisfy yourself whether they are here or not?—A. No, sir, I have not.

Q. Will you do that?—A. If I am ordered by the Committee.

Q. But if they are not here what has become of them ?—A. It is impossible for me to say.

Q. Can you remember any of them being torn up ?—A. Yes, sir, I remember.

Q. Did you tear them up yourself ?—A. Some I did.

Q. Who told you to do it ?—A. Nobody ?

Q. Did you see any torn up by any person else ?—A. No, sir.

Q. But you have torn up some of them ?—A. Yes, sir.

Q. Did you tear up all of them ?—A. Probably I did.

Q. When was it you tore them up ?—A. I don't remember when it was.

Q. A short time before you were subpœnaed ?—A. It may have been then.

Q. I thought so, that would have been before the 20th May last, ?—A. Yes, it was before that.

Q. A few days before ?—A. It may have been sometime.

Q. Would it be a month ?—A. Probably it was.

Q. Probably a month before the 20th May you destroyed those papers ?—A. I may have destroyed some during last summer.

Q. This was after the publication in the newspaper ?—A. Yes.

Q. And after you saw it in the newspapers you may have destroyed some ?—A. Yes.

Q. And you are sure you destroyed some about a month before the 20th May ?—A. Some time, I don't remember what time.

Q. Who told you to do it ?—A. Nobody.

Q. On your own responsibility you destroyed most of the vouchers ?—A. Yes, sir.

Q. Without any authority at all ?—A. Without any authority.

Q. How many cheques did you destroy ?—A. None.

Q. Where were those receipts ?—A. I think they were in the drawer.

Q. Amongst your papers ?—A. Probably they were.

Q. They would be amongst your cheques and other vouchers, would they not ?—A. The cheques in the safe.

Q. And where were those ?—A. In the office.

Q. What place ?—A. In the pigeon holes.

Q. Where were the rest ?—A. I think there was one or two I found in the drawer.

Q. Did you hunt around the office for them ?—A. Yes.

Q. For the purpose of destroying them ?—A. For the purpose of destroying them.

Q. For the purpose of destroying them without any authority ?—A. Yes.

Q. Why did you destroy them ; would they hurt anybody ?—A. They would hurt these men who would sign the receipts.

Q. You were afraid it would hurt these inspectors ?—A. Yes.

Q. Why did you think it would hurt them ?—A. It was an idea I had.

Q. You are not so simple. Why did you think it would hurt them ?—A. Because I supposed they had made returns for something they had got no value for.

Q. Something there was no value for ?—A. Yes, sir, that is it.

Q. You thought that would convict them ? In other words, they were making false returns for which the firm had been paying them and you wanted to save them. Is that it in brief ?—A. Yes.

Q. I see you are very careful not to make these letters indicate to whom the money had been paid in ordinary alphabetical characters ?—A. In some instances.

Q. When was it you turned to the telegraphic system—the Morse System ?—A. I do not recollect.

Q. Why did you do that ?—A. I had no particular reason that I know of now.

Q. It was just to practice the system ?—A. I knew the system pretty well.

Q. Why did you put them down ?—A. The idea struck me at the time to keep a memorandum of this money.

Q. Why didn't you put them down in letters that everybody would understand ?—A. Sometimes I did and sometimes I didn't.

Q. Why didn't you write the full name?—A. Sometimes I did write the full name.

Q. In these cases you should have. Why didn't you?—A. I may have done it in a hurry. I may have had a good deal of work to do.

Q. Why was it you put down telegraphic characters? In a word, was it not to hide?—A. To a certain extent it was.

By Mr. Davies:

Q. The two members of the firm who had charge of the work when these bribes were paid were Nicholas Connolly and Michael?—A. No.

Q. Who were the two men who had actnal charge of the work?—A. Mr. O. E. Murpny and Mr. Nicholas Connolly.

Q. Where was Michael?—A. In British Columbia, I think.

Q. Refresh your memory. Look at the dates.—A. He was in British Columbia up to the fall of 1887.

Q. But from the fall of 1887 on, he was down at these works?—A. Yes.

Q. Were not many of these payments made after the fall of 1887?—A. Some of them were.

Q. And the man who gave you the cheques to make these payments was Mr. Nicholas Connolly?—A. I brought the cheques to him and he signed them.

Q. Some of them were as high as $600?—A. Yes.

Q. As high as $800?—A. Yes.

Q. Do you mean to say he signed these cheques to enable you to get that money, and that he did not know what the money was for?—A. I did not say that. I supposed he knew.

Q. You understood he did know?—A. Yes.

Q. Had any complaints been made by any members of the firm with respect to payments for this purpose?—A. I do not remember.

Q. Do you swear you do not?—A. Except in one instance, except when Robert McGreevy came over to examine the cash, I remember him saying that he did not want to be in the power of these men. For what reason I do not know.

Q. He saw these entries?—A. He saw them all along.

Q. He told you he did not want to be in the power of these men?—A. I remember him saying that once.

Q. Was any objection made by Nicholas Connolly after that objection by Mr. McGreevy?—A. I do not remember.

Q. Did you hear Nicholas Connolly making any reference to getting a *quid pro quo* for his money?—A. No.

Q. That is, getting a return or something back?—A. No, sir; I do not remember him saying anything about it.

Q. He just signed the cheques, and you say he knew what they were for?—A. I understood he did.

By Mr. Mulock:

Q. You said the cheques of the firm on the Union Bank for the year April, 1886, to April, 1887, are not forthcoming?—A. I believe they are not.

Q. Why do you think they are not forthcoming?—A. I do not know, I am sure. I understood they were here in the box.

Q. When did you last see these cheques?—A. I saw them in May last, all of them, in the safe in Quebec.

Q. In May, 1887?—A. No; May, 1891.

Q. Were they shipped to Ottawa?—A. I understood they were.

Q. Were they at Quebec when you left Quebec?—A. I left Quebec in May.

Q. And you have not been in Quebec since May?—A. Yes; I have been in Quebec since then.

Q. When were you last in the office at Quebec?—A. I was in the office in Quebec on Saturday last, when I went to get Mr. Nicholas Connolly's private papers.

Q. Were the cheques there then?—A. No, sir.

Q. Are you able to say that they are among the papers produced here?—A. I am not. I went to look for them at the request of Mr. Geoffrion, and that was the first intimation I had that they were missing.

Q. You think the cheques in question arrived here?—A. I think they are not here.

Q. Can you swear they are not?—A. I would not. They are not to my knowledge. I have made all the examination I can.

By Mr. Osler:

Q. You stated that these payments made in 1887 were made as a part of a system inaugurated by Mr. Murphy. When was that system inaugurated to your knowledge?—A. Prior to my time.

Q. Then what you know of was after your time?—A. Yes.

Q. What did you know of it at first?—A. Seeing the amount in the cash book.

Q. On the occasion of your coming in in January, 1885. Were these irregular payments made during the year 1885 to your knowledge?—A. I think they were.

Q. To your knowledge were they?—A. Yes, sir.

Q. Were they made by you under instructions? Did you make any of them?—A. I think Mr. Murphy paid them that season himself.

Q. And in the season in 1886?—A. He did the same as far as I know.

Q. In 1887, through whom were the payments made?—A. Myself, I think.

Q. All were made in 1887 through you?—A. I think so.

Q. From whom did you receive instruction to make them?—A. I do not remember any instruction.

Q. How was the size of the payment regulated? How did you come to pay $37.50 to one, $800 to another and $600 to another? On what system was the amount of the payment based?—A. That I do not know.

Q. Where did you get at the figures? Why did you pay men certain sums?—A. From a return made by Mr. Cloney. He would make up a certain sum.

Q. Mr. Cloney would make up the returns in writing to you?—A. Yes, a memorandum.

Q. What relations had the sums that you paid? How did you get out the sums?—A. I did not do the getting out.

Q. How are they got out?—A. That is impossible to say.

Q. Was there a system?—A. There was a system, at least I understood so.

Q. A system of percentage?—I think so.

By Sir John Thompson:

Q. Were they paid at regular intervals?—A. At irregular intervals.

By Mr. Osler:

Q. On a percentage of work certified?—A. I think so.

Q. And do I understand you that these inspectors received a portion of the amount that was improperly certified to?—A. Yes; I think they did.

Q. You think that was it?—A. Yes, Sir.

Q. When the returns were made by Mr. Cloney the amount would be ascertained?—A. Yes.

Q. Did you ever figure on the amount to see how much was coming to them?—A. I do not remember.

Q. Did you receive it in writing from Mr. Cloney?—A. At times I did. At other times probably verbally.

Q. Where is Cloney now?—A. I think he is in St. Catharines.

Q. What would Mr. Hume do?—A. He was the Engineer.

Q. Did you get any figures from him?—A. I may have in like manner.

Q. At first you seem to say that the instructions came from Mr. Hume, one of your sentences was that Hume instructed you to make the payment. How far is that correct?—A. I think that is correct so far as 1887 and 1888 would be concerned.

Q. What payments did you make in 1888?—A. The payments that I have given in the return to Mr. Geoffrion.

Q. You continued the irregular payments in 1888?—A. Yes, sir.

Q. To these same parties?—A. I think so.

Q. And in 1889, did you continue them?—A. No; I think not. There were no irregular payments in 1889.

Q. Are you the one responsible for this erasure on page 279 of the book you are looking at?—A. I am.

Q. When was that made?—A. Sometime ago.

Q. It seems to be the erasure of the initials of the person to whom the donation was made?—A. Yes.

Q. What is the date of the erasure?—A. I cannot give that.

Q. The entry is October 13th, 1887, $246, dredging. Is there an erasure here on page 307?—A. Yes.

Q. Whose doing is that?—A. Mine.

Q. Then on November 24th, "dredging." When did you make these two erasures and others throughout the books?—A. Sometime ago.

Q. When, I ask you?—A. It corresponds to the time that I tore up some of those receipts.

Q. You went through the books and papers, tore up the receipts and made these alterations. When was that?—A. During the course of last summer.

Q. What provoked you to do that; who instructed you?—A. I did not get any instructions from anyone. I took it upon myself to do that.

Q. Feeling that they were the records of improper transactions and with a view to destroying the evidence?—A. Yes.

It being one o'clock, the Committee took recess.

TUESDAY, 21st July, 1891, 3.30 o'clock p.m.

Mr. LOUIS CYRILE MARCOUX sworn.

By Mr. Stuart:

Q. You are the Secretary-Treasurer of "La Caisse d'Economie de Notre-Dame de Québec?"—A. Yes, sir.

Q. Did you receive a subpœna requiring you to produce before this Committee copies of the accounts between the bank and R. H. McGreevy?—A. I received a telegram.

Q. Have you with you the accounts that were asked for?—A. Yes, sir.

Q. Will you state what they are, and produce them?—A. We have a small current account, opened in the name of Mr. Robert H. McGreevy in trust, beginning on the 17th November, 1885, and still open, a copy of which I now produce. (Exhibit "X11") There is no account in his personal name, only his account in trust for a small amount.

Q. The account now produced is the only account of Robert H. McGreevy that you have?—A. The only deposit account in the books of the bank.

Q. Have you any other account?—A. Mr. McGreevy, for a great number of years, has been in the habit of borrowing on collateral securities. I now produce a copy of this account, which is closed. (Exhibit "Y11")

Q. Are these the only accounts between Robert McGreevy and the bank that you are acquainted with?—A. Yes.

Mr. W. T. JENNINGS, C.E., called.

By Mr. Osler:

Q. You are familiar with the resolution appointing you and defining your duties. Will you state to the Committee what amount of work you find to do, how long it is

likely to take, what assistance you think you ought to have, how far you can get on with an associate engineer, and how far an associate engineer is necessary? Explain the situation in your own way to the Committee, and afterwards answer any questions that may be put to you?—A. I have taken these specifications annexed to the contract for the Cross wall at Quebec, and compared it, as far as possible, with the plans put in my hands, as being the original on which the contractors tendered. I find a good deal of trouble in connection with these plans. They do not appear to be complete, but I am making the most of them. In the matter of checking the quantities of earth work, the crib work and also the concrete, I have worked these items out, but in connection with the other part of my duties, as defined by resolution of the Committee, a great many other matters will require to be gone into, especially to enable a comparison to be made of the final estimates sent in with the final estimate based upon the figures submitted by the other tenderers. That will necessitate a great deal of work. I think that as there appears to be two tenders very close, that of Simon Peters and the Larkin-Connolly one, it would facilitate operations if the other three were dropped, but that is for you to say at present. I am working over the estimates from the beginning, the final and the intermediate, and comparing them with Mr. Boyd's first estimate, and one I find he has made up some time after the contract was let. It will take all this week with the assistance I have now, and a great deal of reading is required to understand the run of the work and how they arrived at their conclusion. I may say, at the time the contract was made the manner of entering the Wet Dock was not then defined. The only plan submitted to me shows the recess in the south quay wall for a caisson, but in the specifications there is a note to the effect that if gates are adopted an alteration in the plan would be required. This contract was let in 1883, and the plans for an entrance gate made in 1885 so you see I have to follow up the correspondence to see how they arrived at that, and what conclusions were come to between Mr. Boyd, who was their engineer, and Mr. Perley.

By Mr. Davies:

Q. Are you able from a specification placed in your hands and the plans, sworn to by the present Chief Engineer, Mr. Perley, to have been the originals, to test the accuracy of the conclusions given by Mr. Boyd and Mr. Perley in that statement?—A. I will be able to state the larger items—for instance, the earth work, the crib work, the concrete and the masonry in the main walls—these items I could check fairly well, but not the minor items. We have to bulk up a number of smaller items, such as sheet piling here and there, and pieces of timber used.

Q. The main items you can do?—A. The larger items, which I think have a special bearing on the case; the smaller ones do not amount to anything.

By Mr. Osler:

Q. Would the aggregate smaller items affect the result in any way?—A. From what I have learned so far, I think not. I think the two or three larger items will govern the whole case.

Q. Might they affect the result, supposing two of the tenders are sufficiently close to be affected by the aggregate of the smaller items?—A. So far as I can see, it lies between two—the tender of Simon Peters and that of Larkin, Connolly & Co. The others are out.

By Mr. Tarte:

Q. But the others are a great deal lower than those?—A. These two are lower than the others. But there is one, for instance, much higher.

Q. Is Beaucage's a great deal higher?—A. Higher—yes.

By Mr. Mills (Bothwell):

Q. You were making up the quantities of the various kinds of work under the items upon the tenders as they existed at the time the contract was made?—A. The

quantities applied by Mr. Boyd to the figures submitted by the tenderers. The tenderers do not supply any quantities ; they simply give the prices on which they could do the work.

Q. What I mean is, that from the plans furnished by the Department the quantities may be ascertained ?—A. That is what I am trying to arrive at—the larger items.

Q. And as they were at the time these parties tendered ?—A. No ; they have been changed since.

By Mr. Davies :

Q. That portion of your work, I assume, you can do in a reasonably short time ? —A. Yes ; I have taken out the principal items already—the concrete, the earth work and the filling.

Q. We may soon have a statement ?—A. Yes.

By Mr. Mulock :

Q. You say that Beaucage and Gallagher are out ?—A. I think their prices are higher than these other two.

By Mr. German :

Q. Can you get the quantities of sheet piling that were tendered for at 25 cents per lineal foot by Larkin, Connolly & Co., and $10 a lineal foot on the line of the work by Peters ?—A. I doubt very much if I shall be able to get them with anything like accuracy.

Q. Can you approximately ?—A. Yes ; we may approximately, pretty well.

Q. The concrete, earth filling and masonry in the wall can be got accurately ?—A. Fairly well—yes.

By Mr. Davies :

Q. I understand the two tenders, one for 25 cents per foot and the other for $10 per foot, were calculated on the same quantity ?—A. Yes ; but I may say that Gallagher and Beaucage appeared to have written the Minister, or the Chief Engineer, intimating that they had erred in their calculations, and wished for that reason to withdraw from the contract. It is just a question of their having been allowed to withdraw.

Mr. TARTE —Beaucage did not withdraw. He amended his tender. Gallagher withdrew, but not Beaucage.

By Mr. Adams :

Q. At the time the tenders were asked for, were any quantities mentioned ?—A. I understand not.

Q. Have you any information as to whether there were any quantities mentioned, or was it simply a blank ?—A. Prices were asked for. A blank schedule was laid before the contractors, of which they obtained copies. They sent in their tenders, tracing in the proper column their prices for the various work. Then the Engineer of the Department applied certain quantities to those prices and moneyed out the value from them. I have not been able to find the original estimate in detail from which he made his calculation.

By Mr. German :

Q. Have you been able to get the original estimate of quantities made by the Engineer before the contract was let ?—A. I have an original estimate, but whether it is the one made before or after I don't know.

Q. You have the estimate as shown on that plan where the moneying out is done ?—A. It is in Mr. Boyd's handwriting.

Mr. GERMAN.—That certainly is not the original estimate as made out.

Mr. TARTE.—It was, though.

By Mr. Langelier:

Q. I would like to understand if the plans submitted to you were the engineer's plans made in 1883 on which the tenders were asked, or plans made subsequent to that date?—A. A number of the plans submitted are evidently those on which the contractors tendered, but two at least of those given to me are plans of a subsequent date—1885—as instance the entrance to the Wet Dock—the lock.

By Mr. Tarte:

Q. We have received some figures from Mr. Peters. Will you take communication of those figures when you have time, and tell us where they are wrong, if they are wrong. Here are the figures.—A. Figures taken from the plans?

Q. The figures have just been sent here now.—A. I will.

The CHAIRMAN.—These papers are referred to Mr. Jennings.

By Mr Mulock:

Q. Will you say what, at the end of this week, you hope to accomplish?—A. I hope by Friday to hand in all the information I can obtain from the plans and books and records in my possession.

Q. They will show what?—A. As far as we are able to tell, what the original estimate should have been from the plans laid before the contractors for the principal items. Then we will show the final estimate.

Q. What will remain to be done of the reference to you?—A. The comparative statement between the final estimate, showing what it would have been had the other sets of figures been applied to the final quantities.

Q. That is only a matter of arithmetic?—A. That is clerical work, and I have partly done it now.

By the Chairman:

Q. Will you be able to satisfy the wants of the Committee, as expressed in that resolution under which you were appointed, without the aid of any other engineer being appointed?—A. I should like to have some one to assist me.

Q. Will you be able to get an assistant for that purpose? You do not want another eminent engineer?—A. If you will allow me to get another assistant, in addition to the two clerks I have, I think I can get along.

By Mr. Tarte:

Q. Don't you think it would be just as well to take a man who knows the place? —A. During two days of last week I had Mr. St. George Boswell, who is engineer of the Quebec Harbour Commission, and who was on the works after Mr. Boyd's death. If you will allow me to get him in with me to answer questions, I would be obliged.

Mr. MILLS (Bothwell).—I think Mr. Boswell is a very objectionable man. We do not know at what moment a charge may be made against him.

WITNESS.—In asking for Mr. Boswell's services I do not mean as an expert with myself, but just to enable me to find out what had been done, as he is the only engineer I know of who can really tell us what was done—that is, as to final work. I may say that there are no plans in existence showing the manner in which the work has been completed—none that have been placed in my hands. There should be such plans, but I have not got them. The original crib work plans have not been adhered to. On the wet dock side the crib has been sunk some 8 feet further than the plans show. There are many features of that kind that we will have to enquire into. That means the turning over of the details page by page and a great deal of work, to find out these things.

By Mr. Mulock:

Q. Could you not do the measuring on the spot?—A. It is all under water, and could only be done at an enormous expense.

By Mr. Tarte:

Q. What are the most important items in your estimation?—A. The crib work, excavation, and filling, and the masonry in the wall, stone filling and concrete. These are the heaviest items by long odds.

Q. Have you made any figures on any of these items?—A. I have made figures on the earth work, crib work and concrete.

Q. What are your figures on the concrete?—A. I would much rather delay my answer to that question.

Mr. MARTIN P. CONNOLLY recalled.

By Mr. Osler:

Q. You were asked at the adjournment to show where the firm had paid the $7,000 which is part of the $27,000 item. I understand you have examined the books since, and you have given me this memorandum. Is that correct?—A. It is a correct copy from the book.

Q. This memorandum shows cheques to O. E. Murphy from the firm between the 17th and 22nd February, 1887, to the amount of $6,750. Where did you find that entry?—A. In Exhibit "L3," page 134.

Q. Is that the original entry, or does it come from the blotter, or anywhere else? I noticed that the dates are irregular, the 22nd being ahead of the 21st?—A. Those entries came in that way from the fact that the cheques were written up when we got them at the end of the month. I did not know until then that the cheques had been paid out.

Q. You found out returned cheques from the bank, and this is the entry you made?—A. Yes.

Q. You had no instructions?—A. I had no instructions to make the entry. I saw the money had been used and I charged it up.

Q. Where are those cheques? Are they some of the missing cheques?—A. I think so.

Q. Do you recollect whose cheques they were?—A. Mr. O. E. Murphy's.

Q. Drawn by him in the name of the firm?—A. They must have been.

Q. And endorsed by him?—A. Yes.

Q. No other name appearing on the cheque?—A. Yes.

Mr. OSLER.—I now file this memorandum.

(Exhibit "A12.")

Q. With reference to the $25,000 charged to the Cross-wall, have you examined the books?—A. I have.

Mr. DAVIES.—Before you pass to that matter, Mr. Osler, I want to call attention to the fact that this entry the witness speaks of does not relate to O. E. Murphy exclusively, and I want it explained. Part is to O. E. Murphy, "donation," and part to N. K. Connolly, "private use," and B.C. division. I would like that explained.

By Mr. Osler:

Q. Mr. Davies wants to know what these other items are? Read the whole entry.—A.

"February 17th, 1887, cash Dr. to Union Bank cheque O.E.M., donation, $250; February 17th, cheque to N.K.C., $100; February 17th, cheque to N.K.C., private use, $200; February 17th, cheque to O.E.M., for B.C. division, $5,000; February 18th, cheque to O.E.M., for B.C. division, $2,000; February 21st, cheque to O.E.M., $2,500; February 22nd, cheque to O.E.M., $1,000; February 21st, cheque to O.E.M., $500; February 21st, cheque to O.E.M., $500.

Mr. DAVIES.—What is the total amount?

Mr. OSLER.—$6,750 to O.E.M. and $300 to Nicholas Connolly.

Mr. Davies.—But these amounts added together give more than $6,750

Witness.—The $5,000 was included in the $20,000 to O.E.M.

Mr. Davies.—The $300 to N. K. Connolly on the same page is omitted from the statement that the witness files.

Witness.—$200 was for his own private use.

Q. And charged to him personally?—A. Yes.

Q. And you did not put that in?—A. No; because Mr. Murphy, I understood, had given a memorandum stating that he had expended $7,000 in addition, and it was with regard to that I was requested to furnish a statement.

By Mr. Osler:

Q. You did not find anything else in the books that will account for the $7,000, unless it is accounted for by this entry?—A. There is no other.

By Mr. Ouimet:

Q. How were these different items disposed of when they were posted?—A. They were charged in one sum.

Q. To what account?—A. To the Esquimalt Dock, and then credited and charged to "suspense" in Q.H.I.

By Mr. Osler:

Q. They fall then into the item of $27,000?—A. Yes.

Q. Then, as to the first $25,000, it is sworn by Mr. Murphy that the notes were made in June, presumably on or after the 6th of June, and that on that date $25,000 in notes were given, and that cheques were given subsequently to retire them. Do you know of any other notes than the notes I now put in your hands representing that $25,000 (Exhibit "W7"), and are there any other cheques representing that $25,000 than the cheques produced (Exhibit "D8")?—A. There are none other than those, that I know of.

Q. We have then two cheques of that $25,000 that were apparently made and paid before the 6th June, namely, those dated the 14th May and the last of June?—A. There are none others that I know of.

By Mr. Davies:

Q. Have you any reason to know or believe that the cheques to which you refer have any connection with that $25,000?—A. Except from the fact that I was helping the auditors to write up the books. The books had not been written up in 1883 and part of 1884, and they were audited in the spring of 1885. The vouchers produced here are the ones.

By M. Osler:

Q. Then there is the sum of $25,000 charged, and if these are not the vouchers for that, are there any other vouchers?—A. No others, that I know of.

By Mr. Davies:

Q. I understand you that these two particular cheques formed part of the $25,000?—A. To the best of my recollection we picked out the notes and cheques. If these are the notes and cheques produced by Mr. Fitzpatrick they are the cheques.

By Mr. Mulock:

Q. Is that your answer?—Yes, sir.

By Mr. Osler:

Q. In whose handwriting is the endorsement on the paper I now hand to you?—A. I don't know positively whose handwriting it is.

Q. Whose does it look like?—A. I think it is Mr. Charles McGreevy's.

Q. Look at these papers attached and tell me whether you have ever seen them before?—A. I never saw them before, to my recollection.

Q. Do you know any of these signatures?—A. I know the signature of the first.

Q. Who is it?—A. E. J. Milne.

Q. Who was he?—A. One of the inspectors on the works.

Q. Of what was he inspector?—A. I think he was on the concrete.

Q. Then you recognize E. J. Milne's signature?—A. Yes.

Q. That is the signature of a man who was inspector of works?—A. Yes, sir.

Q. Do you know Joseph Richard? Is that his signature (showing document)?—A. That is his signature.

Q. What position did Richard occupy?—A. He was inspector of works.

Q. What branch?—A. On the cribbing, I think.

Q. Do you know the signature on the third document?—A. I don't know.

Q. You don't know that at all?—A. I don't know it sir.

Q. I close by pinning down the document. The witness does not prove it, but I want to leave it attached. The first two attached are proved, and they are as follows:

(Exhibit "B12.")

"Rec'd 22nd November, 1883, from Mr. O. E. Murphy, the sum of thirteen hundred dollars in cash..... $ 1,300
And previous cash and sundries..... 300

$ 1,600"

"E. J. MILNE."

Is that his handwriting throughout—the endorsement and receipt?—A. No; just the name.

Q. Whose handwriting is the receipt?—A. Mr. O. E. Murphy's.

Q. And the endorsement on the back showing a memorandum, by which, apparently, the $300 was made up, is in Mr. Murphy's handwriting?—A. Yes, sir.

Q. The Richard account (Exhibit "C12") contains items of cash up to 1st May, including $75, $7, $25, $33, $35, $25, $40, $45, $40, $35, $40, $30, $12, $35, $15, the last item of $200 being on derrick lumber and sundries, making a total of $740. There is written across the face in ink "Received payment, Joseph Richard." In whose handwriting is the pencil?—A. Mr. O. E. Murphy's.

Q. Were these men at all in the employ of the contractors, or what was their position?—A. I think their positions were those of inspectors, but they were, I understood, occasionally employed by the contractors.

Q. Their position was salaried inspectors of the Quebec Harbour Commissioners?—A. Yes.

Q. You were asked to go to Quebec and bring up Nicholas K. Connolly's private papers and books. Have you done so?—A. Yes.

Q. Where are they, and what have you found?—A. I found a letter book, a private ledger, all his private cheques, except one, and I think that one is filed, his bank book, a lot of progress statements, and other papers such as deeds, insurance policies and things like that.

Q. Do you find any other papers of Larkin, Connolly & Co. that were missing?—A. Yes; I found a bank book covering the missing dates.

Q. Did you find anything else?—A. I found another small cash book with reference to British Columbia.

Q. Anything else?—A. No; I don't think there was anything else.

Q. These two men, Richard and Milne, you say they were in the employ of the contractors?—A. I could not tell you. I understood Richard bought some timber when they were building the bridge.

Q. Had he bought some timber?—A. I think so.

Q. You have heard that?—A. Yes, sir.

Q. Can you turn up any account with Richard in the book, or can you find his name on the company's pay rolls?—A. No; I don't remember of seeing it.

Q. Where would that employment be, because you see the dates on each of these cash payments made to Richard are made during the season of May, June, July, August and September. They would be during the season when the work would be going on?—A. Yes, sir.

Q. And then their duties as inspectors would occupy their whole time?—A. I suppose so.

Q. When would the employment that you suggest take place?—A. In the winter time.

Q. What was Richard employed at?—A I have a recollection that for some seasons he used to get out timber, knees, and so on.

Q. You do not find anything in the account book showing that?—A. I have not looked it up yet.

By Sir John Thompson:

Q. Why were they not paid in the winter?—A. It was before my time; I do not know.

By Mr. Osler:

Q. Milne—what do you know of his being employed?—A. I do not know about him.

Q. Then, of the three inspectors who where named this morning, Brunel—was he employed by the contractors at all?—A. I think he was foreman of the sand levelling that winter—the winter of 1885.

Q. Was he employed during 1886 or 1887?—A. We did some sand levelling in the winter of 1886, but I would not be positive.

Q. That employment would not have reference to anything you entered as donation?—A. No.

Q. If any of these three gentlemen were employed you would not enter as gratuity or donation anything you paid for wages in consequence of such employment?—A. I do not think so.

Q. That would be the same with Mr. Germain and Pelletier?—A. Yes; but Germain was not employed by the firm at all.

Q. Was Milne continued after 1883?—A. Yes.

Q. How long was Milne continued as inspector?—A. Until a year or two ago.

Q. And you continued paying Milne these irregular sums?—A. What sums?

Q. He got some money afterward. Was Richard continued as inspector?—A. Yes; until 1886.

Q. Were there improper payments made to him after 1883, to your knowledge?—A. I cannot say that.

By Mr. Lister:

Q. Can't you say whether any of these moneys paid to Milne or other men went into the book?—A. It must have been entered before my time.

Q. Some of the payments have been made since your time?—A. Those that are there have been made since my time.

Q. Are any of these payments entered in the books?—A. Any that have been made since I went there.

Q. Can you turn them up?—A. It would take some time.

By Mr. Osler:

Q. I find in the books of the firm prior to your time an alteration—a scratching out of one word and the writing of "gratuity" over it. Whose work is that?—A Mine.

Q. That item is on page 130 of the book Exhibit "F3," the fifth item on the page. Is that (pointing to the ledger) the posting of it?—A. Yes.

Q. Who made the alteration—that is, the posting of it at page 402 of book "G3." The heading is "Point Lévis, 1880," and the entry is "C. B., folios 125, 129, 143 and 145." Then follow the items: "Expense, P. Hume, excavation gratuity, $700." That "gratuity" is written over a word that has been scratched out. I turn to the ledger, page 402, where that is posted, and I find at the heading of that ledger has been obliterated and the word "gratuity" written over it. That work is whose?—A. It is mine.

Q. When was that done?—A. I do not remember now.

Q. Do you remember the word that has been obliterated?—A. I do not.

Q. Has it been done within a year?—A. I think it is a longer period than that.

Q. Two years?—A. It might have been.

Q. Give me your best recollection as to when that was done?—A. I cannot tell you when that was done.

By Mr. Mulock:

Q. Why was that done? Under whose instruction?—A. Under nobody's instructions. There must have been some man's name there, I suppose.

By Mr. Osler:

Q. And you scratched that name out of your own idea?—A. Yes.

Q. Why? Why not scratch this next man's name out—Richard Hughes?—A. If it was a man's name. I cannot tell you anything about that.

Q. Could you tell me why you did it? What was the motive?—A. The motive was evidently to shield some one—to conceal the payment to a certain extent.

Q. To prevent its being known as to whom that $700 was paid?—A. That is the sole motive.

Q. Why did you select that name and now forget it?—A. Yes; I forget it.

By Mr. Mulock:

Q. I guess he does not forget it?—A. Yes; I am on my oath here.

By Mr. Osler;

Q. The same instinct that brought you to scratch it out should bring it to your mind. It is not a very large transaction.—A. I do not remember anything about it, because I did not keep these books; but in other books that I did keep any scratching out I would remember.

Q. Would you not remember more? Would you go back to the book of 1880, go back perhaps nine years, to alter an entry in the book? What brought you back into the books of 1880?—A. I went over the whole books.

Q. With a knife in one hand?—A. Probably.

Q. Who told you to do so?—A. Nobody.

Q. When was it you took this job and went over the whole books?—A. I do not remember.

Q. What was the occasion? What brought it to your mind to do it? Here you are a book-keeper in the firm, bound to keep their books correctly, and you want to tell us that without instruction from anybody, of your own motion, you went through the whole of the books of the firm, including those kept by your predecessors, and altered according to your discretion. Is that the position, or did you get instructions, and what instructions did you get?—A. That is the position.

Q. Of your own notion?—A. Of my own notion.

Q. What started you doing this?—A. The fact, I suppose, of the publication regarding the works.

Q. The publication in reference to the works rendered it a work of necessity—was that it?—A. It was a work of necessity that I took upon myself.

By the Chairman:

Q. Was it not suggested to you by the man whose name was written in the books?—A. It was not, sir.

By Mr. Osler:

Q. On page 399 (Exhibit "L3") "suspense" account, there is an erasure with a knife: 11th July, 1888, "suspense" account, loan to (then there is the erasure), $20. Who was that loaned to?—A. I do not remember.

Q. Did you do that erasing?—A. Yes, sir.

Q. At the time you went through the books?—A. Yes. It may have been afterwards, but I do not remember.

Q. Now, on page 493, the same way: December 1st, 1888, N. K. Connolly, "private use," $600. You see how that entry has been altered?—A. Yes, sir.

Q. It is written over an erasure. Where is that posted?—A. It is journalized and then posted into the ledger.

Q. Where is it carried into the ledger?—A. I would have to get the journal and the ledger to see.

Q. This is the cash book that we are looking at. Why did you make that change?—A. There must be——

Q. As a matter of fact, there was something to conceal?—A. Yes.

Q. In whose interest were you making the change?—A. In the interest of the firm.

Q. It was the interest of the firm to conceal that which originally appeared there?—A. It may have been—and to the interest of the man to whom it had been paid.

Mr. Osler.—The journal into which that would be carried is missing.

Mr. Mulock.—Will that item of $600 help you to try and remember the date of the loan to Laforce Langevin?—A. I will try and give you that. The date is the 15th November, 1887.

By Mr. Tarte:

Q. $600?—A. Yes.

By Mr. Osler:

Q. See whether this item in Exhibit "M3," page 376, posted under the head of "dredging, December 1st, cash $600," whether it is the altered item charged to N. K. Connolly, for "private use"?—A. I think it is.

Q. Why should you charge dredging account to N. K. Connolly for private use?—A. Mr. Connolly had a dredge of his own down there.

Q. Is that the reason why you need scratch out the book?—A. No.

Q. If that is the reason, give it. Is it not apparently an improper payment which you are seeking to conceal, and looking at the ledger account under dredging, an improper payment in reference to your dredging contract?—A. I may have thought so.

Q. And it was because you thought so that you made the alterations?—A. Yes.

Q. And that would be the only reason—that it was improper?—Yes; the only reason.

By Mr. Davies:

Q. But why would you charge it to N. K. Connolly's private use when it was used by Murphy or Patrick Larkin, unless you had some knowledge it was used by N. K. Connolly personally?—A. No; I had no knowledge it was used by N. K. Connolly personally.

Q. Why do you know more of N. K. Connolly's account than any other private member of the firm?—A. Mr. Connolly's private account was more in detail than anybody else's.

By Mr. Mulock:

Q. Was that re-paid by Mr. N. K. Connolly, or was it charged to him as payment by the firm to him?—A. I would have to follow up the entries from the journal to tell you.

By Mr. Osler :

Q. It would not be posted here and posted against him at the same time. Perhaps this next item will help you. On page 505 of Exhibit "L 3," under date of 24th December there is an entry "N. K. Connolly, private use, $1,200." The private use has been written in over some other words obliterated. Did you do that ?—A. Yes, sir.

Q. Did you do it for the same reasons you have suggested with regard to the six hundred ?—A. I don't know I am sure.

Q. Well, look at it, and tell me why did you do it ? Why did you make the alteration—was it to conceal ?—A. It must have been.

Q. It must have been an alteration of an entry which you made, as you thought, in the interests of the firm, to conceal a transaction which ought not to appear. Is that it ?—A. I can come to no other conclusion.

Q. Is that altered item of $1,200, dated 24th December, posted also to dredging account at page 336 of "M 3" ?—A. Yes ,there is an item of $1,200 posted.

Q. Look and see whether you can find any other item, if that is not the item ? If we find in this book only one item, dated 24th December, of $1,200, and if we find an item hereunder of $1,200, it must be the same thing ? If it is duplicate there should be two items there ?—A. In posting from the journal to the ledger those $1,200 might constitute several items.

Q. That is quite true. This is the missing journal, is it not ?—A. Yes, sir.

Q. Have you any doubt that is the same ?—A. No; I think it is the same.

Q. It is not charged up to Nicholas Connolly's account ?—A. That is what I wanted to look for.

Q. Well, look and see.—A. (After examining the book). There is no item of $1,200, but there are other items far exceeding that.

Q. Oh, yes; but you see Connolly's items follow in succession. Just look and satisfy yourself—you can tell them at once. You see it is not in it ?—A. No, it is not.

Q. So that it is almost absolutely certain that the $1,200 in the ledger that I pointed out, and the $1,200 we find here, are the same ?—A. I think so.

Q. And that the larger item to N. K. Connolly's private use has been posted to disbursements on dredging account ?—A. It seems so.

By Mr. Davies :

Q. Would the words you took out have shown to you to whom it was paid ?—A. The only account there was "donation" or "donations."

By Mr. Osler :

Q. Did you, looking at page 536 of the same book, scratch out the word there ?—A. Yes, sir.

Q. The entry is "Union Bank cheque to the order of N. K. C., private use," and then a word or letters scratched out "Dated May the 4th, 1889, $1,000." Then there is a contra entry, "N. K. Connolly, cheque to his order for private use" blank, "$6,000." Did you scratch that out ?—A. Yes, sir.

Q. For the purpose of concealing ?—A. At the time I thought so.

Q. And you think so still, do you ?—A. No; I understand that item was a legitimate transaction Mr. Connolly had.

Q. The knife should not have been used ?—A. No.

Q. But your suspicions being aroused, feeling there was a duty upon you, you exercised the knife in the wrong place there. Are both errors ?—A. Yes, sir; both are errors.

Q. Then that is an erroneous excision. Where is that posted to, and where did you find that is right ? Did it remain posted to the Connollys' account ?—A. Yes, sir.

Q. What is the alteration that has taken place at page 543. The entry reads as follows:—"May, 1889"—then on the contra side—"Cash credited to N. K. Connolly for cheques for $600 and $500 disbursed as follows:—Forwarded to P. O'R. $1.000,

refreshments $50, N.K. C. kept balance $50, but expended $10.50." Now the words "N. K. Connolly" are written over an erasure, and the words "Forwarded to," and there is an erasure below the letters "P. O'R." Did you make that alteration?—A. Yes, sir.

Q. What for?—A. I do not know.

Q. You see that is entered in 1889. The original entry is very litle more than two years old. Now, what was the change made, and bring your recollection to bear upon what that was—where that was made, and what the original entry was: whose name was there in the first place in the place which Connolly's name now occupies? A. I do not remember; but I think——

Q. Was that in your judgment an improper payment? Can you give me the name that was there first? Better tell us. I should say, from your manner, you know. —A. I do not know that there was any name there first.

Q. What word? You ought to remember that.—A. "Expense" was there.

Q. Where "N. K. Connolly" is the word was "expense"?—A. Yes.

Q. Then follow that along. The original entry was:—"Expense for cheques for $600 and $500 disbursed as follows."—A. Then there was "donation" there.

Q. Then "forwarded" is written over "donation," scratched out?—A. Yes.

Q. Is the entry to P. O'R. original?—A. No.

Q. What was there?—A. I do not think there was anything there.

Q. There is apparently no erasure there? What is P. O'R.?—A. Mr. Connolly was in the habit of sending money occasionally to a gentleman named O'Reilly.

Q. Who was O'Reilly and where did he live?—A. He was in Greenville, Pennsylvania.

Q. Was that an honest entry of donation to P.O'R., or is that intended to conceal what was done with the money?—A. The donation was there, but no initial.

Q. Was that to conceal the transaction that you wrote "forwarded" instead of "donation," and "P. O'R." in order to conceal the donation? "P. O'R." was a blind as to that?—A. Yes.

By Mr. Mulock:

Q. Who was P. O'Reilly?—A. He was a friend of Mr. Connolly's.

Q. Where did he live?—A. In Pennsylvania.

By Mr. Osler:

Q. I want you to tell the Committee who that donation was made to?—I think you know.—A. No, sir; I do not.

Q. Try again. You have taken great care of that. Just think that out for a moment. It is of recent date, and it is a pretty large sum?—A. I was confounding this item with that item.

Q. Who was this $1,000 for?—A. That was a legitimate transaction.

Q. But this illegitimate transaction—I want the name of the child?—A. I do not know anything more than is there.

Q. Would not this next word, "refreshment," do something with your memory? Don't you see there have been $50 disbursed in connection with the refreshments? Would not that bring it to your mind?—A. All I remember was Mr. Connolly telling me to charge that $50 to refreshments, and $50 to himself.

Q. Can you follow that entry in the books? You see that item is carried into the ledger at page 535 to suspense account.—A. Yes.

Q. Suspense already carrying at that time some $43,000. You added that $1,050 to it. Does not that help you?—A. The only thing with regard to this was that "donation" was written there.

Q. You do not know what it was for?—A. No.

Q. But you felt it was due to the firm, it being an improper transaction, that you should make the alteration?—A. Yes.

Q. Now, at page 525 the entry is: "March, 1889, cash Dr. N. K. Connolly, amount forwarded by M. C. to Ottawa," and then the knife comes in for the balance. What was there?—A. I cannot tell you.

Q. Did you make the alteration ?—A. I think so.

Q. On this occasion of your going to the books ?—A. Probably.

Q. Did you go through more than once ?—A. Yes.

Q. Had you any conversation with any member of the firm as to your going through the books ?—A. No.

Q. Neither before nor after ?—A. No.

Q. The firm do not know you went through the books, nor any member of the firm ?—A. I do not think they do.

Q. You did not consult with the firm as to what you should do ?—A. No.

Q. Will you trace me that entry out where it goes ? Who is "M. C." there ? Michael Connolly ?—A. Yes ; I think so.

By Mr. Mulock :

Q. The entry reads "amount forwarded to M. C., Ottawa." Then comes the word scratched out. There is about an inch of scratched surface. What was in that place where the erasure took place ?—A. I really cannot say. "Donation" I think.

By Mr. Osler :

Q. "To Ottawa donation" won't do. Do you remember any money being forwarded to Ottawa ?—A. Yes.

Q. Who forwarded it ?—A. Either Mr. Hume or Mr. Connolly.

Q. When ?—A. About that time. Possibly not that very day ; a little prior to it, it might be.

Q. That is only a short time ago. Do you know any person in Ottawa to whom money was forwarded ?—A. I do not.

Do you know the name of any person in Ottawa who received money from those people ?—A. I do not.

By Mr. Davies :

Q. Do you know any object to which money was forwarded to Ottawa at or about that time ?—A. I do not.

By Mr. Amyot :

Q. Do you swear that you do not know a single one of the names you erased—not one ?—A. On the contrary I explained that here this morning.

Q. I want to know from you if you remember in general one or more names that were erased ?—A. Sometimes they were not names that were there.

Q. Well, when they were names ; do you remember one of them ?—A. Yes. I probably erased the names of the initials of the inspectors.

Q. Do you remember some one else other than the inspectors ?—A. Yes. In reference to the transaction that I said was a legitimate transaction of Mr. Connolly's the name erased was the Hon. Peter Mitchell's.

Q. Go on ; let us have the whole thing ?—A. That is the only name outside of the inspector that I remember.

Q. But the illegitimate ones you do not remember ?—A. That name and the name of the inspectors are the only ones I remember.

Q. You spoke of the missing journal. Can you tell us what period that journal covered ?—A. From October, 1888, I think.

Q. To ?—A. I do not remember when. It commenced on the 1st of October.

Q. Up to what month in the year 1889, does it cover ?—A. I think it covers the whole of 1889 and part of 1890.

Q. Have you got the stubs of the cheques of that period for which you said the journal is missing ?—A. I think some of the stubs are here. They may be all here, for anything that I know. I would not be able to tell, unless I looked over them again.

Q. Have you got the stubs of the cheques for March, 1889, of the Union Bank ?—A. I am not sure.

By Mr. Osler:

Q. This transaction with reference to the Hon. Peter Mitchell—why do you say it is legitimate, and why scratch it out if it were so? Just clear that up. What was the transaction?—A. It was some Montreal Telegraph stock that Mr. Mitchell had bought in connection with Mr. Connolly. He advanced him $1,000 as a portion of his profit on the stock.

Q. Who did?—A. Mr. Connolly.

Q. Mr. Connolly advanced Mr. Mitchell a thousand dollars as his share of the profit on the stock?—A. Yes.

By Mr. Davies:

Q. Then there was nothing to conceal by that transaction at all.

By Mr. Osler:

Q. Exhibit "T3," page 65: did you make the alteration which appears in the 6th line? The entry is this, on the contra side of the cash book: "Expense for donation, sundry expenses incurred, $17,000 and $5,000; extended $22,000." The $5,000 has evidently been altered and the $22,000 has evidently been altered. What did you alter these from, and why?—A. There was no particular reason; the figures may not have been plainly written, or something to that effect.

Q. That won't do. Let me show you where it is posted on page 76, under the heading "expense account." That has been altered also. Considering that the alteration is also in the ledger as well as the cash book, tell me the reason why it was made?—A. It must have been some other sum.

Q. The change is made in the "5," which is one of the factors making up the "22." In the ledger we have nothing to do except with the "22,000." The "5" has been altered and the "2" has been altered in the cash book, and the last "2" altered in the ledger?—A. I have no other explanation than that it has been a clerical error and altered accordingly.

Q. When did you alter it?—A. About the time it was written in the book—that is, to the best of my knowledge. It may have been a day or two afterwards.

Q. Did you alter them both at the same time?—A. I may have posted it first and then discovered the mistake, the change in the ledger.

Q. There is $5,000 there in that sum that cannot be traced. It is the missing $5,000 gone to somebody, and we cannot follow it up. The date is November, 1887. What is your ability to account for that entry? It would be quite reasonable to show that there had been an alteration if we had the vouchers to sustain it, but I am informed by the accountants that there is a missing $5,000 there. If you can find the foundation for that entry, then you will justify your alteration?—A. We were about to look that up before the Committee met. We did not have time.

Mr. Osler.—Then it is only fair to give you an opportunity of looking it up. You had better explain to the accountant, and if you cannot do that they will report it to us.

By Mr. Davies:

Q. I want to ask the witness if he made any or all of these alterations alone, or whether he had the assistance or did it with the knowledge of anyone?—A. I did it on my own responsibility.

Q. I did not ask you that. What I ask you is, did you make these alterations alone, or with the assistance or knowledge of any other party?—A. I did it alone.

Q. And without the knowledge or assistance of anyone else?—A. Without the knowledge or assistance of anyone else.

Q. In answer to Mr. Osler you said that in this book, exhibit "G3," page 402, the word "gratuity" is written over the portion erased? You made that erasure when?—A. I do not remember.

Q. You stated within a year or two?—A. It must have been.

Q. And the entry was made originally nine years ago?—A. I think so.

Q. Will you swear to the Committee you do not remember the name you erased? —A. Yes; I do not remember the name.

Q. Or the words, even?—A. Or the words, even.

Q. Although you did it within the last two years?—A. Yes.

Q. And had reference to an old entry made by some one else?—A. Yes.

Q. The entry, "gratuity, by expense, $700," was made by you?—A. Yes.

Q. And with all that knowledge before you you come here and swear positively you do not remember what there was before?—A. Most positively I don't remember that name.

Q. Or the words?—A. Or the words that were there.

By Mr. Lister:

Q. You have sworn you have erased certain words to which Mr. Osler called your special attention, and you imagined they were "donations"?—A. Yes.

Q. When erasing that word, did you erase any other marks, such as there might be opposite the names of the inspectors—telegraphic marks, which would enable the party or the parties for whom "donations" were paid to be discovered? —A. Yes; I erased the initials.

Q. There were then, besides the words "donations," other letters, marks or figures, enabling persons looking at them to discover the object for which they were paid?—A. No, sir; except myself.

Q. Would it enable you, if the books were placed in your hands and the words had not been erased, to tell us what they were for?—A. I think so.

Q. And you swear you cannot tell the Committee now any or all of those items? —A. I have already said that.

Q. Will you pledge your oath now to the Committee you cannot now recollect the persons or objects which were referred to by those marks you erased?—A. Other than what I replied to Mr. Amyot—the inspectors' names and the Hon. Mr. Mitchell.

Q. I am speaking of the improper entries to conceal fraud or improper transactions. They were identified by certain marks, and if they were on the books you could tell the purpose for which they were applied. You swear you cannot tell any of them, that is, on your oath?—A. Except the initials of the inspectors, perhaps.

Q. You have stated they were not erased?—A. Some of them are erased.

Q. And besides the inspectors, you cannot recollect any other object?—A. No sir; I cannot.

Q. You swear you do not recollect any name except the names of the inspectors? —A. That is what I said.

By Mr. McLeod:

Q. As I understand you, all the names erased or initialled were the names of the inspectors?—A. The names—yes, sir.

Q. Except Mr. Mitchell's?—A. Except Mr. Mitchell's, to the best of my knowledge.

Q. Why did you erase Mr. Mitchell's name if it was a legitimate transaction?— A. While I was going over the book and saw that name there I thought probably the transaction was not legitimate, but I know it is.

Q. At all events, when you erased it you thought the transaction was not legitimate?—A. I must have done it. I don't suppose I paid particular attention to it.

Q. When you erased it, did you or did you not think the transaction was legitimate?—A. It is impossible for me to remember what I thought at that time.

Q. Why did you erase it, then?—A. It was simply a mistake, because I knew from the beginning that the transaction was legitimate.

Q. Then, when you took your knife and scratched out his name, you knew it was legitimate?—A. It was a mistake on my part at the time.

By Mr. Fraser :

Q. I understand you to say that sometimes with the word "expense" or "donations" there were private marks to show the parties who got the sum?—A. Yes, sir.

Q. And these were opposite the names of the parties mentioned by the letters? —A. Yes, sir.

By Mr. Lister :

Q. Where were these erasures made?—A. In Quebec, I think.

Q. Where?—A. In the office.

Q. At what time of the day?—A. During business hours.

Mr. OUIMET.—What is the entry relating to Mr. Peter Mitchell?

Mr. OSLER.—$1,000.

Q. How does it read?

Mr. OSLER.—The entry is: "Cash Dr. to Union Bank, cheque to order of N. K. C. for private use"—and P. M. is erased here—"$1,000." Contra: "N. K. Connolly, for cheque to his order for private use,"—the P. M. he says was scratched out—"$1,000."

By Mr. Ouimet :

Q. Will you look at N. K. Connolly's private account and see if it is charged?

Mr. OSLER.—It is charged to him, but it is not carried to "suspense" or any other account.

By Mr. Mulock :

Q. You swear to that, do you not?—A. Most decidedly; I have already sworn.

By Mr. McLeod :

Q. Then you went through all the books where that entry had been made, and scratched out Mr. Mitchell's name or his initials?—A. This is the only erasure I made.

By Mr. Mills :

Q. Did you ever find in the office any note or memorandum addressed to yourself, or any letter addressed to anybody else, suggesting the propriety of altering? —A. No, sir.

By Mr. Osler :

Q. Did you make alterations in the missing journal?—A. I don't remember whether I did or not.

Q. Had you any conversation with Mr. Hume about this matter?—A. No; I had not.

Q. In whose handwriting are these books of 1880?—A. They are partly in mine.

Q. And the others?—A. I don't know in whose handwriting they are.

Q. You had no talk with Mr. Hume?—A. No.

By Mr. Fraser :

Q. Were there any other changes, except those shown to you?—A. None that I know of.

Q. And none of those books were written up afterwards—they are the real books you have in the office?—A. Yes.

By Mr. Mills :

Q. When did you first miss the journal?—A. The first day it came before the sub-committee. I spoke of it at the time.

By Mr. Langelier:

Q. When you left the office of Larkin, Connolly & Co. it was there, I suppose? —A. I should have thought so.

By Sir John Thompson:

Q. It disappeared between the time you left the office and when you were called as a witness here?—A. I can come to no other conclusion.

Q. You are sure it was not lost when you left the office?—A. I am not positive, but I think it ought to be here.

By Mr. Lister:

Q. Will you swear that none of these payments were covered by these erased entries?

(No answer.)

By a Member:

Q. Did you specially notice the book on leaving the office?—A. No, sir.

By Mr. Tarte:

Q. Did you tell anyone that the books were altered?—A. I do not remember.

Q. Do not say that. Did you tell anyone that the books were altered?—A. I do not think I did.

Q. If you had told that to anyone you should remember it?—A. But I do not remember speaking to anyone about it.

By Mr. Ouimet:

Q. At what date did you take charge of these books of Larkin, Connolly & Co.? —A. January, 1885.

Q. You had nothing to do with them before?—A. The books had not been written up since 1883, except during a portion of 1884, and all that work had to be done in 1885, and I helped to do it along with Mr. Hume and Mr. Shea.

Q. How long had you charge of them as bookkeeper?—A. Since the 2nd of January, 1885.

Q. To what date were you book-keeper of the firm?—A. To May last.

Q. You were discharged in May last?—A. Yes.

Q. Did you see these books afterward?—A. Not until I came here before the Sub-Committee.

By Mr. Lister:

Q. Was that book over in Buffalo?—A. I do not think so.

By Mr. Fraser:

Q. You do not think so?—A. It might be in Buffalo. It might be in New York or Washington. It might be on a trip to the old country.

The CHAIRMAN.—I do not think that is a correct answer.

WITNESS.—What I mean is, that I do not know anything about it.

By Mr. Tarte:

Q. What was the last alteration?—A. I cannot tell you.

Q. Try, please. What was the last alteration you had made—you did not make them all at the same time?—A. All about the same time—some time during the last summer.

By Mr. Ouimet:

Q. When did you discover that these entries were of a nature to injure the firm, or somebody, and what made you believe it would be opportune to make these alterations?—A. When the charges were made by Mr. Tarte.

Q. It was after that?—A. Yes.

Q. You read all about these charges at the time?—A. Yes.

Q. It was after that you looked over the books?—A. With the exception of the first item in the Graving Dock. I do not remember when that was done.

By Mr. Wood:

Q. Who told you these were mistakes as you had them originally? You made some erasures there?—A. Yes.

Q. Who told you that you ought to make these erasures—that they were wrong?—A. Nobody.

Q. You did that yourself?—A. Yes.

Q. The one is the stock of Mr. Mitchell?—A. Yes.

Q. Who told you it was about stock?—A. I knew at the time that it was a stock transaction Mr. Mitchell had. I think he will have the details here with his private papers.

By Mr. Tarte:

Q. Who was in charge of the books when these erasures were made?—A. I was in charge.

Q. Who was in charge of the works then?—A. Mr. Nicholas Connolly.

Q. Will you tell us if any member of the firm looked into the books after those erasures took place?—A. Not to my knowledge, nor before. They did not do it in my presence nor to my knowledge. They may have looked at them after they came up here.

Q. Is it not a fact that some members of the firm were looking into the books often?—A. No. Members of the firm, with the exception of Mr. Robert McGreevy, looked at the books very seldom.

Q. But in 1890 Mr. Robert McGreevy was not a member of the firm?—A. Then the others did not look at them at all.

Q. Do you mean to say that up to the present time no members of the firm looked into the books?—A. No more than looking over my shoulder when I made an entry.

Q. Were there any audits of the books since 1889?—A. Yes; we make an audit every year.

Q. When did the last audit take place?—A. I think last winter.

Q. What date, please?—A. 1st of April.

Q. Who were the auditors?—A. It was not an audit; I made up a trial balance sheet.

Q. Yourself alone?—A. Yes.

Q. At the time you did not tell any members of the firm that you had made an alteration of the books?—A. No. There were no alterations made in the amounts. I made the alterations because I had taken on myself to put down initials.

By Mr. Mills (Bothwell):

Q. Was there an audit in 1890?—A. Not an audit or regular closing up of the books.

By Mr. Fraser:

Q. There has been no audit since you covered up these changes?—A. No.

By Mr. Geoffrion:

Q. You swore this morning you had destroyed all the receipts you had taken from the inspectors?—A. Yes.

Q. Did you say all?—A. All I found.

Q. You did not destroy those that were shown to you a minute ago, because you did not find them?—A. I never saw them.

Q. Besides, they were during Murphy's time, when you had no interest in destroying papers?—A. Yes; I had. Mr. Murphy never did me any harm.

Q. I think you have made some mistake, if you have not explained it, about two items in "B5" Those $25,000 represented by the notes signed in 1883, and $27,000, being an entry made in 1887?—A. Yes.

Q. Those two amounts are quite different?—A. Yes; quite different.

Q. And the $25,000 represented by notes in 1883 were paid and represented when the other item came into existence?—A. They are two different transactions.

Q. Those $27,000 were covered by four cheques of $5,000 each and those several cheques from $2,000 to $500 which appear to have been given between the 17th and the 22nd of February, 1887?—A. I think that is the way the amount is made up.

Q. And if the amount was only $25,000 there was a discussion after that excess of $2,000?—A. Yes; there was a dispute.

Q. From the 17th to the 22nd of February, 1887, was in the heat of the election?—A. It was some time during the election.

Q. And the discussion was about $2,000 paid in excess of $25,000 by Mr. Murphy?—A. Yes.

Q. There was no difficulty about these small cheques so long as they did not exceed $5,000, but it was only because he exceeded it by $2,000?—A. That is the way I understood it.

Q. This discussion took place between Nicholas Connolly and Murphy, did it?—A. Yes.

Q. Do you remember if any other members of the firm were present?—A. No.

Q. You remember these two, anyhow?—A. Yes.

Q. You were shown by Mr. Osler a few moments ago two cheques forming part of Exhibit "D8," one dated the 14th May, 1883, and the other the 1st of June, 1883, and you answered to him that these two cheques would be the only two vouchers corresponding to the two promissory notes forming part of Exhibit "W7," dated 1st of May, and both made payable on demand. Do you persist in that statement. Is it not a fact that these cheques were to draw money?—A. I persist in my statement. I thought probably that they had been for the pay-rolls, but they could not be that, as they were marked on the back 36 x 100 and 28 x 50, the denominations of the bills, making $5,000 in all. The other is 50 x 100, or $5,000 in all.

Q. Will you look and see whether this cheque dated the 14th May, 1883, is not entered in the books as given in payment of a note endorsed to the order and by M. Connolly?—A. 14th May, is "Union Bank cheque, M. Connolly, $5,000."

Q. Now, look at the entry 30th June, about the payment of a note?—A. The only entry in June is "Union Bank cheque in favour of N. K. Connolly, $5,000."

Q. Do you find any other entries at both dates for the 14th May and 1st June for $5,000?—A. There is no other on the 14th May. At the end of June there is "cheque for note No. 2, $5,000, N. K. Connolly."

Q. That is for the note of N. K. Connolly?—A. Yes.

Q. Is not that note before you of N. K. Connolly's, dated on the 4th February, 1884?—A. It says the 4th February, 1884.

Q. And the note is made payable on that date?—A. It is made payable nine months after date.

Q. Then, how can you swear that this cheque, given in June, 1883, is to pay a note due in February, 1884?—A. These cheques correspond with the $20,000 and the $25,000.

Q. They do not correspond at all. How can the cheque given in June be to pay a note payable in February, 1884?—A. I do not know. I never could fathom that, anyway.

Q. Then, why did you swear positively it was for the same note. Is it not a fact to pay another note altogether, since this one was due only the following year?—A. I do not know anything about that.

Q. Look at the stub of the cheque of the 14th May, 1883?—A. The stub of the cheque reads as follows:—No. 364, May 14th, 1883, M. Connolly, $5,000, private use.

By Mr. Stuart:

Q. In whose handwriting is that?—A. Mr. O. E Murphy.

By Mr. Geoffrion:

Q. Will you look in the margin and say what is written opposite that entry?—A. "To pay note, M. Connolly, 14th May, 1883."

Q. In whose handwriting is that?—A. Mr. Hume's I think.

Q. Are there any of these five notes endorsed by Michael Connolly?—A. No.

Q. Do you swear now that this cheque was to pay one of these five notes since Michael Connolly's name is on none of them?—A. I do not know. It may be a mistake on the stub of the cheque.

Q. Can you swear now that that payment was given to pay for one of those five notes or that it was given to pay a note of Michael Connolly's?—A. Michael Connolly's name is not on one of those.

By Mr. Mulock:

Q. Where was Michael Connolly on the 14th May, 1883? Can you tell?—A. No, sir; I cannot.

The committee then adjourned.

HOUSE OF COMMONS, WEDNESDAY, 22nd July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigations into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, etc., resumed.

Mr. GEOFFRION—On Saturday last Mr. Chabot said he had brought, for the purpose of filing before this Committee, certain contra letters which he held with respect to the "Admiral;" they were, however, at his hotel. He subsequently handed them to Mr. Todd, and I now ask that they may be read and filed and printed.

The Clerk of the Committee read the letters as follows:

(Exhibit "D12.") "QUEBEC, 28th November, 1884.

"JULIEN CHABOT, Esq.

"SIR,—I hereby admit that the mortgage granted by you this day in favour of James G. Ross, Esq., of the City of Quebec, Merchant, for thirty thousand dollars on the SS. "Admiral," was so done on my behalf and at my special instance and request; also, the transfer of the five policies of insurance—the Imperial $5,000, North British $10,000, Queen $5,000, and Lancashire $5,000, be made to James G. Ross as collateral security—also at my request.

"THOS. R. McGREEVY."

On the back is endorsed the following:

"QUEBEC, 28th November, 1884.

"Received from Mr. Julien Chabot policies on the steamer "Admiral," with receipts, Premiums for $8,415.85.

North British	$10,000
Queen	5,000
Imperial Fire Insurance Co	5,000
Lancashire Insurance Co	5,000
	$25,000

ROSS CO.,
"p. JAMES GEGGIE."

(Exhibit "E12.") "QUEBEC, 28th November, 1884.

"JULIEN CHABOT, Esq.

"DEAR SIR,—I hereby acknowledge that the mortgage given to me for the sum of thirty thousand dollars this day upon the steamer "Admiral" by you as holding the said steamer for the Hon. Thomas McGreevy, was partly in consideration of my becoming security for him in appeal in a case of Russell against him, and that I will not in any way hold you or your heirs personally or otherwise responsible for the said amount should I ever at any time be called upon to pay the same, but will confine and bind myself solely to the said boat; and I further undertake that I will not in any way prevent you from selling or transferring the said boat, or any portion thereof, when and as you may wish, subject, however, to the mortgage.

"JAS. G. ROSS."

(Exhibit "F12.") "QUEBEC, 2nd February, 1888.

"JULIEN CHABOT, Esq.

"DEAR SIR,—I desire you to sell the steamer "Admiral" to my brother Robert Henry McGreevy, Esq., for the sum of twenty-five thousand dollars, which he will pay me after the sale and transfer is made by you, accordingly you will be relieved of the said amount, and the said sale is made on my behalf and at my special instance and request. I will further hold you harmless for any claim against you while proprietor of the said steamer "Admiral."

"THOS. R. McGREEVY."

(Exhibit "G12.") "QUEBEC, 8th July, 1889.

"JULIEN CHABOT, Esq.

"DEAR SIR,—I hereby acknowledge that the mortgage given to me for the sum of twenty-five thousand dollars this day on the steamer "Admiral" is for the Hon. Thomas McGreevy accommodation, and I also recognize that you hold the Register of the said steamer "Admiral" for his account. I will not in any way hold you or your heirs personally or otherwise responsible for the said amount, should you ever at any time be called upon to pay the same, but will confine and bind myself solely to the said boat; and I further undertake that I will not in any way prevent you from selling or transferring the said boat, or any portion thereof, when and as you may wish, subject, however, to the mortgage.

"N. K. CONNOLLY."

(Exhibit "H12.")

"I, Robert Henry McGreevy, the sole registered owner of the steamboat "Admiral," do hereby divest myself of the control and management of the said boat in favour of the Honourable Thomas McGreevy, of the city of Quebec, contractor, hereby fully empowering and authorizing him or any person he may authorize to act in his place, to make for me as said owner of said boat all contracts for freight, for carrying of passengers, for the engagement of master and crew, the fitting out and running of said steamer, as well as for the provisions, stores and other things necessary for her navigation for and during the term of five years from this date, as well as to collect all sums of money which may be earned by said steamer by way of freight, conveying of passengers or otherwise and to enter into all contracts and engagements necessary and requisite for the running and navigation of a steamer such as the "Admiral" in navigating the St. Lawrence and ports of the Lower Provinces, and for any other purposes of the said vessel in connection with her employment; and further, to enter into any engagements or contracts to repair said boat or any portion thereof should same become necessary, and generally all and singular the affairs and concerns of me, the said Robert Henry McGreevy, to manage, control and transact, adjust, settle and contract as fully and effectually to all intents and purposes for controlling and managing said steamer "Admiral" as I might or could do if personally present, and without any further authority being necessary or requisite

than these presents, and I do further empower the said Honourable Thomas McGreevy to substitute and appoint for all and every the objects and purposes of the present writing in his place any person he may choose, I hereby agreeing to ratify and confirm all and whatsoever the said Honourable Thomas McGreevy causes to be done in virtue of this document.

"ROBERT H. McGREEVY.

"QUEBEC, 7th February, 1888."

"I, the Honourable Thomas McGreevy, under and in virtue of the foregoing power granted me by Robert Henry McGreevy, do hereby name, appoint and substitute in my place Julien Chabot, Esquire, of Lévis, hereby transferring to him all the powers vested in me in connection with the steamboat "Admiral" by the said foregoing writing.

"THOS. R. McGREEVY."

"QUEBEC, 8th February, 1888."

"On the twenty-fifth day of February, in the year of Our Lord one thousand eight hundred and ninety-one : Before me, Edward Graves Meredith, the undersigned Notary Public, duly commissioned and sworn, in and for the Province of Quebec, residing in the City of Quebec, in the said Province, personally came and appeared :

"The Honourable Thomas McGreevy, of the said City of Quebec, of the one part; and Nicholas K. Connolly, of the said City of Quebec, Contractor, of the other part.

"Which said Honourable Thomas McGreevy, for divers good causes and considerations, and for and in consideration of the sum of thirty-one thousand six hundred and sixty-seven dollars and seventy-six cents, current money of the Province aforesaid, to him, at and before the execution hereof by the said Nicholas K. Connolly, well and truly paid, the receipt whereof the said Honourable Thomas McGreevy doth hereby acknowledge, did and by these presents doth grant, bargain and sell, assign, transfer, and set over to the said Nicholas K. Connolly, hereof accepting as follows, that is to say:—

"1stly. All or any sum or sums of money which now is or hereafter may be due, owing and payable to him the said Honourable Thomas McGreevy by Julien Chabot, of the Town of Levis, Manager, as and for moneys lent and advanced by him the said Honourable Thomas McGreevy to the said Julien Chabot to enable the latter to purchase and acquire the steamer called the "Admiral," or lent and advanced by the said Honourable Thomas McGreevy to the said Julien Chabot, for the purpose of enabling the said Julien Chabot to fit up and run the said steamer "Admiral," together with all interest now due or which may hereafter become due and payable on all or any of the said sums of money, without any exception.

"2ndly. All and every the rights, title, interest, claims and demands which he the said Honourable Thomas McGreevy has or might pretend to have in, to or upon the said steamer "Admiral," her machinery, furniture, fixtures, boats, tackle or apparel, by reason of his having advanced all or any of the aforecited, and hereby sold and assigned sum or sums of money to the said Julien Chabot for the purpose of acquiring, fitting out or running the said steamer "Admiral," or otherwise howsoever, without any reserve or exception.

"To have and to hold the said sum and sums of money hereby sold and assigned as aforesaid, with all interest to accrue and grow due upon the same and the rights, title, interest and claims of the said Honourable Thomas McGreevy in, to and upon the said steamer "Admiral," also hereby sold and assigned unto the said Nicholas K. Connolly, his heirs, executors, curators and administrators, and assigns, to the only proper use and behoof of the said Nicholas K. Connolly, his heirs, executors, curators, administrators and assigns, henceforth and forever. And for the effect of the present assignment the said Honourable Thomas McGreevy doth hereby put, substitute and subrogate the said Nicholas K. Connolly in the place and stead of him

the said Honourable Thomas McGreevy, and in all his right, title, claim, interest and demand, privileges and hypothecs for and respective the premises, and did and doth hereby constitute and appoint the said Nicholas K. Connolly to be his true and lawful attorney, irrevocable, with full power and authority for and in the name of him the said Honourable Thomas McGreevy or of him the said Nicholas K. Connolly, but to and for the proper use and behoof of the said Nicholas K. Connolly, his heirs, and assigns, to ask, demand, sue for, recover and receive the premises hereby assigned, and to transact, compound, acquit, release and discharge, for and respective the same, and generally all the matters and things whatsoever necessary for effecting the premises or dependent thereon, to do and perform as fully and amply to all intents and purposes as he the said Honourable Thomas McGreevy might or could do if personally present, hereby ratifying, allowing and confirming, and promising and enggaing to ratify, allow and confirm, all and whatsoever the said Nicholas K. Connolly shall lawfully do or cause to be done in and about the premises by virtue hereof.

"Thus done and passed at the said city of Quebec, on the day and year first above written, under the number four thousand two hundred and forty of the minutes of the said Notary, the said parties having to these presents first duly read according to law, set their hands and subscribed their signatures in the presence of me the said Notary, also hereunto subscribed, in faith and testimony of the premises.

(Signed) "THOS. McGREEVY.
" "N. K. CONNOLLY.
" "E. G. MEREDITH" N.P."

" A true copy of the original remaining of record in my office.

"E. G. MEREDITH, N.P."

Mr. MARTIN P. CONNOLLY, recalled and his examination continued.

By Mr. Geoffrion:

Q. Since the adjournment last night, have you gone through the books and ascertained how many payments have been made to Inspectors during the year 1888?—A. I did not.

Q. Would it take up much time to do?—A. Oh, yes; it would, I should think so. I did a pretty good day's work yesterday and could not do any more.

Q. You will have to do it. Had you no time to do it last night?—A. I was here until 6 o'clock last night; I came up about 8 o'clock and the room was closed.

Q. Will you give us the names of the Inspectors that were in charge during the year 1888?—A. I don't know that I can give you all the names. I think there was Brunel, Pelletier, Germain, and Milne, I think, was one.

Q. In 1889 also?—A. In 1888.

Q. Also Labbé?—A. I don't know.

Q. When referring to the book, did you ascertain whether Labbé was in your account also, for certain work?—A. I don't think so.

Q. Was Milne in your accounts in 1888?—A. I don't think so.

Q. You mentioned in your Exhibit "B7" that in 1888 there were only Pelletier, Germain and Brunel?—A. Yes.

Q. You are satisfied that the others did not receive anything, if there were others?—A. If there were others I am almost satisfied they did not receive anything in that year, and that $50 mentioned in the exhibit as paid to Germain was loaned to him by Mr. Hume, and he did not pay it back, and I did not want to charge it to Hume's private account, because I thought he could not afford to lose it.

Q. The loan was never paid back?—A. I don't think so.

Q. Did Samuels receive any money also in 1887?—A. He may have in 1887, but I could not tell you.

Q. During the year 1888 how did you enter the names of these people? Did you enter their names individually, their initials, or telegraph letters?—A. As was explained yesterday, sometimes probably only the initials or telegraph signs.

Q. Their entries would be made in the same way in 1888 as during the year 1887?—A. Yes.

Q. Who were the captains of the dredges?—A. Captain Manly and Captain Fielding.

Q. Where are those gentlemen now?—A. I think Captain Manly is employed by the firm of N. K. and M. Connolly at Kingston, and the other man met with an accident and he was killed at the embankment, I think in the fall of 1888.

Q. Who replaced him?—A. It was Manly. We only had one dredge I think working at Quebec at that time. The other dredge was at Kingston, and Manly came down from Kingston and replaced him.

Q. How many dredges were working at the same time during the years 1887 and 1888?—A. Two most of the time, and sometimes three.

Q. Only occasionally three?—A. Only occasionally three.

Q. Is it to the captains that the returns of those inspectors were given?—A. The returns by the inspectors were given to the resident engineer, I think.

Q. Not to these captains?—A. No, sir.

Q. Would the captains also keep accounts or "tallies" of what they were doing?—A. Yes.

Q. And their duty was to make returns to your office?—A. Yes, sir.

Q. Did you compare any of these returns made by the captains with those by the inspectors?—A. I compared the returns made by the captains with the estimates that were allowed.

Q. You made these comparisons when you found out you had to pay extras to these inspectors?—A. No; I always made a comparison and checked the amount of work done.

Q. From the returns by the captains?—A. Yes, sir.

Q. Did you compare them with the returns from the inspector?—A. No, sir; I did not.

Q. Would these returns by the captains still be amongst the papers of the firm?—A. No; I guess not.

Q. Were they destroyed?—A. Some of them were, I know.

Q. Who destroyed them?—A. The returns from the captains and a little memorandum book he would keep, I would destroy them, because they came in full of dust and dirt.

Q. They were not destroyed at the same time as the receipts of the Inspectors?—A. No. As long as I was satisfied the amount of the estimates was as much as the returns by the captains, there was no question about it. Sometimes it would be less, and we had to investigate.

Q. And when you found out the returns from the inspectors exceeded those of the captain you did not complain?—A. I made no complaint.

Q. Referring to those receipts, were they destroyed about the same time that you made these erasures in the books?—A. They may have been, some of them probably.

Q. It was the same job, was it, destroying the receipts and erasing entries in the books, and done at leisure?—A. Yes; it was something like that. I took upon myself to do it.

By Mr. Lister:

Q. You said you destroyed some of the receipts about a month before 20th May, 1891, after you knew this investigation was going on. What do you say about that?—A. If I said that, it must be correct.

Q. Well, did you? Is that so? That is only two or three months ago, remember. Yesterday you said it happened, according to your recollection, two or three months ago?—A. I think I did destroy one receipt.

Q. Only one?—A. Yes, sir.

Q. You swear it was only one?—A. Yes, sir.

Q. What one was that?—A. It was a receipt I found in the office from some of the inspectors.

Q. That was one that had been left from the former destruction?—A. Yes.

Q. You said Brunel, Germain and Pelletier were the inspectors. Do you know whether Mr. Pelletier is the relative of any public man in Canada?—A. I understand he is.

Q. Who?—A. I understand he is a nephew of Sir Adolphe Caron.

Q. Do you know who Mr. Germain is?—A. No; other than I knew him on the works.

Q. You don't know anything about him?—A. No.

Q. You don't know whether he is a connection of any public man?—A. No.

Q. Nor Mr. Brunel, you don't know about him?—A. No, sir, I don't know anything about him.

Q. Whose receipt was it you destroyed two months ago?—A. I could not tell you. I think it was one of Mr. Pelletier's.

Q. Do you remember how much it was for?—A. $65, I think.

By Mr. Geoffrion:

Q. Since you were in charge of the books did you see in the possession of the firm—in the safe or vault—a note for $7,500, signed by Robert H. McGreevy?—A. No; I do not remember seeing that.

Q. You only became book-keeper in 1885?—A. In 1885.

Q. Do you remember when the last estimate for the Esquimalt works was received and distributed between the partners?—A. I do not.

Q. Take the books of 1888 and find it?—A. (After referring to book.) It was February 28th, 1888.

Q. What was the amount?—A. $31,077.89.

Q. How was the division made?—A. The last division on the B. C. work I find in Exhibit "N3," page 467. "Quebec, March 1st, 1888. Esquimalt dock, $32,679.05. Dr. to cash for same amount. For the following cheques paid to each member amount in full, due him on B. C. division—

No. 86248, $5,195.81.
O. E. Murphy, $7,195.81.
P. Larkin, $5,895.81.
N. K. Connolly, $7,195.81.
M. Connolly, $7,195.81."

Q. These require explanations, as it would appear that you have distributed more, than you received?—A. There may be a balance to the credit of the works.

Q. Is it not a fact that some of the members of the firm are indebted and have been charged with it there?—A. It may have been there. This is the final balance after the estimate was received. There is a little difference between the estimate received and the amount divided here.

Q. What is the first number, without a name?—A. That is a number of a cheque.

Q. Who is the party who got it?—A. I think it was Mr. Robert McGreevy.

Q. Is there any telegraphic or cabalistic sign there?—A. No.

Q. You think Mr. Robert McGreevy got it?—A. This explains it. Exhibit "T3," page 71. March 1st, 1888: "Expense, cheque to E.W., in full of B.C. division, $5,195.81."

Q. Is there any scratching on the paper there?—A. I do not think so.

By Mr. Tarte:

Q. What is E.W.?—A. East wind.

By Mr. Geoffrion:

Q. Was it not Robert McGreevy's share of the division less $2,000 for stone and plant that he has bought?—A. I see here an entry January 1st, 1888: "Expense for amount of sale of plant and stone at B.C., E.W. $2,000."

Q. E.W. is Mr. Robert McGreevy?—A. Yes; that was a synonym we had for him on the works.

Q. And he was charged $2,000?—A. Yes.

Q. Because he had bought the plant?—A. Yes.

Q. What would have been his cheque if he had not bought the plant?—A. His cheque, I suppose, would have been $7,195.81.

Q. This is not a satisfactory explanation yet. You received $31,079.89, and you appear also to have had in cash $2,000, being the price of the plant bought by R. H. McGreevy? This would make $33,077.89?—A. There may have been some other indebtedness incurred on the Esquimalt Dock account that we had to pay from the other works. The trial balance is produced here and I think it is correct.

Q. Look at folio 71, Exhibit "T3," and read it?—A. "March 8th, expense for amount agreed to be expended by firm, $2,000."

By Mr. Ouimet:

Q. What year is that?—A. The same year.

By Mr. Geoffrion:

Q. Is this entry in connection with this division?—A. It may be.

Q. You cannot remember?—A. No.

Q. Have you no memory at all of what this expense was to be for?—A. I never knew.

Q. Is it not a fact that four hundred dollars was to come from the share of each of the five members of the firm to make up that $2,000, for "expense to be met," and that you did the figuring yourself?—A. It may have, but I do not remember doing the figuring. Even if I did then, I would not know what it was for.

Q. Will you examine this paper, and say whether this is in your handwriting?—A. Part of it is in my handwriting.

Q. Which of it is in your handwriting?—A. The lower portion of it is in the handwriting of Mr. Robert McGreevy.

Q. Read the document?

(Exhibit "I12.")

Balance due from Q.H.I..		$3,868 51
Less expenses		267 35
		$3,601 16
Due by P. L.		$1,300 00
R. H. McG.		2,000 00
Check from Dept.		31,077 89
		$37,979 05
$2,000 on hand held by Q.H.I.		$7,597 81
R. H. McG.—Ck.	5,195 81	
Stone and plant."	2,000 00	
	$7,195 81	

Q. This is the part which you have read, which is in your handwriting?—A. Yes.

Q. Were $400 not taken off, as shown by the books, from Robert McGreevy's share?—A. There is a difference of $400 on each share between the amount sent up and this memorandum.

Q. It was in 1889. You are of age, and are an intelligent man. Please speak, and try to remember with these figures in your eyes. Try to remember whether you can give some explanation before the Committee?—A. I can give no explanation whatever. There was a document made out in my handwriting.

By Mr. Lister:

Q. There was $400 kept off each man?—A. Seemingly.

Q. Do not the books show you? I want to know whether the $400 was deducted from each partner at the time this settlement was made? The amount of their share, less $400, was paid to them?—A. The total amount, less $2,000.

Q. That amount was deducted equally—$400 from each?—A. It would be if it was charged to expense.

Q. You told us in the first place how much they were entitled to and how much they received?—A. It figures out exactly less $400 each. The books show $2,000 was kept from the firm. That would make $400 from each man.

Q. Do not the cheques show that each man got his money, less $400?—A. No; because one man got $5,195 and another man got $7,195.

Q. Taking off the $2,000 that he got in plant, are not the cheques equal?—A. No.

By Mr. Davies:

Q. Each man got $400 less than he would have got if they had not deducted the $2,000?—A. Yes; but the same theory would apply to every one of the divisions.

By Mr. Geoffrion:

Q. Is it not a fact that these $2,000 to your knowledge were left with Michael Connolly?—A. I do not know that they were.

By Mr. Ouimet:

Q. Was there a cheque drawn at that moment to represent this $2,000?—A. No, sir; I do not think so. I would have to look that up and see. I do not think there was.

By Mr. Geoffrion:

Q. Will you look up Exhibit "E7," which appears to be written by you, and say whether opposite the entry "March, 1887, $2,000," there are not words that have been erased, but which read "Paid to Michael Connolly." They can be read still?—A. Yes; but I must say that this was written here "Paid to M. Connolly," and then an interrogation point, seemingly after it was written in this document, which left my hand on the 26th April, 1889.

Q. It does not appear to be in your handwriting?—A. It is not in my handwriting.

Q. The whole document is in your handwriting except the erasure?—A. Yes.

Q. As these entries are in your handwriting, will you explain to the Committee by whose order you kept $400 from each of the partners?—A. If there was $400 kept from each of the partners it was ordered by the members of the firm.

Q. How could they, if you were dividing money which came in a lump sum?—A. The only explanation I can give is that it had been decided to be made.

Q. Did you not charge them prior to that deduction of $400, or were they owing it?—A. All that was owing to the firm was charged.

Q. Then they did not receive that $400 prior to the division?—A. They are not charged with this $400 either prior or since the division.

Q. But it was deducted from their share?—A. $2,000 was charged to expense. That is all I know about it.

Q. Is it not a fact that $400 was deducted from the share of each?—A. No; I do not see how you can reconcile it.

By Mr. Mulock :

Q. How much more would each have received if that $400 had not been deducted? —A. If there was $400 deducted from each of their accounts they would have received $400 more.

By Mr. Geoffrion :

Q. You say that a dredge was transferred to Kingston. When was it?—A. It was in 1890, I think.

Q. It could not have had much bearing, then, when I examined you on the payments to the inspectors in 1888?—A. We had an inspector working on the dredge.

By Sir John Thompson :

Q. What became of the $2,000 ?—A. I cannot tell you.

By Mr. Lister :

Q. Did you never hear the members of the firm speaking about it?—A. I may have heard them speaking about it.

Q. Did you hear them speak about it? Speak out. You know.—A. They must have spoken about it when it was taken from their account.

By Sir John Thompson :

Q. Is the money there yet ?—A. No.

Q. Who got it? Is the money in the bank yet?—A. No.

Q. Then who got it? Who drew it?—A. (No answer.)

By Mr. Lister :

Q. I asked you whether you ever heard any conversation amongst any members of the firm, one or more, as to this $2,000 which gave you a suspicion where it went?—A. No.

Q. Never heard them mention it?—A. No.

Q. Good, bad or indifferent?—A. No.

Q. You swear you never heard any member of the firm speak about that $2,000 as to what expense it was to be applied for?—A. As to what payment it went for I know nothing about it.

Q. Did you ever hear any statement or any conversation by any member of the firm indicating where that $2,000 was to go or had gone?—A. No.

Q. They never spoke about it in your presence?—A. Not as to where it had gone.

Q. Did they ever speak of it?—A. They must have, in order that I could make the charges

Q. You have never been told since what was done with it?—A. No.

Q. Never heard of it?—A. No.

Q. You have no suspicion?—A. Not the slightest.

By Mr. Osler :

Q. Are these all you brought?—A. All Nicholas Connolly's private cheques, except one that Mr. Fitzpatrick filed.

Q. There are no cheques for 1888?—A. I cannot help it. I checked them in the bank book, and came to the conclusion they were all here, except the one Mr. Fitzpatrick filed.

Q. Are there no cheques of 1888? This won't do. There is no bank book or banking account of Nicholas Connolly's for 1888.—A. He did not have any. It shows a balance of $64.60 to his credit in the Bank of British North America.

By Mr. Geoffrion :

Q. He must have opened accounts in some other bank?—A. That is the only account in Quebec.

Q. A man who paid $33,000 to Mr. Thomas McGreevy on the 25th February last has no bank account!—A. A man who did that must have had a banking account, probably; but Mr. Nicholas Connolly has none other than this.

By Mr. Osler:

Q. You say Mr. Nicholas Connolly received from the firm in March, 1888, $7,195. Has he had that in his pocket ever since?—A. No; probably he got a deposit receipt for it.

Q. That indicates a banking account?—A. He would not have a bank account if he got a deposit receipt.

By Mr. Tarte:

Q. There is something wrong about it. He has been paid $2,000. Where did he get the money?—A. I don't know that he paid money. If he paid money he must have got it.

Q. You have made that entry there yourself, that he paid the money?—A. It would not necessarily follow. I knew where he got the money. If he paid it in, I made an entry he paid $2,000. I must have been told, but don't know myself.

By Mr. Davies:

Q. Do I understand from you that there is an entry made by you showing that money was paid by Nicholas?—A. Yes.

Q. Read it?—A. "Quebec, March 8th, 1888: Esquimalt Dock Dr. $2,000; to N. K. Connolly, $2,000 for amount paid by N. K. C. from his private fund on account of B. C. Dock as agreed, $2,000."

By Mr. Mills:

Q. As agreed with whom?—A. The members of the firm.

By Mr. Geoffrion:

Q. Had Nicholas Connolly any account in the Savings Bank Department of this Bank—the Bank of British North America?—A. This is the only account Mr. Nicholas Connolly had in Quebec, with the exception of that in the Bank of British North America on account of the firm's business in probably 1889 or 1890.

By Mr. Osler:

Q. You are wrong in saying all the cheques are here. See if you can find any cheques for 1888? Get me the cheque for instance of March 8th, 1888, for $2,000?—A. I find nothing to represent the cheques.

Q. Look at the last page of the book and you will see a cheque to N. K. C. for $2,200 apparently on March 8th, which is about the date in question, and one of $4,000 on March 14th. We have him depositing to his credit the cheque you gave him and we have against that on the other side, three one hundreds, one thousand, one 2,200, another of four thousand, and another of one thousand to Mr. Hume. The cheque of $2,200 is to his own initials, but the four thousand is to a broker. Now those cheques are not produced, will you tell me also where is N. K. Connolly's private cash book, it is not produced here. This entry "N. K. Connolly shortage and private use $723.27. Amounts disbursed by N. K. C. on firm's account taken from cash book, folio 237-9, out of cheques withdrawn by him and not already credited." That is your written record of a private cash book of N. K. Connolly's that is not produced here. Will you explain it?—A. December the 31st, 1886; I do not remember.

Q. That is your entry of items taken from private cash book of Nicholas Connolly?—A. No; that entry is taken from a private——

Q. You see it is a pretty large cash book; these are extracts from folios 237 and 239?—A. Well, I don't remember that cash book now.

Q. Did you remember it on the previous occasion? You see you have seen it and taken extracts from it. Is it just this morning it is gone from you? I can show you other entries where you have taken extracts from that private cash book, from Larkin, Connolly & Co.'s books. Now, will you give some explanation of that? It is clear there was a cash book.—A. Yes; there must have been one.

Q. It is clear this cash book had a considerable number of the pages occupied? —A. Yes.

Q. It is clear to me you had it in your own hands, and from that you carried a balance $723.27 on the 31st December, 1886, to N. K. Connolly's credit. This shortage and private account you carried it to his credit?—A. No, sir; it was charged to his debit.

Q. You charged him with the cheques and you credited him with private disbursements on the part of the firm and he owed the firm $723.27. Now, you have not produced that book?—A. I don't know that I have; I must look up the books and see.

Q. Since you are relieved from immediate attendance you must look up the books. I am told there is such a book.

Mr. GEOFFRION.—Will you also look up an entry which may refer to the following, dated March 11th, 1886, where Mr. Thomas McGreevy writes to his brother Robert:— "I enclose you the amount of estimate for December and January; the January one includes the new system of measurement. The advance, $20,000, on drawback has been passed and will be sent at once to B. C.; the amount of estimate for February has not been telegraphed yet; I will let you know when it comes."

By Mr. Cameron, Q.C.

Q. You have spoken of certain payments made apparently by way of commission to the inspectors for dredging and other work in Quebec?—A. Yes, sir.

Q. So far as you are aware, had Captain Larkin ever any knowledge or information of anything of the kind?—A. No, sir; he had not.

Q. You have referred to the audits that took place. How many audits did you take part in?—A. Four, I think.

Q. At how many of those was Captain Larkin present?—A. It is impossible for me to say. I think he was absent from some.

Q. Where—in British Columbia?—A. I could not tell you where he was.

Q. The first audit in which you took part, I believe, was in the spring of 1885, soon after you entered the employment of the firm?—A. Yes.

Q. What years did that audit cover?—A. I think it was 1883 and 1884—up to the 1st of April, 1885.

Q. You, yourself, had not been book-keeper for the firm prior to the 1st of January, 1885?—A. No, sir.

Q. Did you take part in making up the balance sheet and audit for the year or two prior to the time you entered the employment of the firm?—A. Yes, sir.

Q. Who else participated in that work?—A. Mr. Kimmett and Mr. Hume.

Q. It has been stated that Mr. Kimmett had a power of attorney from Captain Larkin to represent him at the audits. Did you ever see that power of attorney?—A. I do not remember having seen it.

Q. Was it not amongst the firm's papers—was it not left there?—A. I do not think so.

Q. At that audit in the spring of 1885, was there a discussion between Murphy, the accounting partner, and Mr. Kimmett, as to an item of $25,000.?—A. There was a discussion as to two items, one $25,000 and the other $22,000.

Q. What discussion took place between Mr. Murphy and Mr. Kimmett on that occasion?—A. I do not remember exactly what took place. I was in what we call the inside office, and I remember Mr. Murphy and Mr. Kimmett having hot words over the producing of some vouchers.

Q. Did Mr. Kimmett object to these items, or either or both, being charged to the firm?—A. I said he objected.

Q. Until the vouchers were produced?—A. Yes; or some satisfactory explanation given.

Q. Did Mr. Murphy at first refuse to either produce vouchers or give explanation?—A. I understood so, from the fact that that was the cause of the quarrel.

Q. Did very strong words pass between them?—A. Yes; I remember the lie passed between them.

Q. Did Mr. Murphy ultimately produce any vouchers or ultimately give any information?—A. He produced the notes that are here exhibited.

Q. I believe on one of these series of notes Captain Larkin's name appears?—A. I think so.

Q. On the production of these notes did Mr. Kimmett allow the item to pass?—A. Yes. He put them together and I think endorsed them with a green pencil to the different works they seemingly appertained.

Q. Was Captain Larkin present in Quebec at the time?—A. I think not.

Q. Was Captain Larkin often in Quebec?—A. Not very often.

Q. Did he take any active part in the management of the business in Quebec?—A. No, sir.

Q. Did he ever examine the books in Quebec?—A. Not personally.

Q. Not personally. How otherwise do you mean?—A. Through his clerk, Mr. Kimmett.

Q. Mr. Kimmett was auditing the books on behalf of the firm generally, I understand, but with special authority to represent Captain Larkin?—A. That is how it was.

Q. Did Mr. Hume represent any one in particular?—A. No, sir. All that he represented was the firm.

Q. He and Kimmett were the joint auditors, but Mr. Kimmett had special instructions from Captain Larkin to represent him, as he was not superintending the works?—A. I understood he was there on Captain Larkin's behalf.

Q. You say that Captain Larkin took no active part in the management of the firm—he never interfered with it?—A. Not to my knowledge.

Q. That is from the 1st of January, 1885?—A. Yes, sir.

By Mr. Geoffrion:

Q. The first audit was in 1885?—A. The first that I was present at.

Q. Where was it?—A. In the office of the Graving Dock at Lévis.

Q. You say that Mr. Kimmett made a mark on the notes with a green pencil?——A. Yes; with a green pencil.

Q. That is six years ago?—A. Yes.

Q. You could not remember much yesterday, but you can remember now the colour of the pencil?—A. I saw the notes here the other day and recognized his handwriting at once.

Q. So, it is not because you saw it then, but here?—A. I remember seeing it at the time, too. I remember we had a green pencil, and the check mark showed through the books.

Q. Was Captain Larkin present on the occasion of the division of the $31,000 on the 8th March, 1888?—A. I do not remember.

Q. There was no green pencil there; you do not remember?—A. I do not remember.

By Mr. Stuart:

Q. Are these the notes to which you have just referred (Exhibit "W7")?—A. Yes; here is the green pencil mark on the back in Kimmett's handwriting.

Q. Were they all fastened together at the time, do you recollect, as being vouchers for that item?—A. I do not recollect whether they were so fastened or not.

Q. Do you recollect whether Michael Connolly was aware of the payments to the inspectors, as far as you know?—A. No; I do not.

Q. You do not know?—A. I do not know whether he was aware of the payments.

Q. I understood you to say these payments were originated by Murphy ?—A. Yes, sir.

Q. It was he who started the scheme and made the payments up to 1887 ?—A. Yes. That is the way I understood it.

Q. Have you got the ledger containing the entry of these notes for the first $25,000 ? Read me the entry referring to the first of these notes where it is charged to Michael Connolly ?—A. There is an entry "G3," page 299, debit of $5,000 on May 14th, 1883, to Michael Connolly.

Q. Is there any other note or any other entry in the books other than that against Michael Connolly for which this cheque of 14th May, 1883, for $5,000 could have been given ?—A. No. This entry here on May 14th, refers to that cheque.

By Mr. Geoffrion:

Q. Is not the drawback which I asked you to verify as mentioned in the letter of the 11th March, 1886, paid and received by the firm on the 25th of March, 1886 ? —A. Yes ; I find it in Exhibit "R3" "March, 25th drawback $20,000."

Mr. L. J. Riopel sworn.

By Mr. Geoffrion:

Q. You live in Quebec ?—A. Part of the time in Quebec and part of the time in New Carlisle.

Q. I think you have been connected with the Baie des Chaleurs Railway ?—A. I have.

Q. Are you still connected with that company ?—A. No.

Q. In what capacity were you connected with that company ?—A. I have been managing director for part of the time.

Q. For how many years ?—A. Four years.

Q. As managing director, were you in charge of the books and papers of the company ?—A. No.

Q. Had you some of the papers of the company in your possession ?—A. I had.

Q. Who was in charge of the books of the company ?—A. The secretary.

Q. Who is he ?—A. L. A. Robitaille.

Q. Where does he live ?—A. Quebec.

Q. Did you have in your possession a certain agreement between C. N. Armstrong and Robert McGreevy, which was mentioned yesterday by Mr. Armstrong as having been left in your possession after having been signed ?—A. There was an agreement signed by Mr. Armstong and Mr. Robert McGreevy which was in my hands. It passed through my hands during the year 1886.

Q. You have seen the document which was in your hands ?—A. At the time ?

Q. Yes.—A. I have seen it.

Q. Did you sign it yourself ?—A. I did.

Q. Was there any other names on it besides Armstrong, Robert McGreevy and your name ?—A. There was the signature of the Hon. Thomas McGreevy.

Q. Who else ?—A. The Hon. T. Robitaille.

Q. He was then the president of the company ?—A. Yes.

Q. Are those all the names you can remember ?—A. That is all the names there were.

Q. Do you know where that document is now ?—A. No.

Q. When did you last see it ?—A. At the time.

Q. How long did it remain in your hands ?—A. It never remained in my hands. It passed through at the time it was signed.

Q. You were the custodian of the papers ?—A. I handed it to Mr. Robert McGreevy immediately after the signatures were made. It was left with him. I had it no more than anybody else. It was on the table, and I know it was handed to him at the time.

Q. It was not in duplicate ?—A. No.

Q. Did you keep a copy of the document ?—A. I had notes of the contents of the document, but I have not got them now. A memorandum had been made up of the contents of the document.

Q. Can you say where that memorandum is ?—A. It was left with Mr. Robert McGreevy.

Q. The memorandum itself ?—A. No; that has been destroyed. I had no object in keeping it.

Q. Can you remember what was the purport of the document ?—A. It was the agreement between Mr. McGreevy and Mr. Armstrong.

Mr. OUIMET.—Would it not be better, if there is a document, to have it produced by Robert McGreevy.

Mr. ROBERTH MCGREEVY recalled.

By Mr. Geoffrion

Q. You are already sworn ?—A. Yes.

Q. You have heard the witness mention a document signed by you. Did you make a search for that document ?—A. I never had it, except at the moment I signed it. My impression is that Mr. Riopel or the Hon. Mr. Robitaille kept it.

Q. You haven't it in your possession ?—A. I never had it really in my possession at all. I signed it and got my brother to sign it, and left it with them.

Q. Have you been making search for that document ?—A. I could not search, because I never had it.

Q. Where was it signed ?—A. In Ottawa.

Mr. RIOPEL'S examination resumed.

Q. Where was the document signed ?—A. In the Parliament Buildings, Ottawa.

Q. What Department ?—A. In the Tower Room. I used to keep my books and papers there.

Q. Will you state to the Committee what you can remember of that document ?—A. It was an agreement between Mr. McGreevy and——

Q. Which McGreevy ?—A. The two gentlemen named just now—that is, Thomas and Robert, whereby they agreed to transfer their interest in the company—that is, their stock—and all their interest. The consideration was that Mr. Armstrong was to pay $50,000 cash and $25,000 in bonds of the company.

Q. Is that all you can remember ?—A. That is all there was. The Hon. T. Robitaille and myself signed individually that we would endeavour to see the agreement carried out. That is the reason why our signature was to it.

Q. You were a party to it ?—A. No; we were more witnesses than anything else.

Q. You say $50,000 was to be paid in cash—you mean in money ?—A. Yes.

Q. Was it paid then and there, or by instalments ?—A. By instalments, as far as I recollect.

Q. Was it to be paid out of certain special funds ?—A. No; there was nothing specified about the way of payment.

Q. Was it not to be paid gradually, as the subsidies were paid by the Government—part of it anyway ?—A. I do not recollect that.

Q. Will you swear that that money consideration was paid ?—A. I do not know, but I understand there has been some of it paid.

Q. You say that the two Messrs. McGreevy were selling their interest in the company ?—A. Yes.

Q. Do you know how much money Thomas McGreevy had put into the concern ?

Mr. STUART objected, but the objection was overruled.

A. He had, I think, $50,000 of the stock. Between the two brothers they had $75,000.

Q. That is not exactly an answer?—A. I am not done with my answer. The 10 per cent. of the stock had been paid by notes. He had acted as president for the company for two or three years, had gone to some expense in attending meetings, travelling, and looking after the business of the road. There were disbursements made for the purpose of making the service, and there was work done and plant supplied for the work. I don't know but I have understood that Mr. Thomas McGreevy or Mr. Robert were together. As far as we were concerned, we made no distinction between the two. Instructions were at once given to Robert McGreevy to go on with the work, and he did go on with the work of building the road.

Q. You say he had been put to expense for meetings. Where did the meetings take place?—A. Some at Baie des Chaleurs.

Q. Several?—A. Two, I think.

Q. And did he attend both?—A. I think he did the two.

Q. When was it?—A. I think in 1883 and 1884, or 1884 and 1885.

Q. You say that Mr. Thomas McGreevy had shares of $50,000. Is it not true that at the time of this agreement Thomas McGreevy sold and transferred all his shares to his brother Robert?—A. I don't recollect whether it was before or after, but I know that a direction was put, as far as Mr. Amstrong was concerned, in this agreement, that Mr. Robert McGreevy was the party with whom the transaction was to be carried out. Mr. Thomas may have transferred previous to that.

Q. As a matter of fact, you don't know?—A. No.

Q. You say that 10 per cent. on the shares subscribed had been paid by notes. Were those notes paid?—A. Yes.

Q. By whom?—I don't speak of the other shareholders; I speak of Thomas McGreevy?—A. They were not paid by him.

Q. By whom were they paid?—A. They were paid by cheques by the Hon. Theodore Robitaille and myself.

Q. Cheques signed by the Hon. Theodore Robitaille and yourself?—A. No; they were in our favour.

Q. That were drawn in your favour?—A. Yes.

Q. Who were the drawers?—A. The Baie des Chaleurs Railway Company.

Q. So the shares were paid by the company, then?—A. No; they were not.

Q. Well, they were paid by cheques signed by the Baie des Chaleurs Railway Company?—A. They were paid by the Hon. Theodore Robitaille and myself.

By Mr. Geoffrion:

Q. You say they were paid by cheques drawn by the Baie des Chaleurs Railway Company?—A. Paid by the Hon. Mr. Robitaille and myself, and they were paid by cheques, and these cheques had been drawn in our favour by the Baie des Chaleurs Railway Company.

Q. I want to know from what funds these cheques were drawn?—A. From what funds?

Q. Yes; you say the company drew the cheque?—A. Yes.

Q. These cheques were drawn then upon funds belonging to the company?—A. Yes.

Q. On what bank?—A. It was a private bank—the Richelieu District Bank.

Q. That is Mr. Taillon, the money lender, of Sorel?—A. Yes.

Q. I want to know from what funds belonging to the company these cheques were drawn, and I want to know whether the company was drawing upon its own money or somebody else's for the purpose of making these cheques good?—A. The company had this amount at its credit.

Q. If it was at its credit, was it the property of the company?—A. That money was the money of the company.

Q. So it is as I said—the company paid its own shares?—A. Well, the company could not make a payment unless it had that money at its credit.

Q. What I want to make out is, that a corporation cannot pay its own shares, cannot hold its own shares, and I am trying to ascertain from you whether the

company paid its own shares or whether the shareholders paid for them?—A. It was not the company who paid its own shares. I told you it was the Hon. Theodore Robitaille and myself. Cheques had been issued in our favour by the company and this money was to our credit. This money was paid to our credit by the company, and the payments that had been made were made out of a deposit made with the Richelieu District Bank, and the notes were paid out of the deposit.

Q. Who made the deposit with Mr. Taillon, or the Richelieu Bank, as you call it?—A. I don't know, directly.

Q. As this money was in to your credit, do you not know who made that deposit to you?—A. There were accounts against the company by the Hon. Theodore Robitaille and myself, which had been accepted by the company. This account was a claim which we had against the company. The amount of our claim was credited to us with the Richelieu District Bank, and out of this amount the payments of the notes were made.

Q. So, if I understand you aright, you and the Hon. Mr. Robitaille have had accounts against the company?—A. Yes.

Q. These claims were passed by the company—admitted as good?—A. Yes.

Q. Then the company became your debtors?—A. Yes.

Q. And to enable the company to pay their debt to you and Mr. Robitaille, money was deposited with Richelieu Bank?—A. Yes; that is, a credit was established.

Q. Cheques were drawn by the company to pay in your account?—A. Yes.

Q. And with this you bought the notes of Mr. McGreevy?—A. That is we discharged the amount of those notes.

Q. What was the amount of those notes?—A. Ten per cent. of $75,000.

Q. You not only paid Thomas McGreevy's notes, but Robert McGreevy's?—A. Yes.

Q. How many directors were there in the company?—A. Seven.

Q. Who were the directors at the time your accounts were passed by the Board?—A. Hon. T. Robitaille, Louis Robitaille, myself, Mr. Robert McGreevy, Mr. François Giroux and Mr. Octave Martin.

Q. And Mr. Thomas McGreevy?—A. I am not sure if he was then.

Q. When was this?—A. I think it was in the spring of 1886.

Q. I think Mr. Thomas McGreevy was director at the time?—A. His name completes the list of directors—seven in all.

Q. Can you say when these notes were paid?—A. In 1885, I think.

Q. It was in 1885 when the notes were paid?—A. Yes.

Q. So that the resolution of the Board at which your accounts were passed must have been passed also in 1885?—A. Yes.

Q. What were these claims you and Mr. Robitaille had against the company, and for what amount?—A. Is it obligatory upon me to answer?

The CHAIRMAN.—You must answer.

Q. As you paid $7,500, I would like to know if those claims amounted to that?—A. My claim was $5,000.

Q. And Mr. Robitaille's?—A. His claim represented himself and his two brothers, A. Robitaille and Louis Robitaille. The amount was $25,000.

Q. What were they for?—A. For disbursement for services rendered in the connection with the Baie des Chaleurs Railway up to 1882, previous to the obtaining of the present charter. It was expenses incurred under the old charter of 1872.

By Mr. Amyot:

Q. Is there a detailed account in the hands of the company for those charges?—A. There is an account; it is not a detailed account.

By Mr. Lavergne:

Q. What is the amount of your disbursements?—A. We had not kept a statement of the disbursements. In attending to this enterprise we have had a great deal of work and great deal of trouble—a great many disbursements of all kinds.

By Mr. Amyot :

Q. Anxiety?—A. It is all very fine, but the promoters of railway enterprises who attend to them for a number of years are well aware that a great many disbursements have to be made before you can come to success. We have not got a detailed account, but we incurred a great deal of expense. A great deal of time was spent for the purposes of the undertaking.

By Mr. Geoffrion :

Q. Were these amounts allowed in whole or in part?—A. Yes.

Q. You received a cheque for $5,000, and Mr. Robitaille a cheque for $25,000? —A. Yes.

Q. Those cheques were paid?—A. Those cheques were deposited with the Richelieu District Bank.

Q. You had the cash for them; they were good; they were presented by you and duly honoured?—A. Yes.

Q. And you kept the cash. You did not re-deposit it?—A. I did not say that.

Q. Well, the cheques were honoured?—A. Yes.

Q. Were they honoured with cash?—A. I do not know. I know the cheques have been honoured by the Richelieu District Bank, and the amount for which the cheques were drawn was allowed, and the notes were delivered on the payment of these.

Q. The notes disappeared—they were paid?—A. The notes were paid.

Q. This was done in 1885?—A. In 1885.

Q. What part of the year?—A. I do not recollect.

Q. In the fall of 1885—but was it not after some meeting of the Board?—A. There were several meetings of the Board. I do not recollect the time of the year. It is, however, in the book.

Q. It was a long time previous to the contract being signed with Armstrong?— A. Yes; several months, perhaps a year.

Q. Will you now take communication of a protest by the Hon. Thomas McGreevy to the Hon. T. Robitaille, dated 23rd January, 1886, which reads as follows:—

(Exhibit "J12.")

"On the twenty-third day of January, in the year of Our Lord one thousand eight hundred and eighty-six.

"At the request of the Honourable Thomas McGreevy, of the city of Quebec, a member of the House of Commons of Canada, I, the undersigned Notary Public, duly commissioned and sworn, residing at the city of Quebec, went to the Russell House, situated in Saint Lévis Ward of the city of Quebec, the residence of the Honourable Theodore Robitaille when in the city of Quebec, pretended President of the Baie des Chaleurs Railway Company, and then and there being and speaking to the said Theodore Robitaille, I did, as by these presents I do, signify and make known unto the said Theodore Robitaille as such pretended President.

"That whereas, by the Statute forty-fifth Victoria, chapter fifty-three, of the Province of Quebec, the said Thomas McGreevy together with the said Theodore Robitaille and others became incorporated under the name of "The Baie des Chaleurs Company," with a capital of three million dollars, divided into sixty thousand shares of fifty dollars each, whereof six thousand shares have been subscribed for, amounting to three hundred thousand dollars, and the same are now held in the names of the following parties to wit:—Thomas McGreevy, one thousand shares; Louis Robitaille, fifteen hundred shares; Robert H. McGreevy, five hundred shares; L. J. Riopel, fifteen hundred shares; Joseph Giroux, ten shares; Louis A. Robitaille, fourteen hundred and ninety shares.

"And whereas, the number of shareholders are insufficient in number to elect directors.

"And whereas, the directors of the said company have not been legally appointed, there having been no meeting called for their election, pursuant to the seventh section of the Statute aforesaid.

"And whereas, the said Directors have called a special general meeting of the shareholders of the said company to be held at the company's office, No. 4 Buade Street, Quebec, on the twenty-fifth day of January instant, for the transaction of most important business, and amongst others the issue of bonds and the construction of the said line of railway.

"And whereas, it is provided in the charter of the said company that no one shall be elected Director of the said company unless he be a shareholder holding ten shares of the capital stock of the company, and unless he has paid all the calls due thereon.

"And whereas no part of the stock subscribed for as aforesaid has been paid by the parties subscribing for or holding the same, but on the contrary the call thereon of ten per cent. is represented by the promissory notes of the parties holding the said shares.

"And whereas the providing of the said company hitherto have been illegal, and that the special general meeting called as aforesaid is also illegal.

"Therefore, the said Thomas McGreevy doth hereby signify and make known unto the said Theodore Robitaille that he entirely disavows the acts and doings of the Directors of the said Baie des Chaleurs Railway Company, and further protests against the transaction of the business contemplated at the general special meeting of shareholders of the said company, advertised to be held as aforesaid, and hereby notifying unto the said Theodore Robitaille that he the said Thomas McGreevy will hold him personally liable for all costs, losses and damages suffered or to be suffered for any acts already done or which may be performed illegally in connection with the said Railway under the present illegal organization of the said company.

"Thus done and signified as aforesaid on the day and year first above written, under the number eight thousand seven hundred and thirty-two of the Minutes of the undersigned Notary having left with the said Theodore Robitaille, speaking as aforesaid, an authentic copy of these presents for signification of the premises.

(Signed) "HENRY C. AUSTIN, *N.P.*

"A true copy of the original remaining of record in my office.

"HENRY C. AUSTIN, *N. P.*"

Q. Have you seen that protest before?—A. Yes.

Q. Are the allegations contained in it true or not?—A. Most of them are not true.

Q. Was the Hon. Thomas McGreevy then aware you had paid $7,500 for him and his brother?—A. I cannot say.

Q. Are you in the habit of paying large amounts of that kind for people without letting them know?—A. No.

Q. Have you any doubt that Hon. Thomas McGreevy was made aware that the notes subscribed by him for stock were paid?—A. I do not know.

Q. Was it not the result of some agreement that you paid these notes?—A. No.

Q. You did this of your own accord?—A. Yes.

Q. For the pleasure of doing it?—A. For the sake of regularizing the proceedings.

Q. Hon. Thomas McGreevy did not put in a cent of money to pay for his shares himself?—A. Mr. McGreevy as I told you before, had gone to some expense, and some work had been done.

Q. On the payment of the stock itself I explained sufficient to you.

Q. Did the Hon. Thomas McGreevy present a claim to the company for that work?—A. There has been a claim presented, but not by Hon. Thomas McGreevy. I stated before that Mr. Robert McGreevy did everything in connection with this.

Q. Is it not a fact that Robert McGreevy alone did the work on this line, and Thomas McGreevy had nothing to do with it?—A. We always understood that what Mr. Robert McGreevy was doing was jointly with his brother.

Q. So, in transacting business with Robert McGreevy you were transacting business with Thomas?—A. Yes; one or the other; they seemed to have a common interest.

Q. Did you have any valuation or estimation made of the work by Robert McGreevy before paying it?—A. He filed an account.

Q. For how much?—A. It is $3,000 or $5,000.

Q. For work done?—A. Yes.

Q. And though he claimed between $3,000 and $5,000, you paid $7,500. That must be a rich company?—A. The settlement that was made with Robert McGreevy was subsequent. The amount was not paid, and I did not say the amount was paid. The amount paid on the notes was paid previous to the fyling of this account, I think. I did not say the account had been paid.

Q. It cannot be in consideration of the notes being paid. His notes were paid without consideration at all; since the work you have mentioned was subsequently paid for?—A. As to the notes, I think I have made it plain enough as having been paid with work or with a claim he had against the company. I explained that to you.

Q. But you have not been clear?—A. I have said the notes were paid out of other claims.

Q. What did Mr. Robert McGreevy give for his shares?—A. I have answered that.

Q. Nothing?—A. I do not know.

By Mr. Lister:

Q. Did he not give notes?—A. He gave notes for his share.

By Mr. Geoffrion:

Q. And he did not pay his note?—A. I don't know whether he paid for his note or not.

Q. Did you make any charges against Mr. Robert McGreevy, or Mr. Thomas McGreevy, for having paid these notes for them?—A. These claims were credited. I would have to refer to the book of the company to know whether this amount had been charged in the books, or whether it was in Mr. Armstrong's agreement, before I recollect.

Q. You don't know where those books are?—A. In the hands of the company.

Q. Are you not aware that these accounts opened with the Richelieu District Bank were opened by Mr. C. N. Armstrong?—A. I have understood so. I know he had some connection with them.

Q. He attended to these?—A. Yes.

Q. Mr. Armstrong lives in Sorel also?—A. Yes.

Q. All the information you had in connection with Mr. Taillon was through Mr. C. N. Armstrong?—A. And with his own letters.

By Mr. Mulock:

Q. You say that Thomas and Robert McGreevy subscribed for $75,000 of stock?—A. Yes.

Q. And they gave notes for 10 per cent.?—A. Yes

Q. $7,500?—A. Yes.

Q. And that was the amount, therefore, that was paid by you and Mr. Robitaille in the way you have mentioned?—A. Yes; these are the amounts.

Q. The amount you paid for these two gentlemen was $7,500?—A. Yes.

Q. Being 10 per cent. of their subscriptions?—A. Well, I understand that was it—yes.

Q. You say that Mr. Thomas McGreevy had a claim against the company ?—A. I did.

Q. Which made it up to $7,500 ?—A. No ; I did not say that.

Q. When you were asked whether you paid his notes, you said it was because he had claims against the company ?—A. No ; I said I did not recollect. The notes I think were paid previous to the account being filed. It had nothing to do at all with the account itself.

Q. Did you not mention, when you were asked if you had claims against the company, 'Yes, that he had been president for two years' ?—A. No ; I was saying what claims he might have. I stated what he had done.

Q. I thought you were asked whether you made these payments to him, and you proceeded to show that Mr. Thomas McGreevy had claims ?—A. I stated that it was wanted to regularize the proceedings. That was the reason we made the payment.

Q. You mentioned he had been president of the company for two years ?—A. Yes.

Q. You mentioned he had incurred travelling expenses going from here to Baie des Chaleurs on two occasions.—A. Yes.

Q. And he mentioned he had disbursed some moneys in connection with the service ?—A. Well, I don't know if he has disbursed money ; he has been attending and looking after it.

Q. You mentioned it ?—A. Yes ; I mentioned the things he had to look after.

Q. Did he render a detailed account of claims against the company ?—A. No.

Q. Then you have paid $7,500 for Thomas and Robert McGreevy, have you ?—A. Yes.

Q. You and Mr. Robitaille. Have you been paid that back ?—A. No ; not by them.

Q. By any body ?—A. We have not.

Q. Do they owe it to you ?—A. They do not.

Q. Then you gave it to them ?—A. We made the payment for the sake of regularizing the proceedings, and we entered into a contract with Mr. Armstrong. The contractor was to get his stated sum and a certain interest in the road. We have over three years proceeding with the construction of the road, and we have been obliged to give up our position in this company. We have transferred our interests.

Q. Now, come back to my question ?—A. Well, that is the answer. The only thing we have out of this in the way of payment is what we have received in selling our interest in the road.

Q. I am not asking you anything about that ?—A. That is all I have received.

Q. I am not asking what you have received. I am now wishing to know whether you gave this $7,500 to pay notes of Thomas and Robert McGreevy solely for the purpose of regularizing the proceedings of the company ?—A. Well, yes ; it was for the purpose of regularizing the proceedings, and settling everything in the way of difficulties.

Q. Will you explain what you mean "by way of settling everything in the way of difficulty ?"—A. You have read a protest just now ?

Q. Yes. Then the whole consideration for your paying the $7,500 for other people was to regularize the proceeding ?—A. Yes ; at the time of the payment, and the matter was left in abeyance since.

Q. What matter ?—A. The matter of the notes.

Q. How was it left in abeyance ? The notes were paid.—A. The amount was to our credit with them.

Q. The amount of your claim against the McGreevys ?—A. Yes.

Q. Then they were still your debtors ?—A. They would have been.

Q. Did you not tell me a moment ago they did not owe you anything ?—A. I did.

Q. Then, how could this remain to your credit against them, if they did not owe you?—A. Because we have settled everything in connection with this road and these matters were included with the rest.

Q. I see. If they paid this out they were to repay you this $7,500?—A. There was no agreement about it.

Q. Did you expect to get a repayment of the $7,500?—A. Well, we did not after Mr. McGreevy withdrew from the company.

Q. At the time you made the payment did you expect to be repaid?—A. We had a right to expect to be repaid.

Q. Did you expect it?—A. Certainly.

Q. Then, do you say it was payment made at the request of the McGreevys, or either of them?—A. I think so.

Q. Was it made, then, with at their request?—A. It was paid at their request.

Q. You spoke of difficulties, and this was to settle all the difficulties to which you referred?—A. Well, in order to proceed with the work and have everything legal and regular we thought it was proper to have 10 per cent. paid.

Q. Be candid, now. Let us know exactly. Do you tell the Committee that this $7,500 was made as a present to the McGreevys?—A. I do not say that at all. I say that we had a right to expect we would be repaid.

Q. In some way or other, you expected to get the value back again?—A. Certainly.

Q. What form did you expect it to be repaid to?—A. In any way at all it would come.

Q. In any way?—A. Yes. It might come in several ways. We were jointly interested in the company, and we had a right to expect that the money would come back.

Q. What certain sum had you in prospect? The company was just getting on its feet again.—A. It had had its charter for three years.

Q. What was your financial basis for carrying on the work?—A. We had local and federal subsidies.

Q. Had they been voted then?—A. Yes. We had also bonuses from the municipalities to secure a free right of way, and we had the bonding power of the company. We always considered, and I still maintain, that that was sufficient to carry out the undertaking.

Q. I suppose there were conditions in the various subsidies that the work had to be begun and carried on with a certain amount of despatch?—A. Undoubtedly so.

Q. And if these difficulties had not been smoothed over you might have lost some of these subsidies, I suppose?—A. I do not say there was anything of the kind.

Q. If the company had not been legally organized, what would have become of the Government subsidies?—A. If the company lapsed the subsidies lapsed.

Q. Then there were conditions that the work should be proceeded with a certain amount of despatch?—A. There were, and these conditions had been amended.

Q. By Act of Parliament?—A. By Act of Parliament.

Q. When was the first amendment to the Dominion subsidy?—A. I do not recollect; it is in the statute.

Q. What was the nature of that amendment?—A. There was an extension of time for the obtaining of the subsidy.

Q. What year was that legislation?—A. There was legislation, I think, in 1886 and 1888.

Q. The first legislation extending the time took place in 1886?—A. That is the extension of the time for the payment of the subsidies.

Q. Now, it was material to you to get these difficulties removed?—A. Which?

Q. To get the company organized. It was material that you should get the difficulties removed?—A. Which difficulties?

Q. The difficulties mentioned in the protest and in your evidence?—A. The statement in the protest is not true.

Q. Then you were to get this $7,500 recouped in some way?—A. We had reason to expect it would be recouped.

Q. How did you expect it to be recouped?—A. I have stated in one way or another. When we were all working together I had reason to expect it would be recouped.

Q. In what various ways were you expecting it would be recouped to you?—A. In any way you like to place it from a business point of view; in the ordinary transactions which might take place.

Q. Had you no definite aims in view?—A. No.

Q. You believed, then, it would come back to the company because of the payments?—A. Surely when we held the note we had a right to expect that it would be paid.

By Mr. Amyot;

Q. What was the amount of money deposited by the company in that bank?—A. The credit of the company was $30,000.

Q. I am not speaking of the credit of the company. I want to know what was the amount of cash—money deposited in the bank?—A. We had been informed by Mr. Taillon—the Richelieu District Banking Co.—that the amount was there to the credit of the company. We drew upon it and the cheques were discharged.

Q. What was the amount deposited in cash by the company?—A. I cannot say what was the amount.

Q. You do not know if there was one cent deposited by the secretary-treasurer of the company coming from the subscriptions for shares?—A. No.

Q. So, after all, the whole transaction amounts to this: You gave credit to the company for $5,000 and the $25,000 which you and Mr. Robitaille claimed as owing to you by the company, and the company gave credit to Mr. McGreevy for the notes of $7,500. There was no changing of money from hand to hand?—A. No; there was not. There are two questions put together there. I answered the last part of the question.

Q. No money changed hands?—A. No.

By Mr. Davies;

Q. I understood you to say that the amount of stock was $3,000,000. Was it all subscribed?—A. Ten per cent. was subscribed.

Q. That is $300,000?—A. Is it?

Q. Was that right?—A. Is it.

Q. Well, I am asking you the question?—A. Ten per cent. on $3,000,000—is it $300,000?

Q. Have you any reason to doubt it? $300,000 was subscribed.—A. Ten per cent.

Q. Did all the subscribers pay the amount of their shares?—A. Ten per cent. was subscribed.

Q. How much did you give notes for?—A. On the 10 per cent. of the amount subscribed.

Q. And the subscribers gave their notes for the 10 per cent. of the amount subscribed?—A. Yes.

Q. These notes united amounted to $300,000?—A. They did.

Q. So that, as a matter of fact, not a cent was paid up. Those notes were paid in the same way as you paid McGreevy's?—A. Yes.

Q. At this time you were a member of Parliament?—A. I was.

Q. When did you become a member of Parliament?—In 1882.

Q. Until when?—A. Until this last election.

Q. Who was Mr. Robitaille—was he a senator?—A. He is a senator.

Q. And was a senator then?—A. He was part of the time.

Q. What part of the time?—A. I think he was made a senator in 1885.

Q. So that you had Senator Robitaille, President of the Board in 1885-6, Mr. Riopel, M.P., and Mr. McGreevy, M.P., as directors?—A. Yes.

Q. When was the subsidy voted by the Dominion Parliament to your road?—A. In 1884.

Q. What office did Mr. Robitaille then hold?—A. I do not think he had an office at all; I do not think he had stock then.

Q. That subsidy was not paid?—A. No.

Q. When was the subsidy that was paid voted?—A. There was a subsidy voted in 1882 of $3,200 per mile. There was another subsidy voted in 1884 of $3,200 per mile, to be applied for work on the first 100 miles. In 1885 this money was transferred to the company. These are the two subsidies obtained from the Federal Government.

Q. Transferred by whom?—A. By the Government.

Q. Do you mean paid over?—A. $300,000 were voted to build the first 20 miles as a Government work. The following year the subsidy was conveyed to the company.

Q. That is, in 1886?—A. In 1885.

Q. Was it paid to the company?—A. Not all of it.

Q. Any part of it, and what part of it?—A. Of the whole subsidy?

Q. Of the $300,000?—A. It is nearly all paid up.

Q. What was the whole amount of subsidy?—A. $300,000.

Q. I want to know what was the whole amount of the subsidies voted to that company. I am speaking of the Federal subsidies?—A. $320,000 for 100 miles, at $3,200 per mile, which was voted in 1882. In 1884, $300,000 were voted by Parliament to build the first twenty miles as a Government work, and in 1885 this same amount was voted as a subsidy to the company. Do you want to know what part of the subsidy has been paid since?

Q. You say $300,000 was voted in 1885 as a subsidy to the company itself, and besides that there was $300,000 which the Government voted to expend on this road?—A. No.

Q. How much money have you drawn altogether from the Federal Government?—A. It is over $500,000.

Q. That is, paid by the Federal Government to you?—A. To the company.

Q. How many miles have been built?—A. Sixty miles estimated by the engineers of both Governments—Local and Federal—at $30,000 at the time.

Q. In 1886 you were a member of Parliament, Mr. Robitaille was a member of the Senate and Mr. McGreevy was also a member of Parliament. Had you any difficulty then with reference to the Baie des Chaleurs Railway?—A. With whom?

Q. With anybody, which required settlement between yourselves and the Government?—A. No.

Q. Had you any interviews with Sir Hector Langevin in March, 1886, or February, 1886, with reference to the Baie des Chaleurs Railway?—A. I only recollect of one with Sir Hector Langevin.

Q. Where was that one interview you recollect of?—A. I cannot say.

Q. Who was present at it?—A. Only myself.

Q. Then there was no interview except the private one between you and Sir Hector?—A. I do not recollect that there was anything mentioned to Sir Hector about this matter except once. I do not think there was a conversation outside of that.

Q. What was that?—A. Sir Hector was stating about some difficulty with the Messrs. McGreevy.

Q. Between the Messrs. McGreevy and whom?—A. Ourselves.

Q. Who are "ourselves"?—A. The other members of the company.

Q. At this time you had an interview there was a difficulty between the McGreevys and the other members of the firm, and you saw Sir Hector about it?—A. No; it was rather incidentally that I was in conversation with him, perhaps it was in his office when I was on other business, and he mentioned something about this matter and suggested it should be settled in some way.

Q. The initiative came from Sir Hector and not from you?—A. I do not know there was any initiative. It was in a conversation.

Q. He began the conversation?—A. I am not positive. I know I did not go to interview him about this.

Q. You have made two diverse statements. Which is true?—A. No. I did not go on purpose to have an interview with Sir Hector Langevin on this subject. I approached him on some other business and the question came up. I do not know whether it was brought up by himself or myself. It was incidental.

Q. What did he ask you to do?—A. He made suggestions that we had better try and make arrangements and agree with them.

Q. With who?—A. The McGreevys.

Q. Did you try to?—A. We did not.

Q. On the 3rd of March, 1886, there is a letter on fyle here which reads: "Nothing new in the Baie des Chaleurs matter, except that Sir Hector wanted me to come to terms and asked me to state the terms. I have not done so yet, but I am told that they have entered into a contract with one Refel, who is a partner of Isbester's. I have put Mitchell on the scent. Others told me that Armstrong is working on the line. I will know more before evening." Now, did you have a conversation with Mr. Thomas McGreevy in pursuance of Sir Hector's request?—A. No, never.

Q. Although Sir Hector asked you to come to terms with Thomas McGreevy you made no effort to come to terms with him?—A. No.

Q. On the 9th of March Thomas McGreevy writes again, as it appears on page 27:—"I had a meeting this afternoon with Sir Hector and Sir Adolphe on Baie des Chaleurs. Sir Hector insisted on an understanding being come to. I refused to do so, and told him at last to let Robitaille make a proposition himself." That is Senator Robitaille, I suppose? Or do you say you do not know to whom Mr. McGreevy refers when he told Sir Hector to let Robitaille make a proposition?—A. I have no doubt it would be Senator Robitaille.

Q. The letter continues:—"I refused to do so, and told him at last to let Robitaille make a proposition himself; that I was not going to make brains for him forever and let him take advantage of it. They propose (not Caron, Sir Hector) to give me control of road to Ste. Anne's with subsidy of $6,000 per mile, if I would withdraw my opposition to B. de C. Railway and relieve you and me of our stock. They are in a complete fix. The Armstrongs can't get anybody to touch them. Isbester sent word by Mitchell that as long as the Armstrongs had anything to do with it, they would not." Was there any attempt made with your knowledge to come to an understanding between Robitaille and McGreevy? Do you know anything of this proposition?—A. No.

Q. You never heard of it before—never heard of any proposition to make a settlement?—A. There was a proposition made, but not with reference to this matter. The proposition is this: Mr. Robert McGreevy came to me and said:—"We had better make a settlement of this difficulty." The difficulty arose on this point from this question: In the year previous—that is in the fall of 1885—Mr. Robert McGreevy had tendered for the contract for the construction of the road. He had asked as a price of the contract for one hundred miles, all the subsidies that were voted or would thereafter be voted, and the bonds of the company, making a total of over $30,000 a mile. We did not see any possibility of carrying out this undertaking, and after making enquiries we found out the price was rather high. This was the cause of the difficulty between Mr. McGreevy and ourselves. Later on, Mr. Robert McGreevy came to me and said: "You had better have this matter settled. I am prepared to transfer our interest in the road." I do not recollect whether he said he would transfer or his brother would for a certain consideration. He said he would transfer his interest for $50,000, and upon a second interview he said it would be $50,000 and $25,000 in bonds. We had nothing to do with this. He made the agreement with Mr. Armstrong, and that is the agreement that has been referred to at the commencement of this.

The Committee then adjourned till 3.30 p.m.

WEDNESDAY, 3.30 o'clock p.m.

MR. OSLER—I may mention, while the matter is fresh in the minds of the members of the Committee, that the private cash book of Nicholas K. Connolly, consisting of entries in some of the pages of one of the cash books of the firm, has been produced.

MR. GEOFFRION.—I now put in, procès-verbal of signification, Nicholas K. Connolly *versus* Julien Chabot—dated Quebec, 16th March, 1891, and which reads as follows:

(Exhibit "K12.")

"On this sixteenth day of the month of March, in the year of Our Lord one thousand eight hundred and ninety-one.

"I, Edward Graves Meredith, the undersigned Notary Public for the Province of Quebec, in the Dominion of Canada, residing at the city of Quebec, in the said Province, at the request of Nicholas K. Connolly, of the said city of Quebec, contractor, the Assignee (*Cessionnaire*) named in a certain deed of sale and assignment from the Honourable Thomas McGreevy, of the said city of Quebec, in favour of him the said Nicholas K. Connolly, bearing date and passed before E. G. Meredith, the undersigned Notary, on the twenty-fifth day of the month of February last (1891), proceeded to the office and usual place of business in the said city of Quebec of Julien Chabot, of the town of Lévis, Manager, the debtor named in the aforecited deed of sale and assignment.

"Where being and speaking to the said Julien Chabot personally, I signified unto the said Julien Chabot the aforecited deed of sale and assignment by serving upon the said Julien Chabot an authentic copy of the aforecited deed of sale and assignment.

"The present procès-verbal of signification is thus made in accordance with the provisions of an Act of the Legislature of the Province of Quebec, and passed in the forty-seventh year of Her Majesty's reign intituled: "An Act relating to notifications, protests and significations"—47 Victoria, cap. 14.

"In testimony whereof, I, the said Notary, have signed these presents at the said city of Quebec on the day, month and year first above written, the same being recorded in my office under the number four thousand two hundred and eighty-two.

(Signed) "E. G. MEREDITH, *N.P.*

"A true copy of the original remaining of record in my office.

(Signed) "E. G. MEREDITH."

Mr. RIOPEL's examination resumed.

By Mr. Lister:

Q. You and your friends went into the venture without investing any money, as I understand?—A. We had disbursed for several purposes.

Q. You had the company incorporated?—A. Yes.

Q. You were one of the incorporators?—A. Yes.

Q. Then, up to the time you received your actual incorporation I suppose the expenses were such as were necessary to get that Act through?—A. No; there was that, and something else.

Q. What else was there?—A. There had been a charter previously obtained.

Q. Well, we will include that. After getting your actual incorporation yourself and your friends subscribed for the stock $300,000?—A. Yes.

Q. Upon which you were to pay 10 per cent.?—A. No; it was not that.

Q. Well, you did pay 10 per cent.?—A. I did.

Q. That is to say, you paid it by giving your promissory notes to the company ?—A. Yes.

Q. For 10 per cent. of the stock subscribed by each of you ?—A. Just so.

Q. And in payment of those promissory notes you put in an account against the company for $30,000 ?—A. No; that is not the way we did it.

Q. How did you do it, then ?—A. We handed these notes to our secretary-treasurer. He accepted them, and subsequently, as I explained this morning, the notes of all the shareholders were paid out of the amount which was due to us originally.

Q. That is to say, you and your friend the senator—he for twenty-five thousand and you for five thousand. Is that correct ?—A. Yes.

Q. Amounting to $30,000 in all, and equal in amount to the notes which you and your friend had given for the amount to be paid upon your subscribed stock ?—A. It is equal.

Q. And the notes, you say, were put in the hands of the secretary of the company ?—A. Yes.

Q. And those notes then were a set off by the company against the claim which you and Senator Robitaille had against the company ?—A. No; that is not the way.

Q. How was it, then ?—A. Our claim was admitted by the company, and we were the creditors of the company for that amount, and the amount of our credit was placed into the hands of the Richelieu District Bank, which was credited in our favour, and the notes have been paid. The 10 per cent. was raised with that amount.

Q. What I said before, and what I think your evidence bears me out in saying, is, that the $30,000 in notes were paid by the $30,000 held by you against the company ?—A. Yes ; but you did not put it in that light.

Q. I put it that light now.—A. You said it was paid by the company.

Q. No ; I am saying it was paid by you. The notes were made by you in favour of the company and the company held the notes ?—A. Yes.

Q. And you had an account against the company and you utilized the account in payment of the $30,000 ?—A. You were saying the company had that as a set off against the notes. That was not so.

Q. So that the subscribed stock was to pay off the account that you held against the company ?—A. We discharged the notes with the amount that had been credited to us.

Q. You discharged your debt ?—A. We discharged all the notes.

Q. By the amount of the claim you had against the company ?—A. Yes.

Q. As a matter of fact, the directors of the company have never paid in, or never did pay in a dollar in cash on account of their stock ?—A. Well, if it is paid by compensation——

Q. As a matter of fact, they never paid any cash ?—A. I cannot say whether cash was placed in the hands of Mr. Taillon. These payments were made by cheques, and where there was cash——

Q. Did any of the stockholders of the company pay a dollar in cash on account of the stock they subscribed ?—A. It was paid by notes, and the notes were taken out in payments.

Q. In the way you have told us ?—A. Yes. They cannot be paid twice, if they have been paid up in that way.

Q. Then you went on and constructed a portion of the road ?—A. We constructed sixty miles of the road.

Q. Out of the Government subsidies and out of bonds, I suppose. Did you issue bonds ?—A. We have not raised any money upon bonds.

Q. Then you told us that you had received $300,000—that the Government had voted to aid a Government road ?—A. Not in all.

Q. Nearly all ; and you were to receive $3,200 a mile as a subsidy under the Act ?—A. Yes.

Q. Was that all the money you had ?—A. There was more than $3,000 on the portion that was built; there was $3,000—and there was the provincial subsidy.

Q. And a provincial subsidy besides?—A. Yes.

Q. You never issued any bonds?—A. We did.

Q. Did you sell them?—A. No.

Q. You built sixty miles of the road before or after Mr. Armstrong became interested in it?—A. They were built under Mr. Armstrong's contract.

Q. Then all the road they have was built under Mr. Armstrong's contract?—A. Except the portion Mr. McGreevy had commenced.

Q. Did you or any of the stockholders sell out half your stock to Mr. Armstrong?—A. No.

Q. Did you sell out to him at all?—A. No; not to him.

Q. To whom?—A. We sold to Mr. Cooper and others of Montreal—to a Montreal syndicate.

Q. Mr. Armstrong said that he bought Mr. McGreevy's stock because that gave him control—that under this arrangement he had acquired half the stock of the list of shareholders, and that by getting Mr. McGreevy's stock he got control of the road. Was that statement wrong?—A. It was right, but it was not in point of your question. There is the fact that we entered into a contract with Mr. Armstrong for the construction of the hundred miles of the road. These were the terms of the contract: He was to be paid by securing all the subsidies from both the Governments, the municipal bonuses, whatever subsidy was then voted or which was to be thereafter voted, and the balance, to be made up at the rate of $20,000 per mile, was payable by the company in bonds of the company, and he was also to be entitled, after the completion of the hundred miles and the execution of the contract, to one-half the stock in the company.

Q. Then, his acquiring one half of the stock was part of the agreement?—A. That was part of the contract for the construction of the road.

Q. Entered into by you?—A. By the company and Mr. Armstrong.

Q. I understand the old directors have sold out since?—A. Not all of them.

Q. Have you sold out?—A. Yes; I have.

Q. And Senator Robitaille?—A. Yes.

Q. And who else?—A. Mr. Robert McGreevy has not sold out. All the rest have.

Q. All have sold out except Robert McGreevy?—A. Yes.

Q. Did he not sell out his shares to Mr. Armstrong?—A. Not that I am aware of. He has made an agreement with Mr. Armstrong. He still held his shares, and I think holds them still.

Q. Then, with the exception of Mr. Robert McGreevy, all the directors have sold out to this Montreal syndicate?—A. Yes.

Q. For how much?—A. I may as well answer. That is another question there does not seem to be much point in. The amount received by all the parties, outside of Mr. Robert McGreevy, who has not sold out, is $75,000—partly cash payments and partly by returns.

Q. That is what they sold out their stock for?—A. All interest and claims on the road?

Q. That would be five of you?—A. There were more than five.

Q. Seven, I think, was the number of directors, and excluding Robert McGreevy, that would be six?—A. Six—yes.

Q. Thomas McGreevy sold out to Robert, did he not?—A. Yes; I think he did.

Q. So that the sale made by the other directors was the sale made to the Montreal syndicate?—A. Yes.

Q. So that would include five persons?—A. Why?

Q. Were there not seven altogether?—A. Yes.

Q. And Thomas McGreevy sold to Robert?—A. Robert is the only one.

Q. Did Thomas McGreevy participate in that $75,000?—A. I do not know.

Q. You know nothing about that?—A. No.

Q. Was there much negotiating with Mr. Armstrong?—A. In what way?

Q. About taking over the road—taking the contract?—A. There was negotiating.

Q. Did it extend over any considerable period?—A. Over six months.

Q. Is Mr. Armstrong any relation to Sir Hector Langevin?—A. That I do not know.

Q. Do you know by report?—A. I do not know.

By Mr. Stuart:

Q. You have stated that Mr. Thomas McGreevy was a party to the agreement entered into with Mr. Armstrong—the agreement which is now missing. Are you quite sure of that?—A. I have stated that he signed the agreement, and I have stated I do not recollect whether he transferred his interest to his brother or not. I am not sure whether he had an interest or not, but I understood at the time what his brother was doing. I do not recollect whether he had.

Q. As a matter of fact, is it not the case that he had transferred all his interest to Robert McGreevy?—A. I do not recollect.

Q. Is it not a fact that he did not sign that agreement? I may tell you that Mr. Armstrong has sworn that Mr. McGreevy did not sign it. In his evidence yesterday he says: "Q. Was there a written agreement to that effect?—A. There was an agreement of some kind, but I forget exactly the terms of it. Q. Did you keep a copy of the original agreement?—A. No. Q. You have not got it in your possession?—A. No. Q. No copy nor original?—A. No. Q. The memorandum in writing would be to the effect that you were purchasing the shares for $50,000 cash and bonds of the company?—A. There was not only shares, but it included certain work that was done on the railway, and certain plant he had on the railway. He had commenced the construction of it. Q. Do you remember whether Mr. Thomas McGreevy was a party to that original memorandum?—A. He was not." Will you now state whether you were correct in saying that Mr. Thomas McGreevy was a party to that agreement?—A. The transaction was between Mr. McGreevy and Mr. Armstrong. I have had no conversations about this matter, except with Mr. Robert McGreevy. I cannot say whether Mr. Thomas McGreevy held stock or not. We signed the agreement, although we were not parties to it, and Mr. Thomas McGreevy may have signed as we did, but my impression is that he did sign.

Q. Who represented the company in that agreement?—A. The company was not represented in the agreement. It was an agreement between Robert McGreevy and Mr. Armstrong. The company had nothing to do with it.

Q. You recollect the protest which was served upon you by Mr. Thomas McGreevy, a copy of which has been produced here?—A. Yes.

Q. Is it not the case that shortly after the protest was served upon you that Mr. Thomas McGreevy transferred his interest in the company to Robert McGreevy, and that therefore Robert alone had to do with the company?—A. I have told you before I do not know. You can ascertain that by looking at the books. I would not recollect the date of the agreement, if I did not recollect whether Mr. McGreevy had stock or not.

Q. Is it not a fact that immediately after the protest or, under any circumstances, within a couple of months after that, that Mr. Thomas McGreevy ceased to have anything to do with the company, and you had no further business with him at all?—A. Yes; I know that Mr. Thomas McGreevy was not a shareholder.

Q. Is it not the case that after he ceased to be a shareholder he ceased to take any interest at all in the business of the company?—A. He had no interest.

Q. Could you not tax your memory to say about how long after the protest was served it was that he transferred his shares?—A. No; I do not know the date of the transfer.

Q. As a matter of fact, was it within a comparatively short time?—A. It was about that time.

Q. At that time it was also understood that Mr. Robert McGreevy in taking over his brother's shares assumed his liabilities for them?—A. Robert McGreevy was the only person of the two who had an interest in the company.

Q. And he had taken the shares with the unpaid calls upon them?—A. He held the shares just as they stood.

Q. Are you aware which of these men, Robert or Thomas McGreevy, had done the work on the road?—A. Mr. Robert McGreevy was the superintendent on that work.

Q. Do you recollect whether he did it in his own name or for Thomas?—A. I cannot say. It was under the instruction of the company, and between them I do not know what arrangements there may have been.

Q. Was Robert McGreevy at the time of the original expenditures for making surveys and at the beginning of the work a director of the company?—A. Yes; I think he was.

Q. Both of them were?—A. Yes.

Q. I understood you to say that you were quite satisfied Thomas McGreevy should go out after he served this protest?—He stated that he would have no more to do with the company.

Q. That was after he served the protest?—A. Yes.

Q. There was a question put to you with reference to the last sale to the syndicate. I wish to know whether or not Mr. Thomas McGreevy had anything to do with the company at that time?—A. He had not.

Q. Directly or indirectly?—A. No.

Q. He had ceased for many years to have any interest in the company?—A. Yes.

Q. You state that the price paid was $75,000. How was that sum paid?—A. It was paid by cheques. I think the first cheque was by Mr. Angus M. Thom, who was acting for the syndicate. He was trustee for the syndicate. The other payments were made by the president of the company, Mr. James Cooper, by notes and cheques of the officers of the present company. I wish to state that out of that $75,000 we had to pay some accounts which was so much deducted off our share.

Q. Some debts?—A. Yes; liabilities that we assumed to pay ourselves.

By the Chairman:

Q. Can you state what amount without giving the names?—A. Of course, it would be a matter of general inquiry to go into all the details and I wish to explain this way: We have been connected with this undertaking since getting the first charter in 1872. We have worked very actively for several years, and our charter lapsed. Subsequently, in 1882, we obtained a new charter, and we proceeded with the undertaking. We made many disbursements; we spent our time—for my part, for the last 8 or 9 years the greater portion of my time has been given to this undertaking. The officers of the company, the president, the secretary-treasurer, the manager and others, have not got one cent of salary out of it. There has been nothing got out of it but this amount that I have now stated. This is the amount which is an allowance for our work and disbursements, which had been made by us during all this time, and which were not charged to the account of the company. We have not made an account to them, and we have not charged for salaries. The amount which we have received covers everything—that is, this last amount—that we have had out of the undertaking.

By Mr. Mills (Bothwell):

Q. Who has held the notes that were given?—A. The secretary-treasurer.

Q. Who was he?—A. L. A. Robitaille.

Q. Were they long in his possession before they were handed over to the bank?—A. They had been some time.

Q. In what capacity did the Richelieu District Bank obtain possession of these notes?—A. The Richelieu Bank did not become possessed of those notes. The payments were made to the Richelieu Bank.

Q. Were these notes in the possession of the bank before they were paid?—A. The amount of our credit—the $30,000—was deposited with the Richelieu Bank.

Q. Then the bank was acting as the agent of the individual stockholders. Is that the capacity?—A. No. It was acting as the trustee for the money deposited by us.

Q. But I understand you deposited no money. You deposited a claim?—A. We got a credit for the amount of our claim.

Q. Did you deposit the claim for collection?—A. The claim was placed at that bank to our credit.

Q. Was that claim placed in the bank before the notes that belonged to the bank—or at least, that had been given by the individual shareholders—went into the possession of the bank; or was this a simultaneous transaction?—A. The notes did not go into the possession of the bank.

Q. Did the notes remain in the possession of the secretary-treasurer until they were returned to the parties?—A. The notes have not been returned to the parties.

Q. Who is in possession of those notes at the present time?—A. I cannot say.

Q. I understood you to tell the Committee that these notes had been paid by the claims which you had against the corporation?—A. Yes.

Q. Were there any stockholders in the corporation beside those who were directors?—A. Yes.

Q. What other stockholders were there beside the seven you have mentioned, and how did they pay—by note or by cash?—A. I would not quite recollect the names of the shareholders at the time the notes were given.

Q. How did they pay?—A. All the payments were by notes.

Q. How were these notes cancelled, if these stockholders did not work or perform services for the company which entitled them to remuneration?—A. I do not think there were any stockholders outside of the directors at the time. Of course, all the directors had done service and had gone to some expense.

Q. All the directors?—A. Yes.

Q. And all the stockholders?—A. I am almost positive that they were all directors. That was at the inception of the company.

Q. The notes that were in the hands of the secretary-treasurer were notes that were given by the directors?—A. They were given by the shareholders.

Q. But the shareholders were directors?—A. I do not think they were at the time.

Q. Who were the directors at the time your note was given and Mr. Robitaille's?—A. There was Mr. R. H. Montgomery and there was Lord Dunmore.

Q. Did Montgomery and Lord Dunmore consent to the cancellation of these notes by services?—A. That is another question. You asked me who were the shareholders. These were the provisional directors.

Q. Were these parties shareholders when these claims were dealt with?—A. No. They did not subscribe for any stock. They were provisional directors.

Q. The directors who dealt with the shareholders were the same parties who were the shareholders?—A. Mostly all of them.

By Mr. McLeod:

Q. As I understand, you sold out for $75,000—did you?—A. All our interest and claims against the company, our stock and interest, including disbursements, salary and allowance.

Q. Do you know how the present company raised that money, or where that money came from?—A. I do not know directly.

Q. Do you know indirectly?—A. I cannot say; I do not know.

By the Chairman:

Q. When you say indirectly, what do you mean?—A. Mr. Thom, the trustee of the syndicate, told me that he wanted the Quebec Government to find all the money or take certain disbursements which he had to make, and I was by that given to understand that they intended to get the money in order to pay the claims.

Q. That is, from the Quebec Government?—A Yes; in fact, the suggestion was made by Mr. Thom. I said: "We have nothing to do with the Quebec Government, and we do not want anything to do with it. We are dealing with you." Whichever way he got the money afterward was his own business.

By Mr. Ouimet:

Q. Do you know personally or can you say that the Hon. Thomas McGreevy got any money in consideration of the sale of his interest in the Company of stock or otherwise?—A. I do not know at all. I never had a word of conversation with Mr. Thomas McGreevy about this matter, and I do not know what he got out of this. That might have been a proper question to ask me first if it had been confined to this question.

By Mr. Geoffrion:

Q. Is not a fact that there is not such a bank in Sorel or the Richelieu District as the Richelieu District Bank?—A. I have not ascertained that by going on the spot and finding the institution, but I have seen documents and letters headed "Richelieu District Savings Bank."

Q. Incorporated by Act of Parliament?—A. I mean a district savings bank—the bank in connection with this transaction. This was in letters signed by Mr. Taillon, and I understood him to be a private banker.

Q Are you aware nobody is entitled to call his establishment a bank unless incorporated?

The Chairman ruled this question to be irrelevant.

Q. All you know of that bank was from the headings of letters?—A. Yes; that is all.

Q. Did you allow your funds to be deposited in a bank, the existence of which you only knew by letter heads?—A. If we did, it was our own business.

Q. You did that?—A. Yes.

Q. Where is the head office of the Baie des Chaleurs Railway?—A. At present?

Q. By charter.—A. It is fixed by the Board of Directors.

Q. Well, where was your office at the time of these transactions in 1886?—A. Quebec.

Q. Are there many incorporated banks in Quebec?—A. No; there are not many in Quebec.

Q. Are there several?—A. There are several banks which have branch offices there, but very few that are incorporated.

Q. There are some?—A. Yes.

Q. Can you explain why, instead of depositing your funds and transacting your business with a regularly organized bank at the head office of the company, you went a distance of 150 miles, and transacted business with a private banker in the County of Richelieu?—A. It suited us at the time—that is all.

Q. Your subsidies for the first 20 miles from the Dominion Government were $300,000?—A. Yes.

Q. And $70,000 by the Provincial Government?—A. No; it was $3,500. It was ten thousand acres of land originally.

Q. When was that converted into money?—A. It was converted into money, payable at the rate of $3,500 per mile, as the road was constructed, and the balance was to be paid when the lands which had been converted into money were sold.

Q. $3,500 per mile. How much is it for 20 miles?—A. I made no calculation.

Q. I asked you whether it was $70,000, and you said no. If you said no, you must know why.—A. It was $70,000,—yes.

Q. So the subsidies from the two Governments were $370,000 for these 20 miles. How much did it cost you for the building of these 20 miles?—A. The cost price of the road was $20,000 per mile. The contractor was entitled to all the subsidies the Government would pay upon the report of the inspecting engineers, and the balance of his contract price was to be paid in bonds. A percentage of, I think, 15 per cent. was retained from the contractor to secure the completion of the road.

Q. Is it not a fact you paid out of the subsidies only $252,000 to the contractors?—A. We paid all the subsidies that were earned, and were payable.

Q. And the surplus was paid to the company?—A. Not at all; not one cent.

Q. To whom was the surplus paid?—A. All the surplus was paid to the contractor according to the contract.

Q. How much money did he get?—A. I could not say. All the subsidies that have been paid have been paid to the contractor.

Q. But you cannot say the amount that was paid?—A. I cannot say from memory immediately. If you choose you can get a statement from the Government showing the amount paid to the contractor.

Mr. Robert McGreevy recalled.

By Mr. Geoffrion:

Q. You are aware that works of importance in the Harbour of Quebec, have been going on for several years?—A. For several years—yes.

Q. Were you interested in them from the inception of the works?—A. No; I became interested in 1882.

Q. Prior to that had you been connected generally, or connected in any business with your brother, Thomas McGreevy?—A. Yes; for a long time—for thirty years.

Q. Mr. Thomas McGreevy had been a public contractor, and you had worked for him?—A. Yes; and I had contracts of my own.

Q. Will you state to the Committee when you first became acquainted with these contracts in Quebec?—A. In September, I think it was—between July or September, 1882.

Q. Will you look at these articles of partnership and say whether the first you signed? (Exhibit "L12.")—A. Yes; that is the dredging contract of 1882.

Q. No fixed capital appears to have been determined or agreed upon by this co-partnership?—A. No.

Q. As a matter of fact, did you put in any capital?—A. No.

Q. Prior to the formation of that co-partnership, had there been any interviews or negotiations for contracts in connection with the Quebec Harbour?—A. There were negotiations respecting the proposed dredging contract of 1882.

Q. When you formed that partnership had negotiations been entertained as to the dredging contract of 1882?—A. That is the dredging contract of 1882 which I am referring to.

Q. And this is the agreement to carry it out?—A. Yes. There was negotiations respecting that contract.

Q. Had the contract been obtained from the Government prior, or at the time?—A. At that time.

Q. Do you know, or are you able to state, whether your brother, Thomas McGreevy, had any knowledge about your interest in the firm of Larkin, Connolly & Co.?—A. I do state so—yes.

Q. Will you explain to the Committee whether he had any knowledge, and to what extent his knowledge was?—A. He knew I was going into that contract, because he said before closing he would see Sir Hector to get permission from him whether I would go in or not.

Q. Had you any other interview afterwards? what did he tell you?—A. He told me Sir Hector did not see any reason why I should not go in as well as anybody else. I thought it was a very sensible answer, too.

Q. Was he aware, or did you tell him, what was your share or proportion—your interest in that contract?—A. I did not at the time; subsequently I did.

Q. Long after the signing of that document?—A. Some weeks or months after.

Q. In the same season, anyhow?—A. In the same season.

Q. I find that the contract was granted about the time you signed the partnership. How did you come to negotiate with the former partners of Larkin, Connolly & Co.? When did you begin your negotiations with them?—A. I began with Mr. Murphy about the month of May or June. I talked to him about it and he talked to his other partners, and we brought around an arrangement by which, when the tenders were called for, I had another tender prepared to put in Beaucage's name. I spoke to Beaucage.

Q. Do I understand you that early in May or June you anticipated tenders would be called for?—A. Yes; I knew they were to be let very soon.

Q. How did you happen to know?—A. I heard from Thomas McGreevy and others that there was going to be tenders called for.

Q. It would be expected that such tenders would be asked?—A. Certainly, it was known generally.

Q. Will you explain to the Committee what happened when the tenders were called for and put in?—A. It was agreed between Larkin, Connolly & Co. that I should put in a separate tender, and I got Mr. Beaucage to give me the use of his name for that purpose. I put in one in his name. Then there was Larkin & Connolly's.

Q. Had you anything to do with the preparation of the tender of Larkin, Connolly & Co.?—A. No. I did not occupy myself much with that, because they were reputed to have known more about dredging than I did, and I left that to themselves. I filled in that of Beaucage with their knowledge.

Q. Though you did not occupy yourself with preparing the tender of Larkin, Connolly & Co., Beaucage's tender was filled in by you with their knowledge?—A. Yes.

Q. Will you state to the committee whether Beaucage's tender was higher or lower than that of Larkin, Connolly & Co.?—A. It was lower. I have a copy of the papers here, I think. This is a schedule of the rates of each tender, and the approximate quantities of each class of dredging.

Q. Of the tenders as they turned out to have been filed?—A. As they were sent into the Harbour Commissioner's office.

EXHIBIT "M12."

MEMO. OF TENDERS FOR DREDGING, 1882.

	15 ft.	15 to 20 ft.	20 to 26 ft.	23 to 26 ft.	26 to 36 ft.	Total.
	$168,500.	$90,000.	$90,000.	$55,000.	$20,000.	
	Cts. $	Cts. $	Cts. $	Cts. $	Cts. $	$
Larkin & Connolly	27 — 45,495	29 —26,100	35—31,500	45—24,750	55—11,000	138,845
Askwith	26 — 43,810	30 —27,000	33—29,700	37—20,350	40— 8,000	128,860
Ed. Moore	47 — 79,195	50 —45,000	56—50,400	56—30,800	63—12,600	217,995
Blake, George	60 —100,000	60 —54,000	60—54,000	60—33,000	Refuses to tender for this depth.	242,100
Beaucage	25½— 42,967	27½—24,750	33—29,700	43—23,650	51—10,200	131,267
Fradet & Miller	20 — 33,700	25 —22,500	25—22,500	25—13,750	30— 6,000	98,450

Q. According to that statement the lowest would be Fradet & Miller's, and the next is Askwith ?—A. The lowest, Fradet & Miller $98,450; the next is Askwith, $128,860; and the next Beaucage, $131,267.

By Mr. Ouimet :

Q. Were these on the quantities given by the Department ?—A. The quantities were given I think in the specifications.

Q. But were the same quantities given to all the contractors ?—A. Yes. All the tenders had the quantities submitted to them by the Harbour Commissioners.

Q. The same quantities ?—A. Yes.

Q. Do you know what became of Fradet & Miller's tender. Explain the matter briefly ?—A. I understood that the conditions imposed by the Harbour Commissioners after the reception of the tender were such that Fradet & Miller could not comply with them.

Q. What about Askwith ?—A. I understood at the time it was the same thing with him.

Q. Were you aware what those conditions were or what new conditions would be exacted from Fradet & Miller and Askwith ?—A. The conditions that were imposed after the opening of the tenders were not asked before the tenders were sent in. That $10,000 was not asked before.

Q. You were not aware that these new conditions would be asked ?—A. No.

Q. What then became of Beaucage's tender ?—A. It was withdrawn.

Q. Did he ask leave to withdraw ?—A. I think he did.

Q. Was there any cheque to be deposited with these tenders ?—A. No.

By Mr. Ouimet :

Q. There was no security asked with the tenders ?—A. I think not.

Q. The securities were only asked afterward ?—A. Afterward.

By Mr. Geoffrion :

Q. Then the next tender was Larkin, Connolly & Co.'s, and they obtained the contract ?—A. Yes.

Q. When were these tenders called ? In what season of the year 1882 ?—A. They were called first for June, 1882, I think, and then it was postponed for a few weeks.

Q. The contracts were signed some time in September.—A. Yes.

Q. Do you remember when the works in execution of that contract were begun by Larkin, Connolly & Co. ?—A. In the spring of 1883—the next year after the contract was entered into.

Q. No work was done in the fall of 1882 ?—A. No; they had no plant. They had to build their dredges and scows during the winter, and they did not begin until 1883—May, 1883.

Q. Were you requested or called upon to put any capital into the execution of this contract ?—A. No; I was not.

Q. Neither by letter nor verbally ?—A. No; it was understood I was not to put any in.

Q. As a matter of fact, you did not put any in ?—A. I did not.

Q. You say that the plant had to be prepared during the winter of 1882-3 ?—A. Precisely.

Q. Do you say you contributed nothing to the acquisition of that plant ?—A. Nothing at all.

Q How long did the firm of Larkin, Connolly & Co., of which you were then a member, go on with the dredging under the terms of that contract ?—A. In 1883, 1884, 1885 and 1886.

Q. I believe there was a change in 1887 ?—A. Yes. I think they closed in 1886 under that contract.

Q. The tenders were called for quantities named ?—A. Yes.

Q. Were those quantities first executed, and was the work continued for other quantities, or did it take these four years to complete the quantities mentioned in the tenders ?—A. During those four years that I spoke of there were over 800,000 or 900,000 yards done.

Q. Have you any statement of the work done each year ?—A. I think I have. They would be very approximate, though, I think. There were 710,000 yards done in 1883, 1884 and 1885, and I think there was about 200,000 or 300,000 yards done in 1886.

Q. These are approximate figures ?—A. Yes.

Q. Could you give the Committee an idea of the cost of the dredging in each year—the actual cost, independently of the sinking fund—and have you any statement showing this ?—A. I have some memoranda.

Q. Have you any statement showing the cost to the firm for each year ?—A. I have a memorandum here showing the cost for 1886.

Q. From what document, did you take that note ?—A. I prepared it from information I got in the office.

Q. Will you look at this document and say whether you based your calculation for 1886 upon this statement ?—A. Yes ; that is a memorandum that was furnished me by Mr. Hume, the contractors' engineer.

Q. It is in his handwriting ?—A. Yes.

Q. Read it.—A. It reads as follows:

(Exhibit "N12.")

"Cost of dredging (wages of deck hands on dredges, cost of steel wire, coal, tugs and labour on same)	$ 18,643 25
Repairs of tugs, derricks, clams, &c	3,538 00
Repairs "Sir Hector," including salary of Manley and all men employed by the mo. (2 crews)	5,986 79
Repairs "St. Jos," one crew as above	5,230 35
Ddg. plant—royalty on two dippers	200 00
Insurance on dredging plant	450 00
Sand levelling not an extra	2,006 08
Salaries of Mr. Cy. Mr. Mg. and others	2,500 00
"Total expenditure for 1886	$ 38,554 47
	$ 106,323
	38,554
	$ 67,769

"For Mr. McGreevy.". $335,000. $67,769 00

Q. Have you any memos or notes of the amount which the firm received for the work so executed at that cost for the season of 1886 ?—A. $87,293.97.

Q. Was that the amount you received ?—A. Yes.

Q. I see at the foot other memoranda ?—A. Yes; that is in pencil. I ascertained the number of yards of dredging for that season to be 335,000, and I make it up at an average of 30 cents, making $106,000 gross.

Q. So, these figures I see at the foot of this document were upon an average of 30 cents a yard ?—A. Yes.

Q. And approximately you have made $106,323 ?—A. Yes.

Q. Did you ascertain the actual amount that was received ?—A. I did not.

Q. You mentioned $87,000 ?—A. I have another memorandum here of each month's earnings for that season which tots up $87,293.87.

(Exhibit "O12.")

Ddg		$29,732 36
Hector	$5,986 79	
Jos	5,186 52	
		11,173 31
Sand Lev		40,905 67
		2,006 08
		42,911 75

Reps & Stone
1886

May	$ 4,482 94
June	4,719 42
July	4,811 84
Aug	14,512 13
Sep	23,538 91
Oct	18,036 73
Novr	17,192 00
	$87,293 97
	42,911 75
	44,382 22
	10,000
	$54,382 22

Sept × wall		20,304 00
" Ddg		23,538 91
		43,842 91
Oct × wall	14,470 18	
" Ddg	18,036 73	
	32.506 91	

Q. These monthly returns which you are including in the estimate, were they taken from the books?—A. They were given to me by Mr. Hume.

Q. Is this your handwriting?—A. No.

Q. In what handwriting do you believe it to be?—A. I think it is Mr. Hume's or Mr. Martin Connolly's.

Q. This is a memorandum that was handed to you by one of the book-keepers named?—A. Yes.

Q. The figures under the words "for Mr. McGreevy," are not in the handwriting of Mr. Hume. Are they your own figures?—A. They are my own figures.

By Mr. Ouimet:

Q. What was your share of profit under that dredging contract of 1886?—A. Well, the years were combined, you know. There was no profits divided until 1889.

Q. I thought you mentioned these figures as your share of the profits of the season?—No; I mentioned the gross earnings and the outlay.

By Mr. Geoffrion:

Q. I understand from you there was no annual division of profits?—A. Not at that time.

Q. You only filed it to prove the gross cost and the gross earnings?—A. Yes.

Q. Can you give us the cost and the amount received for the other years?—A. No; I did not keep any memorandum—none that I preserved. I may have had them at the time, but I did not preserve them.

Q. Are you satisfied, or is there any reason why, the cost of dredging was lower or higher in 1886 than the years previous, for the same class of work?—A. Lower or higher?

Q. Yes. Was there a change in the cost of dredging in 1886?—A. No. No difference from 1884, 1885 or 1883; more than that, in 1886 there was a greater quantity dumped into the river than there was in previous years. That is my present impression.

Q. After the close of the season of 1886 are you aware whether any notification or intimation was given to the Harbour Commissioners or to the Engineer that the firm intended to discontinue dredging at these prices?—A. I never knew of it, never heard of it, until the winter.

Q. By the figures that you received from your book-keepers, as far as you were concerned, were you satisfied with the results of the dredging operations of 1886?—A. Yes.

Q. Was there any dredging done in the Wet Basin during that year of 1886?—A. There was some—yes.

Q. Do you know whether the Resident Engineer, or somebody on his behalf, attempted to make a difference in the price to be paid for the material that was dumped into the river in 1886?—A. The contract provided for the rates to be put on the embankment, and when they undertook to put it into the river he then made a deduction of 5 cents for whatever was dumped into the river.

By Mr. Osler:

Q. The Resident Engineer?—A. Yes; Mr. Boyd.

By Mr. Geoffrion:

Q. Was this deduction suggested, or requested by the Resident Engineer, finally made?—A. It was. The deduction was made each month. The reduced rate was paid only.

Q. You were paid only the reduced rate?—A. The reduced rate.

Q. So, by what you state, the return of 1886 was at the reduced rate for all that was dumped into the river?—A. Yes.

Q. Do you know whether subsequently attempts were made to get this 5 cents, which had been deducted by the Resident Engineer, allowed to the firm?—A. I think it was allowed back to them afterwards.

Q. You can state your grounds of belief, and what they are?—A. I think so. I think it was allowed in the fall, or when the works closed that winter.

Q. Of 1886?—A. Yes.

Q. Do you believe this would appear in the books—that is to say, this 5 cents that was afterwards allowed?—A. Certainly.

Q. Have you any idea of the amount that was allowed after the reduction was made—the gross figures?—A. I have not.

Q. Seeing that Mr. Boyd was determined to make a reduction of 5 cents a yard for dumping in the river, will you state to the Committee whether he had ground for doing that. Is there any difference between dumping in the river and dumping on the banks?—A. It is more expensive to put it on the embankments than throwing it into the river. There are so many more handlings.

Q. Do you believe that the allowance or reduction of 5 cents made by Mr. Boyd was a fair one?—A. It was, in his opinion, a fair one.

Q. I mean in value. I want your opinion whether, from the point of view of the contract, this deduction was fair?—A. To my mind it was fair. Perhaps it is a cent wrong, but it is about fair. It really was about what the difference would be.

Q. Did the firm of Larkin, Connolly & Co. get another contract in Quebec Harbour Improvements subsequent to that dredging contract?—A. Yes; they got the Cross-wall contract in 1883.

Q. Did you associate yourself for this contract also with Larkin, Connolly & Co.? What was the proportion of your interest in the Cross-wall contract?—A. 30 per cent.; it was not fixed at the time.

Q. But finally it became to be 30 per cent.?—A. 30 per cent.

Q. Will you explain to the Committee how the tenders were put in?—A. Having agreed with Larkin, Connolly & Co. that I should be interested in that Cross-wall contract we agreed that I should get another name, by which I should put in a separate tender, and I got Mr. Beaucage to consent to allow the use of his name.

Q. The Mr. Beaucage was the same whose name you used for the dredging contract?—A. The same one—George Beaucage. I filled in George Beaucage's tender. The rates, I think, were to my mind fair and just, and Larkin, Connolly & Co. did theirs, and they also filled in one for one John Gallagher.

Q. So, to your knowledge three tenders were put in in the interests of Larkin, Connolly and Co.?—A. When each of them had their tenders ready we met together to compare our figures, and we me tin the office that I held up to that time, underneath my brother's office.

Q. In what street?—A. In Dalhousie street. There we went over the comparisons necessary to make the tenders consecutive.

Q. You say that these three tenders, to wit.: Larkin, Connolly & Co.'s, John Gallagher's and George Beaucage's, were compared in your office underneath Thomas McGreevy's office?—A. Precisely.

Q. Had Larkin, Connolly & Co. an office in the city then?—A. No; their office was at Point Lévis, at the dock.

Q. Is there any communication between your office and Thomas McGreevy's office in that building?—A. There is a communication by means of a trap door and stairs—a trap door worked by a weight. It was put there, because my brother's office being upstairs, sometimes I had to communicate with him, and it was better to do that without going out into the street.

Q. Whenever you wanted anything with your brother's office you opened a trap door?—A. Yes; and he could come down and see me.

Q. When did you meet and compare these tenders in your office?—A. About the 30th of April or the 1st of May.

Q. Do you remember who were present at the comparing of those tenders?—A. To the best of my recollection Mr. Larkin was there, Mr. Nicholas Connolly, Mr. Hume, and I could not say whether Mr. Michael Connolly was there or not.

Q. Was Murphy there?—A. Murphy—yes.

Q. Was Thomas McGreevy in his office or building?—A. He was in the building; I think so.

Q. Was he present at this work of comparing the tenders?—A. No.

Q. Do you know whether your brother Thomas was aware that you had an interest in those tenders for the Cross-wall work?—A. Yes; he was aware.

Q. Did he become aware of your interest after your contract or when you were tendering?—A. When I was tendering.

Q. You say that you were comparing your tenders, so that they should be consecutive. Will you explain to the Committee what you mean by that?—A. That if one tender did not suit the other would.

Q. Was this contract an item tender or what?—A. An item contract. No quantities were furnished.

Q. Do you remember whether a cheque or deposit was to be made with those tenders?—A. A cheque of $75,000, I think.

Q. Was such a cheque put in with Beaucage's tender?—A. There was.

Q. Who furnished the money to be made with Beaucage's tender?—A. I think he got the money himself.

Q. You did not furnish the money yourself?—A. I did not.

Q. Do you know where he procured the money?—A. I think it was the Union Bank where he got the money.

Q. By way of discount?—A. By way of discount.

Q. Do you know whether your brother Thomas had anything to do with or helped Beaucage in procuring that money?—A. My impression is that he had. He was a Director of the Union Bank and helped him to get the discount there.

By the Chairman:

Q. Do you know it as a fact?—A. Not that I can recollect.

By Mr. Geoffrion:

Q. Was your brother aware of Beaucage's tender?—A. Yes.

Q. Was he aware of what you had to do with it?—A. Yes.

Q. And about the part you took?—A. Yes.

Q. He knew you were using Beaucage's name?—A. Yes.

By Mr. Ouimet:

Q. How do you know? Is this of your personal knowledge?—A. Yes.

Q. How do you know?—A. Because he spoke to me about it.

Q. What did he say?—A. I do not recollect the exact words he made use of, but there is no doubt in my mind but he spoke to me about Beaucage's tender.

Q. At that time?—A. At that time.

By Mr. McLeod:

Q. You had better state what he said, and where?—A. I cannot. I am telling you the substance.

Q. Where was it?—A. It was somewhere in the office in Lower Town.

Q. Do you know where it was?—A. I know it was in the city of Quebec.

Q. Can you locate it nearer than that?—A. I cannot.

Q. Can you tell us when, it was then?—A. It was some time in the month of April.

By Mr. Geoffrion:

Q. Had you occasion to see your brother almost every day then?—A. Every day.

Q. You filed a letter, which is printed at page 20 of the Evidence. Will you read the letter and say whether it refers to that tender? (Witness reads letter of 5th May.) Can you state now whether that refers to the tender you are now speaking of?—A. That refers to the tender for the Cross-wall.

Q. And the Beaucage referred to there is the same Beaucage?—A. Yes—George Beaucage.

Q. Will you now also read the other letter on page 21, and say whether this letter is addressed to you by your brother, and whether it also refers to this tender? —A. This is a letter of the 7th May and is addressed to me. (Witness reads it.)

Q. After you have read those two letters, have you any doubt that you had spoken to your brother about this tender of Beaucage's?—A. Not at all. I knew before I read it, too.

Q. There is a reference to an arrangement with Beaucage in your brother's letter of the 7th. Will you now take communication of this document, and say what it is?—A. It is Beaucage's transfer of his interest that he might have in that contract to Larkin, Connolly & Co.

Q. Who is it written by?—A. Myself, and signed by George Beaucage.

Q. Read it. —A. It reads as follows:—

(Exhibit "P12.")

"I hereby agree to transfer all my rights in a tender dated the 2nd of May inst. to the Harbour Commissioners for the works necessary for the quay-wall, &c., to

Messrs. Connolly, Larkin & Co., and agree to sign such further papers or agreements as may be necessary for either transferring them the contract if awarded me, or of withdrawing my tender for the same if they so desire it, either by power of attorney or my actual letter. In the event of the contract being awarded me, I will transfer the same with all my interests for and in consideration of five thousand dollars to be paid me.

"GEORGE BEAUCAGE."

"QUEBEC, 4th May, 1883."

Q. I see that in his letter of the 7th May, 1883, your brother says he will give you timely notice. He says: "I hope to let you know to-morrow about the result of the Cross-wall tenders." Will you now look to this letter and say by whom it is written and to whom addressed?—A. This is a letter written to me by Thomas McGreevy, dated 8th May.

Q. Are you able to say at once if it was written in 1883?—A. Not until I read it.

Q. Then read it right through?—A. It reads as follows:—

(Exhibit "Q 12.")

"HOUSE OF COMMONS, 8th May.

"MY DEAR ROBERT,— * * * I seen Boyd this morning. He has not finished Cross-wall yet. I will meet him this afternoon about it and know the result. Hector Cameron was speaking to Clarke the other day and asked him if he was not going to put his reports in soon, as the supplementary estimates would come down in a few days. He replied by saying that it could not be helped.

"I think Gregory will receive instructions to get possession of Queen's store at once. I saw a letter to-day to that effect.

"Yours truly,

"THOMAS McGREEVY."

WITNESS.—This is a letter which, from the subject, I would take to be written in 1883.

Q. After the receipt of that letter did you see your brother?—A. After that—yes.

Q. Where did you meet him?—A. I met him in Montreal.

Q. Had your brother any papers or documents to communicate to you then, or information to give you?—A. Yes; he had some.

Q. What was it?—A. He had some information respecting the Cross-wall.

Q. Respecting the tenders or the Cross-wall?—A. Respecting the calculations made by Mr. Boyd.

Q. What was the nature of his information?—A. It was showing the quantities that Mr. Boyd had made up the tenders.

Q. That Mr. Boyd had applied to the tenders?—A. Yes; I took a copy of them for my guidance.

Q. Did he leave you any papers, or did he give you any document, or give you any other information besides?—A. I had the rates on which Peters put in his tender.

Q. Did he give you any information also about the sheet piling in those tenders?—A. No. He sent me that.

Q. He did not give you that at your meeting in Montreal?—A. No; he sent the information in connection with the sheet piling either before or afterwards.

Q. What have you done with this paper?—A. I think I must have given it to Mr. Tarte.

Mr. GEOFFRION—I have to make a statement to the Committee. I was in possession of the document, and I probably lost it, either in this room or the other room, amongst the bundle of papers. I have here a photograph of the document, and if necessary I may be sworn to prove its loss. I want to examine the witness now upon it, and cannot prove it unless this photograph is accepted as the original.

The CHAIRMAN—You had the whole of it photographed?

Mr. GEOFFRION—The whole of the document photographed. I am ready to swear that the original was in my possession and I have lost it.

The CHAIRMAN—I think we ought to admit it.

Q. Will you look at this photograph. and say what it purports to be, or whether it relates to any information you have received from your brother?—A. This is a photogragh of the shape of a postal card I received from my brother, showing the sheet piling item and the amount of each tender for that time.

Q. Read it?—A. It reads:—

"Sheet Piling Total—Peters, $20,000 or $8 per running foot; Samson, $26,000 or $10.50 per running foot; Larkin & Connolly, $500 or 25c. per running foot.

Q. Will you say in whose handwriting the document is?—A. That is in Thomas McGreevy's handwriting.

Q. I mean the original one?—A. Yes.

Q. You say it was in the shape of a post card. Do you mean to say that it was sent to you as an open post card?—A. No; it was enclosed in an envelope.

Q. But you explained to us it was a post card?—A. No; a memorandum in the shape of a post card.

Q. That was about the size of the document?—A. Yes.

Mr. AMYOT—It has no date?

Mr. GEOFFRION—No.

The CHAIRMAN—Is that an exact copy.

Mr. GEOFFRION—An exact copy, about the size of it.

Q. When you met your brother in Montreal I understand it was after having received the letter of the 8th?—A. Yes.

Q. Would it be several days after?—A. On the 13th.

Q. And was it before or after having received this little paper?—A. I think it was after.

Q. The little paper had been sent to you by mail to Quebec?—A. Yes.

Q. And it was after having received it that you met your brother in Montreal?—A. Yes.

Q. Did you happen to meet your brother in Montreal by accident or was it an appointment?—A. By appointment.

Q. What was the object of meeting your brother in Montreal and him coming from Ottawa to meet you there?—A. It was to discuss that Cross-wall business, and business of that kind.

Q. I see at page 21 of the evidence that on the 17th May, 1883, your brother also wrote a letter in which I read the following: "As I told you yesterday to try and get a good plan and as quick as possible in answer to the letter that Gallagher and Beaucage will receive about their tenders to bring them over L. & C. so as their tender will be the lowest. The contract will be awarded from Ottawa direct." Can you explain to the Committee what you understood by that "good plan" and what had been talked between yourself and him on the day previous?—A. Well, the meaning of that was, as I took it, to put Gallagher and Beaucage in such a position that the contract would fall to Larkin, Connolly & Co.

Q. Had there been any conversation about that at the meeting he refers to? Can you remember now?—A. I do not know that I do remember, further than a general conversation of what was the general outline of what ought to be done.

Q. But your recollection is, that the object was to get rid of Gallagher?—A. Yes; and if possible to ged rid of Beaucage.

Q. Did you carry out any plan, and if so what was the result?—A. It was decided that Gallagher should withdraw his tender.

Q. As a matter of fact, did he do it?—A. He did it.

Q. Will you now take communication of this letter, and say by whom it is written and to whom?—A. It is a letter written by me to Mr. Murphy, from the St. Louis Hotel, Quebec.

Q. Is there any date?—A. No.

Q. Read it?—A. It reads as follows:—

(Exhibit "S12.") "St. Louis Hotel.

"O. E. Murphy, Esq.

"Dear Sir,—Would you please send Mr. Connolly over to-morrow morning to send a letter to Mr. Perley for Gallagher in answer to one sent him on the 17th by Perley asking explanation on piles. Have you heard from Gallagher if he has rec'd the letters so issued. The Mr. Connolly I mean is the one who wrote the letter the other day and which, by the way, was put in and dated 16th. All will be right I think.

"I would like to see you, also, at 7.30 a. m. at the hotel. This same hour would suit me for Connolly—as I wish the letter to go by morning mail.

"Yours in haste,

"R. H. McGREEVY.

"Sunday P. M."

Q. Will you now give the date as approximately as possible?—A. That would be about the 15th or 16th of May, 1883.

Q. Read it again. You refer to a letter of the 17th?—A. It would be 1883 anyway, and some time in May. It is marked Sunday.

Q. You refer to Connolly, whose name you did not give. Did you ascertain what Connolly that was?—A. I ascertained afterward it was Michael Connolly.

Q. What had Michael Connolly to do with these tenders?—A. He acted for Mr. Gallagher. He acted in making up the tender as I understood it, and wrote the letter accompanying it.

Q. As far as Beaucage is concerned, what did you do in accordance with your brother's directions: "I told you yesterday to try and get a good plan." What was done as far as Beaucage was concerned?—A. There was nothing done until Mr. Perley wrote down his letter to Mr. Beaucage asking explanations.

Q. As a matter of fact, are you aware that Beaucage received a letter from Mr. Perley?—A. Yes.

Q. Have you seen the letter, then?—A. Yes.

Q. Please refer to page 43 of the evidence, and say whether the letter which is there printed is the one you refer to?—A. Yes; that is the letter I refer to.

Q. This one appears to have been sent to Larkin, Connolly & Co. You are aware that Larkin, Connolly & Co. received a similar letter at the same time that Beaucage received one. Look at the last letter in these exhibits (Exhibit "B4")?—A. That is the letter he received.

Q. It was addressed to Beaucage?—A. Yes.

Q. What action did you take after having seen these letters?—A. After receiving that letter I went to work and ascertained if the position of the sheet piling was as he stated.

Q. Who stated?—A. Mr. Perley. I then got up an answer to it, and the answer Mr. Beaucage sent was that he meant 25 cents per lineal foot of pile (what he meant by a line of work) 25 cents per foot of pile driven, which would be equal to close on $10 per foot, the way Mr. Perley read it, and asking Mr. Perley to so amend his tender. That is my impression of the work that I done before writing an answer to Mr. Perley, but there was an answer, and the letter will show all that was said in it.

By Mr. Mills (Bothwell):

Q. That is the letter from Beaucage to Mr. Perley?—A. In answer to Mr. Perley.

By Mr. Geoffrion:

Q. The letter would speak for itself, as far as what Beaucage claimed?—A. Yes.

Q. Do you know who wrote the letter for Beaucage?—A. I drafted the letter for him and got him to sign it.

Q. Had you sufficient knowledge of the quantities of figures that had been given to you by your brother as coming from Mr. Boyd to come to the conclusion what would be the result of the alteration made by Beaucage in his tender?—A. I knew that if the Department would not accede to the request of Mr. Beaucage's tender, that is allow the increase, that Larkin, Connolly & Co.'s would come the next.

Q. The answer was in such a way that Beaucage would be higher than Larkin, Connolly & Co.?—A. So I thought at the time.

Q. When you wrote that letter and had it signed by Beaucage you then had the little paper of which a photograph has been put in?—A. Yes; and I had the whole quantities.

Q. As a matter of fact, it turned out that Larkin, Connolly & Co.'s tender became the lowest?—A. Yes.

Q. In the conversations which you had with your brother, either in Montreal or elsewhere, was there anything said about Peters, Moore & Wright's tender?—A. The conversation I had with Thomas McGreevy?

Q. During the correspondence which you had with your brother in connection with the tenders, did he convey to you verbally any information beyond what is contained in the letter addressed to you on the 5th of May, in which he says, "Larkin was here yesterday. I told him that it would be useless to get Peters out of the way, as it would be tantamount to giving the contract to the highest tender." Had you other information from your brother as to Peters' tender than what is contained in this letter?—A. I had the quantities with which to figure out, and I had Peters' rates, so that the calculations could be made by which I could know exactly where each one was.

Q. You had not only Boyd's quantities but Peters' rates?—A. Yes.

By Mr. Amyot:

Q. From whom did you get the quantities?—A. I stated in the early part of my evidence.

The Committee then adjourned at 6 o'clock p.m.

HOUSE OF COMMONS, THURSDAY, 23rd July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

Mr. ARCHIBALD CAMPBELL sworn.

By Mr. Geoffrion:

Q. You are joint Prothonotary of the Superior Court of Quebec?—A. Yes.

Q. Have you with you the record in a case pending before the Superior Court?—A. Yes. No. 1731, Thomas McGreevy *vs.* Robert Henry McGreevy.

Q. As requested did you prepare copies of the pleadings and other documents which I asked you to have prepared?—A. Most of them were prepared by Mr. Todd's clerks. I have the copies here.

Q. Will you file them?—A. I file Nos. 3, 5, 11, 21, 22, 24, 31, 44, 45, 72, 81, 110, 123 and 146 of the Record.

Q. Did I not also ask you for No. 36?—A. Here is a copy of it.

Q. Will you also look at this document and say whether it is a true copy of the deposition?—A. I cannot say that.

Q. It is certified to by the stenographer?—A. It is certified to by the stenographer, and he is an officer of the court; but it is not certified to by Mr. Malouin.

Q. Will you compare it with the original?—A. Yes; but I am not paid for my time. I am only paid for my disbursements. If I am not paid for my time I must decline.

Mr. ROBERT MCGREEVY recalled and his examination resumed.

By Mr. Geoffrion:

Q. Will you examine Exhibit "V 2," being a letter by John Gallagher to Henry F. Perley, dated 19th May, 1883, printed at page 48 of the evidence, and say whether you know the handwriting of this letter?—A. I think it is that of Michael Connolly.

Q. You recognize his handwriting?—A. Yes, to the best of my memory.

Q. In whose handwriting is Exhibit "U 2," being a letter sent on behalf of Larkin, Connolly & Co., bearing the same date, 19th May, and addressed to Mr. Perley, and also printed at page 48?—A. This is the handwriting I think of Mr. Hume, the engineer of Larkin, Connolly & Co.

Q. Including the signature?—A. Yes.

Q. In whose handwriting is the body of the letter dated 21st May, 1883, purporting to be sent by George Beaucage and addressed to Mr. Perley, marked as Exhibit "W 2," and appearing at the same page?—A. That is in the handwriting of one of my sons. I really don't know which it is, they write so similar.

Q. And whose signature is it?—A. George Beaucage's signature.

Q. And written by one of your sons? Which would it be, Robert or Charles?—A. It is not Charles, I think it is Robert's.

Q. Will you take communication of a letter dated 17th January, 1883, and say by whom it is signed?—A. It is signed by me.

Q. To whom is it addressed?—A. To Mr. Murphy.

Q. "I learn from my brother, however, that the harbour works will be advertised almost immediately." Will you explain to the committee what harbour works you refer to in that letter; would it be the Quebec harbour works?—A. The harbour works referred to there is the Cross-wall.

(Exhibit "T12.") "OTTAWA, 17th January, 1883.

"DEAR MR. MURPHY,—I have no doubt you think I am unmindful of my promise with regard to the loan of $1,500 on the check I gave you, the fact is I have not received any funds from Moncton yet, and I am so busy here with my case getting up statements, evidence, &c. that I have really not even Sunday to myself and therefore cannot get a moment to finance to meet my obligation to you. I trust you do not find any inconvenience from it, if so, and that you want it please wire me and I will attend to it. I expect to reach Quebec Saturday or Monday and will see you. I learn from my brother, however, that the harbour works will be advertised almost immediately. I enclose you letter for Mr. Coker respecting the proposed dock you spoke to me about.

"I remain yours,

"ROBERT H. McGREEVY."

Q. As you stated in your letter, as a matter of fact, have you been so informed by your brother?—A. Yes, that the plans were being prepared here.

Q. Finally Larkin, Connolly & Co.'s tender was accepted, I understand?—A. Yes.

Q. After you were informed that Larkin, Connolly & Co.'s tender was accepted did you become aware of something in connection with this tender?—A. I became aware of a good many things.

Q. In connection with the granting or with the accepting of the tender?—A. I learned from Mr. Murphy that $25,000 had to be paid in connection with the cross-wall.

Q. How did you learn it? Please explain?—A. He explained it by stating that of course I would be expected to contribute towards the $25,000.

Q. Were you informed to whom the money had to be paid?—A. Yes.

Q. Who was it?—A. It was to be paid to Thomas McGreevy.

Q. Subsequent to that information from Murphy, had you any conversation with your brother, Thomas McGreevy, in connection with the same?—A. I had.

Q. What was the substance of your conversation with your brother in connection with that?—A. Well I understood from him what Murphy told me was correct. He told me to go to Larkin, Connolly & Co. and get the notes.

Q. In accordance with the request did you go to Larkin, Connolly & Co. for these notes?—A. I did.

Q. Please state what took place?—A. Well, I told Mr. Murphy that the notes were required; that I had been sent by my brother for these notes. He told me that the arrangement was that the money was to be paid as the work progressed; but I endeavoured to show him that it was necessary to have something at once, even if the notes were of a long date.

Q. You say he told you that the money was to be paid as the work progressed? Who did?—A. He did.

Q. Who?—A. Murphy did at the time he was speaking to me.

Q. What did you answer to that statement of Murphy's? Is that all that took place?—A. Well, I got the notes from him, signed by the firm, and endorsed by some members of it.

Q. Have you any knowledge when and where they were signed by the firm and endorsed by some members of the firm?—A. I have. I was present when they were signed.

Q. Where was it?—A. It was in my office in the lower town—in Dalhousie street.

Q. Is it the same office that you described as the place where the tenders were compared?—A. I think so.

Q. The office communicating with your brother's office by means of a trap door?—A. Yes, I think that is where they were made.

Q. Will you examine these notes (W-7) and say whether they correspond to those you saw signed then and there?—A. I recognise the three last as a part of those that I saw made out at the time.

Q. The three last notes are——?—A. They are those of 6, 7 and 9 months of $5,000, each made on the same kind of form. The two first are demand notes made on another form.

Q, Which you do not recognize as being then signed ?—A. I do not recognize them as having been then signed.

Q. The three you recognize as having been then signed are one endorsed by P. Larkin, one by N. K. Connolly and the other by O. E. Murphy ?—A. Yes.

Q. Do you remember whether the five notes were filled out and signed on the same occasion ?—A. Yes ; on the same paper, I believe.

Q. When was it ?—It was the latter end of May or the early part of June.

Q. Who were present ?—Mr. Murphy, Mr. Nichblas Connolly, and I think Mr. Larkin was present.

Q. Did you see that Mr. Larkin endorsed one ?—A. Yes; that is his signature.

Q. Have you any doubt that he was there ?—A. I would not say positively he was there, but my impression is that he was.

Q. Your memory is not sure, but you see that his name is on one of the notes ? —A. Yes. He may have been brought there and endorsed it.

Q. Were these notes so signed and endorsed prior or after the accepting of the tender ?—A. It was after.

Q. Was it prior or after the execution of the contract ?—A. I am not sure about that.

Q. You are not sure as to the execution of the contract, but you are sure it was after the execution of the tender : after being informed that the contract had been awarded ?—A. Yes.

Q. After the notes were completed, will you be good enough to explain to whom they were handed ?—A. I handed them all to Thomas McGreevy.

Q. Then they were first handed to you ?—A. They were handed to me, as I said before, by Mr. Murphy.

Q. You handed them to Thomas McGreevy ?—A. Yes.

Q. Where ?—A. I do not know exactly where ; either in his office or his house.

Q. When ?—A. The day I got them.

Q. On the same day ?—A. Yes.

Q. Have you any personal knowledge of the use which your brother made of some or all of those notes ?—A. I have a personal knowledge that an obligation was imposed upon him at that time by a judgment of over $17,000, which I know some of those notes went to pay.

Q. Do I understand you to say that the creditors took the notes in payment or that these notes were used to levy money for the payment ?—A. The notes were used to get the money to pay the debt.

Q. What judgment was it; what case was it ?—A. It was a judgment of the Supreme Court in *McGreevy v. McCarron and Cameron*.

Q. The Supreme Court of Ottawa ?—A. Yes; about the 13th or 15th June, 1883.

Q. You say that this judgment was rendered towards the middle of June ?—A. About the 13th.

Q. You were not in Ottawa at the time the judgment was rendered ?—A. No.

Q. Did your brother have any conversation as to that judgment with you ? How did you know it had been rendered ?—A. I knew it, because I was in a position to know it.

Q. You were aware of the case ?—A. Yes.

Q. It had gone up as far as the Supreme Court ?—A. Yes.

Q. It was the case of McCarron *vs* McGreevy ?—A. Yes; but in the Supreme Court he was the appellant.

Q. How did you become aware that that judgment was paid with the money realized from these notes ? Will you explain how that came to your knowledge ?— A. Two of these notes were given to Mr. Hearn—the Hon. John Hearn—to get discounted, and one was sent to the Union Bank to get discounted.

By the Chairman:

Q. Who told you that the notes were applied to the payment of that judgment? A. I knew it myself.

Q. How did you know it?—A. From the instructions given by Thomas McGreevy.

Q. What instructions were given?—A. Instructions as to whom the notes were to go to to be discounted.

Q. They were given to whom?—A. Myself and Mr. Challoner.

Q. What were the exact words?—A. As near as I can recollect, that the judgment had to be met and these notes should be discounted to meet them.

Q. Who got the money from Mr. John Hearn?—A. I do not know.

Q. You did not get it for your brother?—A. No. I do not think so.

Q. Did you have the other note discounted by the Bank?—A. I did not discount any. Mr. Challoner said he did.

Q. What is his first name?—A. Mr. Henry J. Challoner.

By Mr. McLeod:

Q. When did Mr. McGreevy give you instructions?—A. About the time I gave the notes.

Q. Was it before or after you had handed them to him?—A. After.

Q. At the same time?—A. It might have been a few days after.

By the Chairman:

Q. Your name does not appear on these notes?—A. No.

Q. Were you not to contribute as a partner?—A. I was.

Q. Did you contribute?—A. I gave my note for $7,500 or what would represent my share of that $25,000, at the suggestion of Mr. Nicholas Connolly, as he suggested I should give some security in case they were called upon and got no value for the $25,000, and I must pay my share. They held my note for a couple of years, until such time as the obligation discharged itself.

Q. It was charged to you?—A. It was not charged to me. I gave a note of security.

Q. Did you pay the note?—A. No; they gave it back to me when the profits were secured.

By Mr. Geoffrion:

Q. You say the note for your proportion of the notes in that matter?—A. Yes.

Q. Did they keep that note until the profits paid the whole liability?—A. Yes.

Q. Do you know whether those $25,000, once discharged and paid, were charged in the books of the firm?—A. Yes.

Q. How were they charged?—A. It is charged to expense account Quebec Harbour Improvements.

Q. Anyhow, the firm was charged with the expense?—A. Yes; that is the first auditor's account I have.

Q. You have spoken of those three notes which you said were used to pay the McCarron judgment. Do you know what became of the other notes?—A. My impression is that at a later period—I may first state that of the five notes one of them was a three or four months and one twelve, or the two missing ones. Instead of these demand notes there was a three or four months note and a twelve months note, and later on I asked Mr. Murphy to change the twelve months note into what—I thought so then and I think so now—was a shorter date; but I have no recollection of any circumstances regarding the other note being changed or a demand note being given for the twelve months.

Q. You say that you asked Mr. Murphy to make another note at a shorter date. Did you do it of your own accord or were you requested to ask it?—A. I was requested to get it changed. It was too long.

Q. By whom were you requested?—A. By Thomas McGreevy.

Q. Did he so request you after being put in possession of the five notes?—A. Not at the time; some days after.

Q. After you had the twelve months' note altered as stated, what did you do with the new note?—A. I gave it back to Thomas McGreevy.

Q. I think you stated that this shorter note instead of the twelve months' note was not a demand note?—A. I think not.

Q. As far as you can remember it was not. Did you make your brother aware after obtaining the contract of the extent of your interest in that cross-wall contract?—A. He was aware of it both before and after.

Q. But I mean of the percentage of your interest?—A. It was about that time that I told him what the extent of my interest was. I told him the circumstances under which I got that thirty per cent interest. Mr. Larkin was very desirous I should only get twenty-five per cent. in order to leave a place for Michael Connolly; but I had insisted on the thirty, and he said I was right.

Q. Were you interested in the Levis supplementary contract?—A. No; I was not interested in the graving dock at Levis at all.

Q. Did you take any part, however, in the obtaining of this new contract?—A. I did.

Q. Will you take communication of this letter dated 13th March, 1884, from Ottawa and apparently signed by you and addressed to Mr. Murphy, and say whether it is in your handwritting—both the body and the signature?—A. Yes. That is my handwriting. It is from Ottawa 13th March, written by myself and signed by me. I will read the part that bears on this case:—

(Exhibit "U-12")

"I will get my brother to interview Perley with Valin before I leave on graving dock."

Q. The brother you refer to in that letter is Mr. Thomas McGreevy?—A. Yes.

Q. And the Valin is Mr. P. V. Valin, Chairman of the Harbour Commissioners, Quebec?—A. Yes, if I referred to Valin.

Q. Take communication of this letter?—A. It is a letter written by myself from Ottawa, 17th, 1884, no month. It does not say who to. It reads as follows:

(Exhibit "V12")

"OTTAWA, 17th 1884.

"MY DEAR SIR,—The result of the interview between Mr. Perley and my brother was that he, Perley, will write you to ascertain the rate at which you will complete the dock giving a guarantee of completion within this year or the season of navigation. I will be down in a few days to see you. In the meantime do not reply until you see me. The question of some diminution in the value of dock, being shorter than contract, came up. Perley says it is thirty-one feet shorter. I think they can be convinced that only bulk sum contract will ensure completion this coming season.

"Yours,

"R. H. McGREEVY."

Q. You wrote that letter in 1884?—A. Yes 1884. It would be in the spring, about April or March.

Q. You remember that you were in Ottawa in the spring of 1884?—A. Yes.

By Mr. Amyot:

Q. Do you remember to whom it was adressed?—A. I think it was addressed to Mr. Murphy.

By Mr. Geoffrion:

Q. There is an exhibit filed here, "W1", a synopsis of which is to be found at page 3 of the pink index, being a letter from Mr. Perley, Chief Engineer of the

Public Works Department, to the Secretary of the Harbour Commission transmitting a copy of correspondence exchanged between Mr. Perley and the contractors, in connection with the offer for the completion of the graving dock in 1884. Do you remember having seen that correspondence between the contractors and Mr. Perley? —A. I have no distinct recollection now of having seen it, but I must have seen it.

Q. Had you taken part in that correspondence?—A. Yes.

Q. In what way?—A. I drafted a reply to Mr. Perley's letter.

Q. As a consequence of that correspondence, do you know whether a contract took place between Larkin, Connolly & Co. and the Harbour Commissioners?—A. Yes, they made an offer of completing the dock and the offer was accepted.

Q. Do you remember the lump sum that was asked? Can you say from memory what it was?—A. $64,000 and $10,000 added for the caisson made $74,000. That is my present impression.

Q. After the contract was awarded were you informed that something had been done, also in connection with this contract, independently of the execution of it?—A. Yes.

Q. What was it?—A. A certain sum of money was exacted, was to be paid.

Q. By whom was the money to be paid?—A. By Larkin, Connolly & Co.

Q. To whom?—A. To Thomas McGreevy.

Q. Do you know whether Mr. Thomas McGreevy had been aware of the negotiations in connection with that supplementary contract?—A. Certainly I do. He spoke to me several times about it and I was directed by him what to do.

Q. In that matter?—A. Yes in that matter.

Q. You say that you drafted the answer to Mr. Perley's letter?—A. Yes.

Q. Do you know whether he was aware of that work of yours?—A. I gave him the draft of it for his approval.

Q. You showed it to him?—A. Yes.

Q. And are you aware that he took communication of it?—A. He read it over.

Q. And did he approve of it?—A. Substantially yes. I think there was a word or two he thought might be changed.

Q. In substance he approved of the draft letter?—A. Yes.

Q. As a matter of fact, after your brother Thomas had approved of that draft was the letter sent to Mr. Perley?—A. I think so. I gave it to Larkin, Connolly & Co. as the outlines of a letter they should send, and they told me afterwards they sent it.

Q. After having received the draft, approved of with a few corrections, from your brother, you handed it to Larkin, Connolly & Co., to base their letter upon it?—A. Yes.

Q. And you were subsequently informed they had written a letter based upon it?—A. Yes.

Q. Was it subsequent to this part taken by your brother in these negotiations, that you were informed that a sum of money was to be paid by Larkin, Connolly & Co., to him?—A. It was during those negotiations.

Q. What was the amount agreed upon or mentioned?—A. I learnt from my brother Mr. Thomas McGreevy that the amount was $14,000.

Q. What did you do after you were so informed by your brother?—A. Well, I went to Mr. Murphy and he told me that there was some disputes between the members of the firm, not mentioning who, as to the large amount which he had to be paid—as I understood it twenty-four thousand—but that they agreed to give twenty-two thousand. I cannot explain the difference he wanted to know if I was satisfied. I said "Certainly".

Q. Can you explain why your brother having mentioned $14,000 Murphy told you it was $22,000.?—A. I have just told you all I know about that statement.

Q. That as far as you were informed by your brother it was $14,000, and Mr. Murphy told you an amount of $22,000 was to be paid?—A. Yes.

Q. Was the amount paid?—A. I received the $22,000 in notes from Mr. Murphy.

Q. Will you look at Exhibit "X 7" and see whether these notes are connected with that transaction?—A. As far as I can see these are the notes that I got from Mr. Murphy.

Q. Were they made and signed in your presence?—A. They were not.

Q. They were brought to you all prepared and signed by Mr. Murphy?—Yes.

Q. When?—A. About the early part of June 1884. In fact, I think the day they were dated was the day he gave them to me. If not that day, the day after.

Q. After having received these notes what did you do with them?—A. I gave three notes making $14,000 to Thomas McGreevy that day and the other $8,000 later on, not the notes but the product of them later on.

By the Chairman:

Q. Do you know what your brother did with this money that you gave him from the notes of $22,000.; Was it for his own benefit or the benefit of some one else?—A. About the $14,000.,he told me what he wanted it for.

Q. What did he tell you?—A. He told me he wanted it for the newspaper *Le Monde.*

Q. That is the $14,000?—A. Yes.

Q. What about the balance?—A. I gave him by ones or twos as occasion offered afterwards.

Q. Do you know what for?—A. I do not.

Q. He never told you?—A. I knew what part of it was for and at a later stage will say what the portion of the notes went for.

Q. Why not say it now?—A. If you want it now I will give it at once.

Q. I think you had better give the explanation now?—A. When the $6,000 note came due, or near about due, I got $2,000 in cash from Mr. Murphy. I got a note of $2,000 part renewal of four months, and a note of $2,000 of five months. In November, 1884, about the 28th November, on an application for money for the British Columbia dock, I got Mr. Murphy to give me a six months note for $3,000 on that account and I put with it one of these notes I now speak of and made it $5,000 and gave them to Thomas McGreevy.

Q. Do you know for what use; was it for himself or some one else?—A. I do not know.

By Mr. Geoffrion:

Q. This was all the connection you had with the supplementary work at Levis?—A. That is all.

Q. I understand that you were in the second contract of dredging of 1887?—A. Yes.

Q. To the same extent as the other works?—A. 30 per cent.

Q. Have you anything to do with the obtaining of that new contract of 1887?—A. Very little. Some talk between individual members of the firm, between Thomas McGreevy and myself. It began as far back as December, 1886.

Q. Had you any conversations also with your brother, Thomas McGreevy, in connection with that new contract?—A. Yes.

Q. About the same day?—A. About the time. It covered a period of a couple of months or six weeks.

Q. What was the substance of these conversations as far as a practical object was concerned?—A. That the balance of the dredging of the wet dock should be increased in price.

Q. Did your brother Thomas first speak to you about it, or were you approached first?—A. I do not know whether he first spoke to me. I think he spoke to Mr. Murphy first about it, but I suppose the conversations of myself and Murphy with Thomas McGreevy would be about the same time.

Q. They would be connected together?—A. Yes.

Q. What was the substance of these conversations?—A. The outcome of it was that the dredging was to be increased over what had been paid in previous years.

Larkin, Connolly & Co. thought that they had ought to have more—2 cents, 3 cents, 5 cents—whatever they could get more.

Q. And finally ?—A. It was agreed at 35 cents.

Q. Were you aware of the correspondence which took place between Mr. Perley and the members of the firm of Larkin, Connolly & Co. ?—A. Yes.

Q. Did this correspondence take place at the same time as the conversations you have mentioned, or later ?—A. The correspondence was not until the month of April, I think, and these conversations I refer to began in December—very early in December.

Q. You say your conversations were first with Murphy and your brother, and then did it extend to other members of the firm also ?—A. Yes.

Q. Can you name those members with whom you had conversations in connection with that new contract ?—A. I had conversation with them all except Mr. Larkin.

Q. Was there any talk about money to be spent in connection with that contract ? —A. Yes ; they led me to understand that they would take 32 cents, and by getting 35 cents they would allow 3 cents on the quantity supposed to be dredged which was 800,000 yards, to be given to the elections coming on.

Q. There was a talk of elections then ?—A. Yes.

Q. Will you look at Exhibit " M5," read the document, and say whether this document has any bearing upon this part of your evidence ?—A. I have seen that before. It is a pencil memorandum reading as follows: (Reads the memorandum)

Q. You have seen that document before ?—A. Yes; it was in my possession before.

Q. In whose handwriting is the document ?—A. To the best of my belief that is Mr. Michael Connolly's handwriting.

Q. Under what circumstances did it come into your possession ?—A. I was in their office one day and it was thought better that I should have something definite to avoid misunderstandings, and Mr. Michael Connolly wrote out a document which he afterward handed me as the one written out. That is it.

Q Was it handed to you in the office of the firm ?—A. Yes.

Q. Do you remember who were present when this little paper was written and signed ?—A. I think Mr. Murphy and Mr. Nicholas Connolly were present, besides Michael who made it.

Q. Was it handed to you for a special purpose ?—A. It was handed to me to enable me to show what they would do.

Q. To show that to whom ?—A. I showed it to Thomas McGreevy.

Q. Where did you show it to Thomas McGreevy ?—A. In his own house.

Q. Did he read it ?—A. Yes.

Q. What did he do after he had read it ?—A. Gave it back to me.

Q. Did he make any observation after having read it ?—A. I do not think he made any more than " It is all right."

Q He handed back the paper and you kept it ?—A. Yes.

Q. What action was taken upon this apparent offer afterward ?—A. The dredging money was paid—the $25,000 was paid—almost at once, in the month of February.

Q. When about would this paper be prepared and signed ?—A. That would be signed sometime in December, 1886.

Q. And the payments were made in February, 1887 ?—A. Yes.

Q. Do you know how the money was paid ?—A. I do.

Q. Explain it to the Committee ?—A. I gave $10,000 to Thomas McGreevy that were given to me by Mr. Murphy.

Q. You have already said this was in February ?—A. In the early part of February. It must have been between the 4th and 10th. Mr. Murphy gave $10,000, and $5,000 were ordered to remain for the Quebec West election.

Q. You say that Mr. Murphy gave $10,000. To whom did he give the $10,000 ? —A. To Thomas McGreevy.

Q. How do you know ?—A. Thomas McGreevy told me so.

Q. About also the $5,000. which you say Mr. Murphy was ordered to keep. Who ordered him to keep it?—A. Thomas McGreevy did.

Q. How do you know?—A. He told me so. He told me he had told Mr. Murphy to keep $5,000.

Q. Did he tell you for what purpose he had told Murphy to keep $5,000.?—A. For the Quebec West election—for his own election.

Q. For February, 1887?—A. Yes, February, 1887.

Q. I forgot to ask you whether the $22,000. for which notes were given were paid by the firm?—A. I think so.

Q. Were they charged?—A. I do not know, because I had no interest in that work.

Q. You were not charged with that?—A. No; I would not require to see.

Q. About this $25,000. paid to Thomas McGreevy as explained, do you know whether these payments were charged in the books of the firm?—A. Yes, I do.

Q. You say that Mr. Perley's correspondence was in April, 1887. Will you look at page 13 of the Bluebook at a letter dated 27th April, 1887, and say whether you have seen that letter before?—A. I would like to see the letter itself. However, I think I saw the letter.

Q. You may take it for granted there is such a letter. Did you take communication of a letter which was addressed to the firm in April, 1887, in connection with that new dredging contract?—A. Yes, I took a hand in framing the reply.

Q. Had you seen Mr. Perley and had a conversation with him prior to that letter sent by him to the firm?—A. I never had any conversation with Mr. Perley at all upon any contract.

Q. Had you been informed by somebody that Mr. Perley was going to write such a letter?—A. Yes.

P. By whom?—A. Thomas McGreevy told me. He told me and he wrote me.

Q. Are the letters you refer to those that are printed at page 22 of the evidence. Exhibits "E2" and "F2"?—A. Yes, that relates to the matter in question.

Q. Do I understand you to say that besides these two letters you had also a conversation with your brother about it?—A. Yes.

Q. The second of these letters is dated 26th April?—A. Yes.

Q. And on the 27th of April Mr. Perley appears to have written to the firm of Larkin, Connolly & Co.?—A. Yes.

Q. Asking you for your prices?—A. Yes.

Q. You say you had something to do with the reply that was given to it?—A. I did.

Q. When you helped in preparing that reply you had received both letters of the 16th and 26th of April?—A. Yes.

Q. Did you also inform your partners that your letter of the 26th of April informed you that the letter you had received on the 26th April, beginning: "I have just seen Perley on dredging. I think he will report on thirty-five cents, &c." Were they aware of that letter?—A. I made them aware of all the information I got.

Q. Being possessed of that knowledge you wrote the letter of the 28th April 1887, in which you say: "Your favour of the 28th April is at hand, &c." It is printed at page 13 of the Bluebook. Do you know if your brother was made aware of that?—A. I would not like to say that.

Q. I do not mean whether he had seen the letter, but that he was aware you had tendered for thirty-five cents?—A. There is no doubt he knew about the reply.

Q. As a matter of fact, afterward the contract for thirty-five cents was signed?—A. Yes.

Q. You refer to the difficulty connected with the execution of the contract. What were these difficulties?—A. Imaginary.

Q. You say that the passage was narrower in 1887. Was it?—A. No; in 1887 it would not be any narrower.

Q. Was the passage then too narrow out to the St. Lawrence?—A. The passage would be narrower in the dredging of 1883 and 1884.

Q. There was no wall at all then?—A. No wall, but when they began to sink the cribs for the cross wall on the North side of the entrance, then they left a gap on the South side of the entrance, which was about 200 feet wide, until such times as the entrance proper would be finished and left open for navigation.

Q. The entrance where the gates were fixed later? -A. Yes.

Q. Was 200 feet of sufficient width to travel with ease?—A. Oh yes. The outside entrance at the breakwater is only 200 feet or thereabouts.

Q. So it was not a greater difficulty?—A. The difficulties, as I explained, were inaginary.

Q. Taking this question of 200 feet width only, in what condition was this passage during the season of 1886?—A. The same, and part of 1885 would be the same.

Q. But the whole of the year 1886 would be the same?—A. Yes.

Q. You have filed a statement of your operations in 1886?—A. Yes.

Q. And you now swear that as the passage was concerned the difficulty was no greater in 1887 than in 1886?—A. Oh, not at all.

Q. Where did you dump the material?—A. It was dumped in the River St. Lawrence.

Q. The whole of it?—A. No, not the whole of it, not whatever was required elsewhere.

Q. And what proportion was put in the embankment?—A. I suppose about one fourth.

Q. Did you use it for any purpose—was this material dumped into the bank used for any purpose for which you had contracted?—A. Some of the dredging was used for mixing concrete, some was used for filling the cross wall.

Q. Was this filling for the cross wall part of the contracts of Larkin, Connolly & Co?—A. It was part of the cross wall contract.

Q. Do you remember how much your contract gave you per yard, for that filling of the cross wall?—A. 45 cents.

Q. And you were paid for that filling?—A. Certainly.

Q. At the rate of your contract?—A. Yes.

Q. You were paid these 45 cents besides 35 cents for dredging?—A. Yes it was a separate contract.

By Mr. Davies:

Q. It would amount to 80 cents, 35 cents for taking out and 45 cents for cutting in?—A. The dredging was 35 cents and under another contract ths filling for the cross wall was 45 cents.

By Mr. Edgar:

Q. You did the work economically, you used the same material?—A. Yes.

By Mr. Geoffrion:

Q. You said about one fourth of the material was dumped into the embankment, not into the river?—A. One fourth.

Q. Do you speak for the three years in which you were interested, or only for the first year?—A. I speak now of 1887 and 1888. In the early part of 1889 we were frozen out.

Q. How much of that 25 per cent was put into the cross wall?—A. I suppose from 1887 to 1888 the cross wall would have taken about 100,000 yards. In 1886 and 1885 the other portion of the filling of the cross wall had been done, but in round numbers about one hundred thousand for those two years.

Q. In round numbers you are satisfied that in 1887 and 1888 about one hundred thousand yards were required to do that filling of the cross wall?—A. Yes.

Q. The other material which was not used in the cross wall and not dumped into the river, was it used by you in doing certain works for which you were under contract, or used to your private use only?—A. There was a large amount used for mixing the concrete.

Q. That was for your own use?—A. Yes.

Q. I see by the report, printed at page 12 of the Blue Book, under which this contract was awarded, that one hundred thousand only were to be spent in the first year under that contract, will you state, if you know it, how much was actually paid to the firm for the dredging for 1887 in round figures?—A. Well, I don't know how much there was in 1887.

Q. Can you say whether, in that dredging of 1887, you were paid for a certain quantity more than 35 cents?—A. Not to my knowledge.

Q. You say that you were interested only during 1887 and 1888, and you left the firm in 1889. Are you aware whether this dredging was continued in 1889?—A. Yes; I saw it going on.

Mr. GEOFFRION—I now produce this bundle of engineer's certificates, 19 in number, which will be filed together as exhibit "W12."

Q. Will you take communication of the engineer's estimate (Exhibit "W12") Number 8, being up to November 30th, 1887, and being the last one of the year 1887, and say what was the total quantity of cubic yards dredged during that season?—A. 468,540 cubic yards.

Q. And what was the amount of money the firm received for it?—A. $163,989.

Q. So you exceeded, by a little, the amount of $100,000 that was to be spent?—A. Well, I don't know that.

Q. And by the contract you were to work only for $100,000?—A. I don't know what was in the contract.

By Mr. McLeod:

Q. Was any of that put in the cross-wall?—A. Yes.

Q. How much of that would be put in the cross-wall?—A. In the season of 1887 there would be 50 or 60 thousand yards.

Q. Is that included in the $163,000 you speak of?—A. Not the value of putting it into the cross-wall; the quantity would be in that.

By Mr. Kirkpatrick:

Q. How many dredgers were there?—A. There were two.

Q. What were their capacity?—A. The capacity of those dredges would be from 1,500 to 1,700 yards a day.

By Mr. Geoffrion:

Q. Will you now look at estimate number 14, up to November 23rd, 1888, being the last of the season of that year, and say how many yards were excavated or dredged during that year?—A. Well, that would be up to the 23rd November, 1888.

Q. Give the total in the last estimate of 1888?—A. 644,284 cubic yards.

By Mr. Osler:

Q. From which has to be deducted the 468,540 yards?—A. Yes; previous to 1887, and taken from the total.

By Mr. Mills:

Q. And the money?—A. The money of that item is $225,499.40.

Mr. OSLER.—From which has to be deducted the $163,989.—A. Then there is another item of 690 yards to a depth of 28 feet, at 55 cents, making $379.50. There is another item here, 2,754 yards of bottoming up in tidal harbour, as per agreement 55 cents, $1,514.70. These are the three items in this estimate given to me.

By Mr. Mills:

Q. Have you finished reading all in that?—A. Yes.

By Mr. Geoffrion:

Q. I will now take the month of October, 1887. Will you now take communication of the engineer's estimate No. 6 up to 31st October, 1887, and say for how much money the dredging was done during the month of October?—A. The total is $150,113 60, from which the drawback would come $11,500; previous certificates $106,540, which leaves $28,561.99. That is the net estimate, and to that you must add the drawback.

Q. The total paid to the contractors was $28,561.99 for that month, plus the drawback at 10 per cent. So that there was more than $1,000 a day of dredging done during that month?—A. It would appear so by that.

Q. What is the capacity of a dredge per day?—A. From 1,500 to 1,700 yards per day for each dredge.

Q. For twenty-four hours in the day or eleven hours?—A. From ten to eleven hours.

Q. By the month, then, without taking account of accident, breakage, &c.?—A. 25,000 to 30,000 yards a month, taking broken time and accidents altogether.

By Mr. Osler:

Q. Each or both?—A. Each.

By Mr. Tarte:

Q. Is that not a large average?—A. I think it is a fair average.

By Mr. Geoffrion:

Q. Do you know how many dredges were in operation during the month of October, 1887?—A. I think there was only the two. There was a dredge belonging to Mr. Connolly that used to make attempts to take out stuff, but I do not think it did much. It did not belong to the firm at all.

Q. Was this additional dredge in operation in the month of October all the time?—A. I do not think so; it was very irregular, and I would not like to say. It had very small capacity.

Q. Will you look at estimate No. 3, ending July 31st, 1887, and verify how much money was paid to the contractors for the dredging during the month of July?—A. This would include May, June and July, three months. For these three months by this estimate there appears to have been done 210,413 yards, to a depth of 15 feet, at 35 cents, which gives $73,644.55.

Q. Do you not see that you make a mistake—that the previous certificates are deducted; every progress certificate deducts the previous estimate?—A. The total of that which I read is $73,644.55; the drawback on that would be $7,364.45; the previous estimate deducted, $32,372.24; leaving a balance of $33,907.86 plus drawback.

Q. For that month?—A. For that month.

Q. Now look at estimate No. 4?—A. The same way.

Q. It ends on August 31st; say what is the net amount paid to the firm for that amount?—A. The August dredging would amount to $33,622.15 plus the drawback.

Q. You spoke about filling the Cross-wall, for which purpose you used the material dredged under that contract in 1887; did you also employ material for the removal of which you were also paid on the fly bank?—A. There was some blue clay required for the coffer dam and the south wall, which was taken up to Cap Blanche—Wolfe's Cove.

Q. How much were you paid for that?—A. I think we were paid the dredging price, 27 cents; somewhere in the vicinity of 30 cents a yard—from 25 to 30 cents.

Q. In connection with that dredging contract did you become aware that payments had been made to certain inspectors on the work by the firm of Larkin,

Connolly & Co.?—I became aware of it late in the season of 1887. When I first saw it it was in small amounts, and I did not say much, not knowing at the time what it was for; but as the sums became large I made enquiries what it was for. Mr. Nicholas Connolly told me what it was for, and I remonstrated and protested very severely. Later on I reduced that protest to writing to each member of the firm.

Q. When you so protested do you mean by way of letters?—A. By letters, because it was a system that I was never accustomed to.

Q. Have you a copy of that letter?—A. I have a letter-press copy of it. This is the letter-press copy that I got out of the book.

(Exhibit "X12.")

"QUEBEC, 23rd April, 1889.

"PATRICK LARKIN, Esq.,
Of Messrs. LARKIN, CONNOLLY & Co.,
Contractors.

"DEAR SIR,—I have examined trial balance sheets of the affairs of the Company, in connection with Harbour Works here, as made by Martin Connolly the Accountant of the Firm, and have glanced over the books. I will secure an Auditor and have him thoroughly examine the Books and Accounts, as the investigation would be too protracted to do myself.

"I have however seen enough to warrant me in letting you know that there has been an expenditure to the extent of fully $25,000, or thereabouts, that I will not pay my share, or cannot in any way recognize, as they have been made without my knowledge or consent. Contracts and agreements, engagements, appointments, salaries &c., &c., were made without my consent or knowledge—in a word, the work conducted without my being consulted, though the articles of co-partnership make us all equally interested (except as to proportion of profits and losses) and responsible, with no power in any one over the other as to management or control. I have repeatedly complained of this, and now that the working season is again on I put my complaining in writing, and protest against anything being done without my consent and approval, otherwise I will not be held, nor will I be responsible for, or pay any part or share of such expenditure. A copy of this will be served on each member of the firm, in due time.

"I remain, dear Sir,
"Your obedient servant,
"ROBERT McGREEVY."

By the Chairman :

Q. You have no reference to the inspectors in that letter?—A. That is covered by the general statement.

By Mr. Cameron :

Q. I should like to ask Mr. McGreevy if Mr. Larkin had not ceased to be a member of the firm eighteen months before that letter was written?—A. I was not aware.

Q. Do you not know that he retired in 1888?—A. I had a conversation with Mr. Larkin six months before that letter was written—aye, three months—and he made no intimation to me that he was out of the firm. I say that without fear of contradiction. I did not know he was out of the firm when I was out.

By Mr. Geoffrion :

Q. The next contract in which you were interested with Larkin, Connolly & Co. was the Esquimalt Dock?—A. Yes.

Q. What was your proportion of interest in that contract?—A. Twenty per cent.—one-fifth.

Q. Will you take communication of this document, and say whether it refers to your interest in that contract, and if so file it?—A. Yes. That is a letter sent by the members of the firm giving me an interest, and reads as follows :—

(Exhibit " Y12 ")

" QUEBEC, December, 1884.

" We, the undersigned, forming the partnership of Larkin, Connolly & Co., do hereby agree that you shall have to the extent of one-fifth or 20 per cent. interest and share in the profits or losses, as the case may be, we have made contract with the Department of Public Works of Canada for the construction and completion of the Graving Dock at Esquimalt, British Columbia, and any additions or works arising out of or in connection with said contract.

" P. LARKIN,
" N. K. CONNOLLY,
" O. E. MURPHY."

" To Mr. R. H. MCGREEVY,
" Quebec."

Q. This would be about the date when the Esquimalt Dock contract was entered into?—A. A few days afterward.

Q. Do you remember how the firm of Larkin, Connolly & Co. came to tender for that contract?—A. Yes.

Q. Please state it?—A. Tenders was called through the public press, and Mr. Murphy and myself agreed to put in a tender.

Q. Before going further, do you remember, whether prior to putting in your tender, other tenders had been called?—A. Tenders had been in in the spring of that year, 1884.

Q. How did you become aware that those tenders would not be acted upon? Or did you become aware that those tenders would not be acted upon before you decided to put in your own tender?—A. I had not much information about that. My knowledge began at the letting of the fall—September—or coming on that time.

Q. And Mr. Murphy, you say?—A. Yes.

Q. Were the other members of the firm at Quebec then?—A. Yes.

Q. All of them, or some of them?—A. Mr. Larkin was seldom there; but the others would always be there.

Q. What part did you do in the preparation of the tender?—A. Mr. Murphy filled in the items and gave me the signed one, and I brought it to Ottawa in company with Mr. Hume, the engineer. He gave me a blank one signed also, in case it was necessary to make any changes we thought proper in the rates.

Q. He gave you also a blank form?—A. Yes; he signed it for the firm.

Q. Did he sign in the name of the firm?—A. He signed in the name of the firm.

Q. But the members of the firm did not sign it?—A. No.

Q. When you came to Ottawa with this tender, or any time before, had you any conversation with your brother, Thomas McGreevy, in connection with this contract at Esquimalt?—A. Yes; I had some.

Q. Was he aware, or did you make him aware, that you intended to take an interest in that contract?—A. He was aware of it.

Q. Was he aware that you were taking an interest alone or in partnership with Larkin, Connolly & Co.?—A.—Yes; with Larkin, Connolly & Co.

Q. When you came to Ottawa with your tender was your brother there?—A. No; he was not there then. It was in the month of September, I think.

Q. Was he in Quebec?—A. Yes.

Q. Had he been made aware of the tender which you were making?—A. Yes.

Q. Had you communicated the tender to him?—A. I do not think I communicated any rates to him—just the naked fact that I was interested.

Q. Did you have an interview with any parties in the Public Works Department when you came to Ottawa with that tender in the fall of 1884?—A. No; I had none.

Q. You purely and simply put in your tender—you did no transactions on that trip?—A. No.

Q. Later on, were you informed of the result at the opening of the tenders?—A. Yes.

Q. How were you so informed?—A. I was informed by Mr. Murphy and Thomas McGreevy.

Q. After having been informed, had you then interviews with any parties connected with the Public Works Department?—A. I had no interviews with any members of the Civil Service—the Public Works Department—at all.

Q. Neither before or after putting in your tender?—A. Afterwards I had, but it was more formal than anything else.

Q. With whom did you have such an interview?—A. I happened to be here in the early part of October. I came to Ottawa on other business, and Thomas McGreevy told me I had better see the Minister about the tenders of the British Columbia Dock. I went and seen him.

Q. What took place at that interview which you had with the Minister?

Mr. MULOCK.—What Minister does he refer to?—A. Sir Hector. I wanted to know for Larkin Connolly & Co., what was doing with the tenders that were in. He said they were not extended yet; that he had telegraphed to Thomas McGreevy on the matter. That is all the interview I had with the Minister. Then I saw Mr. Perley. I asked him on behalf of the firm, and he said the tenders were before the Privy Council.

By the Chairman:

Q. That is the tenders about the British Columbia Dock?—A. That is all the communications I had.

By Mr. Geoffrion:

A. Prior to the preparation of your tender, had you been put in possession of any information which helped you in the preparation of such tender?—A. Yes.

Q. Will you take communication of exhibit "R6," and say whether you have seen that letter before?—A. Yes; I had that letter in my possession.

Q. Will you read it?—A. (Witness read letter from Mr. Perley to Mr. Thomas McGreevy, printed on pp. 141 and 142 of the printed evidence).

Q. When did you see this letter for the first time?—A. A couple of days after it was received in Quebec—about the 13th or 15th of September.

Q. Was it left in your possession?—A. It was given to me by Thomas McGreevy.

Q. As suggested in the letter, did any member of the firm of Larkin, Connolly & Co. come to Ottawa to examine the plans which were exhibited here?—A. I think not.

Q. You made your tender without looking at the plans?—A. Yes.

Q. Is this letter the only information you had to guide you in the preparation of the tender?—A. I did not prepare the tender, as I stated in the early part of my evidence. Mr. Murphy prepared it with some other member of the firm.

Q. You did not help in the preparation of the tender?—A. No.

Q. You stated you left for Ottawa with a blank form in your possession, signed by Murphy for the firm, in case some changes should be required?—A. Yes. He left it to Mr. Hume and myself to make such changes as would suggest themselves when we reached here.

Q. Did you make any changes?—A. We made a few.

Q. Were the changes to increase or decrease the price of your tender?—A. I think they rather tended to decrease it on the whole; some were diminished and some were increased.

Q. Will you look at this letter (Exhibit "V8") and read it?—A. (Witness read letter sent by himself to O. E. Murphy, printed at page 215 of the printed Evidence)

Q. Will you explain what you mean by the first words of that letter, "The memo. of yesterday *re* B. C. Dock is with the Minister" ?—A. That was a memorandum, if I recollect aright, of certain conditions that they wanted inserted in the contract.

Q. Who wanted ?—A. Larkin, Connolly & Co.

Q. This letter has no date. Was it written before or after the tenders were opened ?—A. It was written after the tenders were opened, and while the contract was being prepared.

Q. Upon whose authority or by whose information could you state to Mr. Murphy that the memo. of yesterday was before the Minister ?—A. Thomas McGreevy told me.

Q. Was Thomas McGreevy in Ottawa at that date ?—A. I do not know.

Q. Anyhow, the information upon which you based what you wrote in this letter came from Thomas McGreevy ?—A. Yes. Whatever information I conveyed there must have been received from him.

The Committee then adjourned till 4 o'clock p.m.

THURSDAY, 4 o'clock p.m.

Sir JOHN THOMPSON.—I have received the following letter, which I think should be read to the Committee :

"ST. JOSEPH, LÉVIS, 22nd July, 1891.

"Hon. Sir JOHN THOMPSON, K.C.M.G.,
"Minister of Justice.

"HONOURABLE MINISTER,—I have the honour to inform you that I was employed as inspector at the Graving Dock, Lévis, and performed the duties incumbent on me with satisfaction. I never received any compensation from Larkin, Connolly & Co. for any injustice done during my term of engagement. I acted as foreman to Larkin, Connolly & Co., both by day and night, with instructions from Woodford Pilkington and J. E. Boyd, Resident Engineers. I culled and measured timber for them, &c. In addition to seeing the work properly done, not a man on the works wrought harder than what I have done, and at all times first on the work and last to leave it. Please receive enclosed an affidavit. I defy anybody in justice to prove to the contrary.

"I have the honour to be, Honourable Minister,
"Your obedient servant,
"E. J. MILNE."

The following is the affidavit which accompanied the letter :

"I, E. J. Milne, do solemnly swear that I was employed by the Quebec Harbour Commissioners as inspector at the Quebec Graving Dock, Lévis, and never received any compensation for injustice done, at all times working and looking out for the interest of the Commission.

"E. J. MILNE."

Sworn before me at St. Joseph, Lévis, this 22nd day of July, 1891.
(Signature illegible.)

Mr. CLEMENT VINCELETTE sworn.

By Mr. Osler :

Q. Look at this document and tell me if this receipt is in your handwriting ?—A. The signature is correct.

Q. What position did you occupy on the 22nd of September, 1883 ?—A. The same as now—at Beauport Asylum.

Q. Had you anything to do with the Quebec Harbour Works?—A. Nothing at all.

Q. Had you anybody connected with you?—A. No; not that I know of.

Q. We find three documents together, endorsed "Inspectors' receipts on the Quebec Harbour Improvements and Quebec Graving Dock." You had nothing to do with that?—A. Never a cent. These amounts were received by me.

Q. For the purpose as stated?—A. For the purpose as stated in that.

Mr. OSLER.—It reads "Received from Mr. Murphy two hundred dollars for a Catholic enterprise. The same gentleman gave me the sum of three hundred dollars for the same object last winter."

(Exhibit "Z12.") "QUEBEC, September 22nd, 1883."

And it is signed "C. Vincelette." The importance of this is, that it is found with two other papers endorsed "Inspectors' receipts."

By Mr. Mills (Bothwell):

Q. What was the purpose for which the money was received?—A. It is stated here.

Q. But that is very indefinite?—A. I know I received the money and I asked for it.

Q. What was the purpose for which it was received?—A. It is stated there.

By Mr. Ouimet:

Q. Was the money from the moneys of the firm of Larkin, Connolly & Co. as tribute on account of the receipt of their contracts?—A. There was nothing spoken of the kind.

By Mr. Osler:

Q. Was it connected with the works?—A. I asked the money and I got it. It was given to me because those who gave it to me knew I would not spend it for my own purposes.

Q. How did you come to apply to Mr. Murphy for it?—A. I was introduced to Mr. Murphy by a common friend—perhaps two, I am not sure; but I am sure by one. I met Mr. Murphy several times and asked him for money, and told him the purposes I wanted it for, and he gave it.

By the Chairman:

Q. What purposes?—A. Part of it was for the Catholic Circle and the other part for good books—for the "Propagation des bons livres." It was for religious purposes.

By Mr. Mills (Bothwell):

Q. Whom did you hand the money over to?—A. It would be hard for me to tell you, because it was handed to different persons.

Q. Who were they?—A. It is not the only money I received that way. I received since sixteen years over $12,000 that way. I never asked for a receipt by anyone, and gave the money to those whom I thought ought to have it.

By Mr. Amyot:

Q. Who were they?—A. If you oblige me to give you a list, it would be a long list.

Q. Give the names you remember. Was there any for newspapers?—A. There was something given, but newspapers that were not political.

Q. What newspapers?—A. *La Vérité* for one.

Q. How much was given?—A. I cannot say exactly.

Q. Have you any recollection?—A. I gave it at different times, and cannot recollect the amount.

Q. Can't you recollect the amount?—A. In these five or six or seven years when I have almost always some money on hand for charitable purposes, as I call them, it was impossible for me, having kept no books. I know I did not keep a cent of these moneys.

Q. How much did you give to *La Verité*?—A. Even if you were to kill me at this time I could not tell you.

Q. Was it about $100?—A. Yes; a few hundred dollars.

By Mr. Mills (Bothwell):

Q. Was it not $5,000 out of the $12,000 collected?—A. No, I beg your pardon. A few hundred dollars—I cannot tell exactly.

Mr. Robert H. McGreevy's examination resumed.

By Mr. Geoffrion:

Q. At the adjournment I was examining you as to the contract for the Esquimalt Dock. After the contract was granted to Larkin, Connolly & Co., do you know whether any changes were suggested in the works by the contractors?—A. Several changes were suggested from time to time.

Q. Had you anything to do with the attempt to obtain these changes at the proper headquarters?—A. Yes.

Q. Will you look at a letter printed at page 195 of the Evidence, signed by Michael Connolly, and addressed to "Friend Owen," Mr. Murphy, and say whether you had communication of that letter some time after it was written, and I refer you especially to the last paragraph, beginning with the words, "Nick at first was very anxious to have the stone changed to granite, but I hope no such change will be made, for the granite here is terribly hard, and the quarry about 180 miles distant. If possible, get them to extend the dock 150 feet, and do away with the double entrance, put in a circular head, the same as at Levis, and let sandstone go in as it is. Be sure and do what you can for this matter. Dispensing with the double entrance head is very important, as it is very diffieult work." Had you communication of that letter some time after it was written?—A. I think so. My impression now is, I had communication of all letters that came from there respecting changes.

Q. And under that impression, I suppose you are satisfied that you had cognizance of that letter, the same as others?—A. Yes.

Q. Now will you look at page 194, and say whether the letter marked Exhibit "L7" was written by you?—A. This letter, dated Ottawa, 24th February, is a letter written by me to Mr. Murphy.

Q. Would it be in the same year as the previous letter that you read, dated 8th February, 1885?—A. Yes. I should judge it would be 1885 by the subject that it treats of.

Q. You remember having written that letter to Mr. Murphy?—A. I do.

Q. In that letter you say: "The second entrance has been done away with, and circular head substituted at an increase of $35,000." Would this second entrance and the circular head referred to be the same as the changes suggested by N. Connolly in his letter of 8th February, 1885?—A. Yes.

Q. Now, will you explain how, on the 24th February, you became aware that this second entrance had been done away with?—A. I had communication with those, and I knew they could carry it into effect, or I thought they could.

Q. Who were they?—A. Thomas McGreevy.

Q. Alone, or anybody else?—A. That is all I had direct communication with.

Q. I see this letter of the 24th February is written from Ottawa. Had you been long in Ottawa when you wrote that letter?—A. Well, I could not say; I only remained for two or three days at a time.

Q. Do you know whether this information that was given to you by your brother Thomas was given to you at Ottawa or somewhere else?—A. Well, I gather from this it was given to me while I was in Ottawa.

Q. But you have no immediate recollection. What you say now would be only from reading these letters?—A. That is all.

Q. You also say that the circular head had been substituted at an increase of $35,000. What was the source of that information?—A. The same as I have just mentioned.

Q. Thomas McGreevy?—A. Yes.

Q. You state further, "the granite substitution was just about being sent to Council, but happily my letter came in time to put it back to sandstone, where it is now; high courses and beds will be put—the additional length will be hereafter settled." Do you remember to what letter you referred?—A. It must have been a letter I wrote up to Ottawa.

Q. Before going there?—A. Before going there, asking that the granite be not adopted but that the sandstone be adopted.

Q. Have you any present recollection, or do you state that it is only from the reading of the two letters you have just been shown?—A. There is an impression on my mind, and what I read now has strengthened it.

Q. Are you satisfied you wrote the truth when you stated you had written a letter?—A. Certainly.

Q. And although you cannot remember exactly the contents of the letter, you are satisfied you wrote it. To whom would the letter have been written?—A. Thomas McGreevy.

Q. Were you also informed by your brother Thomas that your letter had come in time?—A. Yes.

Q. When you came to Ottawa?—A. Yes; I had no other source of intimation. I had no communication with the Department, or with the Minister, or with any of the officers.

Q. Whenever you had a communication with the Department, or the officers, you would do it through your brother Thomas?—A. Certainly.

Q. You say, "I think this is what you want, but it was a close shave." Will you explain to the Committee by what you mean by a "close shave," and what information you had to make that statement?—A. I learned my endeavours to get the granite adopted had been put in a report and recommended to the Minister.

Q. Of Public Works?—A. Yes; and that it had almost reached Council for its adoption, when my letter came up, and turned it back to sandstone.

Q. But, as your letter was not to the Minister, who could stop the report from being put before Council?—A. I cannot say; I could not draw any conclusion.

Q. Well, had you any conversation with your brother as to that?—A. I said I had.

Q. Did your brother say what he did when he received your letter?—A. He told me it was just about being passed for granite.

Q. But did he say that, having received your letter, he did something?—A. Certainly.

Q. Did he state to you whom he saw?—A. Well, he did not.

Q. You cannot answer my question?—A. No; I cannot.

Q. You have just stated that your mode of immediate communication with the Department of Public Works whenever you had something to do for Larkin, Connolly & Co. was your brother, Thomas McGreevy?—A. Yes.

Q. Do you know where his residence was when he was in Ottawa?—A. I do.

Q. Where was it?—A. He resided at that time with Sir Hector Langevin.

Q. How may years has he resided with Sir Hector in Ottawa?—A. Several years.

Q. Was he living with him in 1883?—A. Yes.

Q. I will go back further. Was he living with him in 1882—the time of the first contract?—A. I think so. I am not quite sure about 1882. I am quite certain about 1883.

Q. Up to when did he live with Sir Hector Langevin in Ottawa?—A. As far as my knowledge went, up to about the early part of 1888-89.

Q. Do you know whether the firm of Larkin, Connolly & Co. had to make any disbursements in connection with the obtaining of the contract for the Esquimalt Dock, independently of legitimate expenses?—A. Yes; there were several sums charged. I mentioned one here this morning.

Q. You mentioned a payment you made yourself?—A. Yes.

Q. How much was it?—A. It was not myself; it was a note I got from Murphy.

Q. Did you make any irregular payments yourself in connection with the Esquimalt contract, or the changes and alterations in the contract, during the execution of it?—A. Do you mean, in addition to what I have stated this morning?

Q. This morning you mentioned an amount. I want to know whether you paid anything in addition to what you paid this morning?—A. Yes; I paid other sums of money.

Q. Can you name the amounts from memory, or would you have to refer to the books?—A. I would have to refer to the sheets—the statements.

Q. I now hand you Exhibit "E7," printed at page 178. Is that statement correct?—A. This is not correct. It may be correct, as far as it goes, but it is not an entirely correct statement of the payment on account of the Esquimalt Dock. There are previous payments that I see are not entered here.

Q. If you can give any particulars to the Committee do it?—A. As far as my recollection carries me, I gave $5,000 on the 25th January, 1887.

Q. To whom did you give that amount?—A. I gave it to Thomas McGreevy.

Q. From whom did you receive the $5,000?—A. The time I had it, it was my own money, but I got reimbursed for it by the firm in the month of March or April.

Q. In January, 1887, when you paid it, it was your own money?—A. Yes.

Q. It was charged to you and repaid by the firm?—A. Yes.

Q. How was it that the amount was reimbursed to you after having been charged in the books?—A. It was charged in that item of $17,000.

Q. Was it charged to "suspense" or "expense"?—A. To "expense" account, B. C. Dock.

Q. I understand you that it formed part of the item of $17,000?—A. Yes; of March, 1887.

By the Chairman:

Q. You state that you paid $5,000 to your brother in January 1887?—A. Yes.

Q. For whose benefit was it paid?—A. For his own.

Q. You are satisfied as to that?—A. Yes.

Q. It was for no one else?—A. No.

By Mr. Tarte:

Q. It was for no political object?—A. Not that I know of.

By Mr. Geoffrion:

Q. It was not asked for any political object?—A. No.

Q. Nor declared to be for any political object after it was received by him?—A. No.

Q. Are there any other payments which you can remember as having been made by yourself in connection with that contract?—A. There was $3,000 or $4,000 in promissory notes in 1885—Larkin, Connolly & Co.'s notes.

Q. Given to whom?—A. To Thomas McGreevy by me.

Q. The notes were made by the firm, handed to you and delivered to Thomas McGreevy?—A. Yes.

Q. Were the notes afterwards paid by the firm?—A. Yes.

Q. And charged to what account—to your personal account, or what?—A. No; charged to "suspense" or "expense."

By the Chairman:

Q. Was that also for his own use?—A. Yes.

By Mr. Geoffrion:

Q. You have referred to an item of $17,000, in Exhibit "E7" under date March, 1887, charged to Esquimalt Dock. Can you explain to the Committee what would be the balance of that item, independently of the $5,000 which you recognize as having been paid by you?—A. That item consists of $10,000 that Nicholas Connolly said he paid to Sir Hector Langevin; and that $5,000 I am after speaking of, and $2,000 that was disbursed by Mr. Murphy in connection with Mr. Perley.

Q. About the jewellery?—A. Yes. That made up the $17,000.

Q. Have you any special reason to remember that item of $10,000 which you say Nicholas Connolly pretended to have paid to Sir Hector Langevin?—A. The circumstances are these: In the spring of 1887 Mr. Murphy, in speaking to me, said: "Connolly has paid away $10,000." I was very much surprised at the statement, because we were just after disposing of $27,000 for the elections, and he said: "Well such is the case. You had better see him." I went and seen him——

Q. Saw whom?—A. Nick Connolly. He told me he had to give it; it was very important. I remonstrated with him a good deal, and I showed Mr. Murphy that the large amount of money that we were just after expending was sufficient—in fact, it was promised that there should be no more. He said he could not help it; that Sir Hector must have the money. He mentioned Laforce Langevin's name in connection with it, and wrote a letter to Laforce, by which he got the money. After some talking—I did not care for having any disturbance among the members of the firm—I said: "Well I will pay my share if you charge it to British Columbia, but not if it is charged to Quebec Harbour works, and it was decided that it should be charged to British Columbia Dock.

Q. Had it been charged when you discovered it?—A. I do not think it had been charged to anything. I think it had been charged to his own account in the meantime.

Q. Will you explain the reason why, for peace sake, you asked that it be charged to British Columbia instead of Quebec Harbour Improvements?—A. It would give less payment for me.

Q. You explained that your interest in the British Columbia Dock was only 20 per cent.?—A. Yes; it would have been a difference of a matter of $1,000 to me. By charging it to British Columbia it would have been $2,000, and Quebec Harbour it would have been $3,000.

Q. Did the other partners agree to charge the amount to British Columbia?—A. I do not know what he did with the other partners.

Q. As a matter of fact, was the amount charged to British Columbia?—A. Yes.

Q. And at the audit it remained charged to British Columbia?—A. Yes.

Q. And, as a matter of fact, you only paid 20 per cent. of that $10,000?—A. Yes.

Q. When you were asking explanations about that payment of $10,000 from Nicholas Connolly, do you know whether the book-keeper had anything to say, or was he called upon to give explanations?—A. He referred me to the book-keeper for further details.

Q. Did you go?—A. I went and saw Mr. Martin Connolly, and I understood from him substantially what Nicholas Connolly told me. I gathered from his conversation, or explanation rather, that he knew that the money went in the direction of Three Rivers. He mentioned Laforce's name. He gave me to understand that the money had went as it was stated.

Q. Did Martin P. Connolly contradict any of the statements made to you by Nicholas Connolly?—A. No.

By Mr. Edgar:

Q. Did Martin tell you who told him?—A. Yes; he said it was Nicholas Connolly who told him. I gathered from him that he had sufficient knowledge to know where it went.

By Mr. Davies:

Q. Where did you have this conversation with Nicholas Connolly?—A. I had it in the office in Lower Town—the office of the firm.

Q. Did you commence the conversation yourself?—A. I did.

Q. You told him you wanted to know about this appropriation?—A. Yes.

Q. Do you recollect whether he said he paid the money to Laforce, or Sir Hector Langevin himself?—A. It was rather a mixed up statement, but I gathered that he said he was obliged to give it, and that Laforce came either with a message or a letter from Sir Hector, and he gave the money.

Q. You derived from Nicholas' statement to you that he had paid the money into Laforce Langevin's hands, either on a verbal message or a letter?—A. Yes.

Q. And not personally into the hands of Sir Hector?—A. Not personally into his hands.

By the Chairman:

Q. That is a portion of the $17,000?—A. It is part of the $17,000.

By Mr. McLeod:

Q. How did you come to have that conversation with Mr. Connolly?—A. Mr. Murphy had told me there was such a payment. I said in the beginning of this explanation that Mr. Murphy first mentioned to me that Mr. Connolly told him that this $10,000 had been paid; and after some talk he said: "Go to Nicholas and he will explain it."

Q. How long after that did you have the conversation with Martin Connolly?—A. The whole would happen in the same day, I think.

Q. Do you know?—A. My impression is, I seen the three of them either that day or the next.

Q. Is that your memory?—A. That is all. I cannot fix the hour.

Q. Do you know whether, after seeing Murphy, you saw Nicholas Connolly, and then on the same day you saw Martin?—A. Yes.

Q. Are you sure of that?—A. That day or the next. Perhaps if my business would call me somewhere, I would go and use that day, but the next I attended to it.

Q. Can you remember what occurred?—A. I do not. Nothing further than that.

Q. Do you or do you not remember?—A. I do not.

By Mr. Wood:

Q. Do you remember which one of the three told you it was Laforce Langevin who got that money?—A. Nicholas Connolly told me.

Q. Have you any doubt about that?—A. None at all.

Q. Do you remember whether he said it was Laforce Langevin or Sir Hector?—A. I did not gather it was Sir Hector himself. I am quite sure about that.

Q. Are you quite positive he said Laforce Langevin got the money?—A. He said so.

By Mr. Edgar:

Q. The whole or part of it?—A. I would not say about that. I know that he mentioned Laforce Langevin's name in connection with getting the money; but whether it was part or the whole I do not know.

By Mr. Wood:

Q. How long had the money been paid at this time?—A. I think about a month or so.

Q. Murphy first told you of it?—A. Yes.

Q. Where were you when Murphy first told you of that? Where were you and Murphy at that time?—A. It was in the office in Dalhousie street.

Q. Sure of that?—A. Yes.

Q. Was Mr. Murphy finding fault with the payment? How did he come to tell about that payment?—A. I do not know how he came to mention it, but he mentioned it.

Q. In what connection did he mention it?—A. As many other things are mentioned.

Q. This is a pretty important thing. You were a pretty active member of the firm?—A. Active in some things.

Q. What do you mean by active in some things? Had you any portion of the work assigned you to overlook?—A. No.

Q. Were you busy every day in connection with the business of the firm?—A. No; not busy.

Q. Had you supervision of any part of the works?—A. No; I was supposed not to be seen near the works.

Q. Were you, as a matter of fact, about the works?—A. Yes; I went on the works occasionally, looking.

By the Chairman:

Q. Why were you not to be seen on the works?—A. I was told that it did not look well.

Q. About the $10,000: did you lead the Committee to understand that it all went to Three Rivers?—A. I did; I think so. I let the Committee know every word that I knew about it. I have no knowledge that it went.

By Mr. Langelier:

Q. Was it not through the accident of a letter addressed to O. E. Murphy and given to Owen Murphy that it was discovered you had any connection with these works?—A. It may have been.

By Mr. Lister:

Q. You did not make it public?—A. No; I did not.

Q. You kept secret about it?—A. Yes.

By Mr. Mulock:

Q. What services did you render to the firm?—A. I done a good deal in the shape of negotiating.

Q. You did not supply any of the capital?—A. No; I did not.

Q. They say you did not do any of the work?—A. I was probably what you might call a figure head.

By Mr. Geoffrion:

Q. You wrote letters?—A. Yes; some letters.

By the Chairman:

Q. Did you let Sir Hector Langevin know you were a partner?—A. Upon the Harbour Works? I never mentioned it to Sir Hector.

Q. Any of these contracts?—A. I never had any talk with him. The only exception is what I mentioned to-day, on seeing him in Ottawa about the Graving Dock.

By Mr. Lister;

Q. You did not negotiate directly with Sir Hector?—A. No.

By Mr. Geoffrion:

Q. There is something in the books of the firm in connection with the distribution of an amount in round figures of $31,000, and a statement was filed yesterday in the handwriting of Martin P. Connolly, giving the particulars of that division. Do you remember the circumstance when this money was distributed?—A. I do—in March, 1888.

Q. Will you now refer to "I12," and give to the Committee the explanations you can in connection with, first, as to the part of the document which is in the handwriting of Martin P. Connolly; and second, the part of the document which is in their own handwriting?—A. That part of the document, that is in Martin P. Connolly, the bookkeeper's handwriting is this:—"Balance due from Quebec Harbour improvements, $3,868.51."—this is the B. C. account, you know—"less expenses, $267.35, leaving a balance of $3,601.16. Due by Patrick Larkin, $1,300. Due by Mr. R. H. McGreevy, $2,000,"—that is for the stone I bought—"cheque from the Department, $31,077.89, making a total of $37,979.05 to be distributed between five, making $7,595.81 for each member of the firm." Now, my pencil memorandum in the corner of that, taken the day it was erased, is this, "I received a cheque for $5,195.81." The stone that was charged to me was two thousand. That made $7,981.75, leaving $400 there to make up $2,000 for a purpose.

Q. Do I understand from you that the other partners also left out of the cheque money to the smaller amount of $400?—A. Each of them left $400.

Q. So there was an amount left undivided of $2,000?—A. Yes.

Q. Do you know what became of that sum of $2,000 which was left undivided?—A. I don't know what became of it, but an explanation came after from Mr. Michael Connolly.

Q. What was the understanding when it was so left aside by the five partners?—A. It was understood that it was to be a donation to Mr. Perley.

By the Chairman:

Q. Did you so understand it yourself?—A. I did, as it was explained by Mr. Connolly.

Q. You understood it before the money was offered to Mr. Perley?—A. Yes; it was left there for that purpose.

By Mr. Geoffrion:

Q. It was left there for that purpose at the time of the division, and at the request of whom?—A. The Mr. Connollys and Mr. Murphy were the three that spoke of it.

By Mr. Davies:

Q. Which Mr. Perley?—A. The Chief Engineer.

By Mr. Geoffrion:

Q. Did you hear subsequently of this $2,000?—A. There was a report came from Mr. Michael Connolly, after he had been to Ottawa to tender this money to Mr. Perley, that he could not see him, but that he had given it to his son.

Q. That is all you know about this $2,000?—A. That is all I know about them.

Q. Do you know whether the amount was charged in the books?—A. I never seen it since it was charged in the books.

By the Chairman:

Q. That is not the sum of $2,000 which Mr. Perley has referred to in his testimony; that is another $2,000?—A. Yes; paid eleven or twelve months afterwards.

By Mr. Geoffrion:

Q. Will you look at the document now shown to you (Exhibit "A13"), purporting to be a sale by the other partners of stones and plant to you, and say if it is

the sale for which you were charged the $2,000?—A. That is the stone and plant I paid for.

Q. And what is the date of the document?—A. 1st March, 1888.

Q. Do you know that son of Mr. Perley's?—A. No.

Q. You don't know where he is?—A. I don't know him at all.

Q. Do you know whether he is connected with any of the Public Departments?—A. I do not.

By Mr. Davies:

Q. I want to understand about that $10,000. You had some conversation with Nicholas Connolly?—A. Yes.

Q. Do I understand you to say that you understood from Nicholas Connolly that a part of the money was paid to Laforce, or that the whole of the $10,000 was paid to Laforce?—A. Well, I could not say that.

Q. You could not say?—A. No.

Q. Do you swear Nicholas Connolly told you that either part or the whole of it was paid?—A. Yes.

Q. Had you seen at that time any entry in the books that $10,000 had been paid out by the firm?—A. I had not.

Q. Did you afterwards see any entry in the books?—A. It was entered after it was agreed to.

Q. At the time it was entered, or afterwards, had you resumed or renewed the conversation with Nicholas Connolly?—A. As far as I was concerned, it was the end of it.

Q. And the item was charged in the books to expenses; that is what you heard from Nicholas?—A. Yes.

Q. And the book keeper?—A. Yes.

Q. How long afterwards was it charged in the books?—A. Almost immediately.

By Mr. Mulock:

Q. Do you say it was paid to Laforce, or for Sir Hector?—A. Well, I understood him to say it was paid to Laforce for Sir Hector.

Q. Did he say what it was required for?—A. I do not know that he mentioned what it was for, but he said it was important that he must have it. I think it was election time.

By the Chairman:

Q. You sent it to Three Rivers?—A. Yes.

By Mr. Mulock:

Q. Did Mr. Connolly mention elections when he stated this?—A. He did not, but I understood it was for the elections.

Q. What elections?—A. The elections of 1887.

Q. Any particular candidates?—A. I think it would be for Sir Hector's own election.

Q. In what constituency was he a candidate then?—Three Rivers.

Mr. Wood (Brockville):

Q. What date was this?—A. February, 1887.

By the Chairman:

Q. What was the date of the payment?—A. I do not know.

By Mr. McLeod:

Q. Nicholas Connolly told you this?—Yes.

Q. Whereabouts did he tell you?—A. I either seen him on the works or in the office. I went to look for him after I had the conversation with Mr. Murphy.

Q. You had had a conversation previously with Mr. Murphy ?—A. Yes.

Q. About this matter?—A. Yes.

Q. Then you went to look for Mr. Connolly ?—A. Yes.

Q. Do you know where you found him ?—A. I do not know exactly. It was either in the office or on the work.

Q. You do not know which?—A. I do not.

Q. Then you asked him about it?—A. Yes ; I got the explanation that I have already given.

Q. You do not state at what time you saw him ?—A. I could not state what time it was.

Q. Was it before or after the elections ?—A. It was after. I said, I think, it was several weeks after.

By Mr. Mulock :

Q. When was the payment made?—A. About the time of the elections or previous to it.

By the Chairman :

Q. Do you know if it was for the election of Three Rivers or the District of Three Rivers?—A. Yes.

By Mr. Geoffrion ;

Q. Did you hear anything in connection with the engineer, Bennett, on the works at British Columbia?—A. Yes; I heard a good deal of complaint from British Columbia respecting Bennett, the engineer.

Q. How did you hear of those complaints and how did they reach you?—A. They reached me generally through letters addressed to Mr. Murphy.

Q. Do you know whether some attempts were made to have this party, Bennett, replaced ?—A. Yes.

Q. Will you read a letter addressed to you on the 2nd of May, 1885 (Exhibit "G2 "), and printed at pages 22 and 23 of the printed evidence, and say whether it is in reference to this man Bennett?—A. Yes. "It is now understood that Bennett, the engineer at British Columbia, will not suit, so the Minister and Perley are prepared to change him. He asked me if I could recommend one. Could you think of one that could suit, and I would have the Minister appoint him."

Q. This is the letter that you received from your brother ?—A. Yes.

Q. Was this letter written to you without any previous communication with your brother, or whether you had had any communication authorizing such a letter from him ?—A. I had communicated with him verbally and in writing, I think, respecting complaints that were made against Mr. Bennett.

Q. Will you also read another letter, dated the 4th of May following, and printed on page 23 of the printed proceedings ?—A. "Perley went to see Page this morning to try and get another engineer to send out at once and dismiss Bennett. He that goes out will get his instructions before going out."

Q. Did you communicate this information which you had from your brother to the members of the firm of Larkin, Connolly & Co. that were in Quebec ?—A. Yes.

Q. Do you know whether anything was done in the way of finding another man to replace this Mr. Bennett?—A. I recommended one; I recommended George Benson Williams.

Q. To whom did you recommend this party ?—A. I recommended him to my brother, Thomas McGreevy.

Q. Did you recommend Mr. Williams by letter or verbally?—A. I probably did it both ways.

Q. Anyhow, you are satisfied you recommended Mr. Williams ?—A. Certainly.

Q. Had you seen Mr. Williams yourself?—A. Yes.

Q. Have you any personal knowledge whether Williams was seen by your brother ?—A. No. I have no personal knowledge, only what I heard.

By Mr. Lister:

Q. What did you want to get rid of Bennett for?—A. I could not tell you; only what was written from British Columbia.

Q. The only information you had was from what you got from Murphy?—A. Yes.

By Mr. Geoffrion:

Q. I find in Exhibit "B5" (page 109) two items charged on the 3rd and 8th of August, 1887, of $1,000, and $4,000 as "donations." Have you any knowledge of what those donations were for?—A. I have no personal knowledge, only the representations of the members of the firm, who said they paid them and made the charge and I accepted the statement. I shouldered my share.

Q. What representation had you?—A. That would be the representation (referring to "B 5"). The $1,000 was paid by Mr. Murphy and the $4,000 was paid by Nicholas Connolly.

Q When you say "was paid" you mean was reported by them to have been paid?—A. Yes.

Q. To whom did they represent as having paid the amounts?—A. Thomas McGreevy.

By the Chairman:

Q. Were these $4,000 and $1,000 paid to Mr. McGreevy for his own use?—A. I cannot say.

Q. Will you look at the item under date of 31st December, 1888, $3,000, N.K.C., in Exhibit "B5," and say what you know about that charge?—A. Coming on to the latter end of December, 1888, Thomas McGreevy asked me to get $3,000, for *Le Courrier du Canada*, in order that Brousseau's interest might be bought out; and I went to Mr. Murphy and Mr. Connolly. I think I saw both the Connollys at the interview, and I represented to them what was required, at the same time mentioning that if it was done I wished it to be charged to British Columbia.

Q. After you went to the firm, what was done?—A. On the 2nd of January I had occasion to see Mr. Michael Connolly, and he told me that the $3,000 had been given to Mr. Thomas McGreevy.

Q. But you do not know personally whether the amount was given to Mr. Thomas McGreevy?—A. I do not know.

Q. Except that Mr. Thomas McGreevy applied to you for the money?—A. Yes.

Q. It is charged on the 31st December, 1888.

By Mr. Ouimet:

Q. The proposition was to buy Mr. Brousseau's interest in *Le Courrier du Canada*?—A. Yes.

Q. Do you know if the money was applied to that purpose?—A. I do not.

Q. Do you know for what purpose it was applied?—A. No.

Q. In no way?—A. No.

Q. Was there not an election going on at that time?—A. Not to my knowledge. There was no election going on at that time.

By Mr. Amyot:

Q. Do you know, as a matter of fact, that *Le Courrier* changed hands some time after that?—A. No.

By Mr. Geoffrion:

Q. All you know is that the money was asked from you by Mr. Thomas McGreevy?—A. All I know I have already stated.

By Mr. Mulock:

Q. Who is the manager of *Le Courrier du Canada*?—A. Mr. Chapais.

Q. Is he any relation of Sir Hector Langevin ?—A. Son-in-law I believe.

By the Chairman :

Q. What party did that paper support before that time ?—A. At that time it supported the Conservative party.

By Mr. Ouimet :

Q. Had you any conversation with Mr. Brousseau or Mr. Chapais about this matter ?—A. No.

Q. Neither before nor since ?—A. No.

Q. Had you any conversation with your brother about how that money was disposed of ?—A. No; because the relations between myself and my brother a very few days after that broke.

Q. What time was that ?—A. That was given on the 31st December, 1888.

Q. Was there not an election going on in Megantic County at that time ?—A. There may have been.

Q. Try and remember. Was it not at that very time that Col. Rhodes was elected for Megantic for the Local House ?—A. I do not know it as a fact.

Q. Do you remember that that election took place ?—A. I do.

Q. Did you take any part in that election ?—A. No.

Q. Did your brother take any part in that election ?—A. I do not know.

By Mr. Wood :

Q. Did you ever hear of that election, and $3,000 in connection with the same thing ?—A. I heard that it possibly went to the Megantic election.

Q. Who told you ?—A. I do not know that I heard it from anybody. It was general talk.

Q. Where ?—A. Amongst those that generally interfere in these matters.

By Mr. Ouimet :

Q. Who are those you mean now ?—A. I mean these corner conversations.

Q. It was general talk in the city of Quebec that that money, instead of going to *Le Courrier du Canada*, had actually gone for the election of Col. Rhodes, who was then running as Minister in the Government of Mr. Mercier ?—A. It was.

Q. Did you undertake to ascertain from Mr. Brousseau or Mr. Chapais if it was used for *Le Courrier du Canada* ?—A. No ; I did not.

By the Chairman ;

Q. What party did Mr. Thomas McGreevy support in local politics in 1888 ?—A. It would be very hard for me to answer.

Q. There has been something mentioned about Megantic. Was it possible for Mr. Thomas McGreevy to support Col. Rhodes in Megantic ?—A. It is possible for anything.

Q. What party was he supporting in the Local House at that time ? Do you know ?—A. I cannot say. It depended a good deal on circumstances.

Q. Can you tell about that time what party he was supporting in Quebec ?—A. I think his sympathies were with Col. Rhodes as a personal friend ; but I do not think he mixed much in the local elections.

Q. In the local elections or the Federal elections ?—A. In that particular election.

By Mr. Ouimet ;

Do you not know he had particular sympathies with Mr. Mercier at the time, too ?—A. 1888 ?

Q. Since 1886, after the change of Government ?—A. Oh, I don't know.

Q. Had you not some interest, you and your brother, in supporting the Mercier Government at the time ?—A. I had none.

Q. Had your brother ?—A. Yes ; he had a claim against them.

Q. Did you understand it was on account of that claim his sympathies were with the Mercier Government ?—A. No, I did not.

Q. When you referred to these talks at the corner of a street in Quebec, at the time these $3,000 were given away, was it not mentioned at the time that the reason why the $3,000 were given away on behalf of Col. Rhodes' election was just on account of that interest your brother had in favouring the Government of Mr. Mercier ?—A. Well, I could not say that it was.

Q. Did you not act at the time as the business agent of your brother or as partner ?—A. At that time I did.

Q. Well, you ought to know then ?—A. I did not act as political agent. I dont know what he was ; he kept that to himself.

Q. Did he not tell you at times to do certain things to favour Mr. Mercier's Government ?—A. Not at that time.

By the Chairman :

Q. At what time did he tell you so ?—A. I don't know that he had ever told me to do it.

By Mr. Ouimet :

Q. Is it to your knowledge that some of the moneys you took from the firm in 1886 went to Mr. Mercier ?—A. Not to my knowledge.

Q. Did you give any money to your brother in 1886 ?—A. Yes.

Q. During the local elections ?—A. Yes.

Q. Did he tell you what it was for ?—A. Yes.

Q. What was it for ?—A. It was to support the Conservatives.

Q. Which Conservatives ?— A. There was Felix Carbray in the West and, as far as I knew, the other—Casgrain in the county, I believe.

Q. When did he change sides ?—A. Well, he supported the Conservative party in the local elections in 1886.

Q. Then when did he change from one side to the other ?—A. The first perceptible change I see, was in the elections of Owen Murphy in 1889.

By Mr. Edgar :

Q. He ran against whom—who was the candidate against Owen Murphy ?—A. I was.

Q. Then your brother opposed you ?—A. Well, I don't know. He supported Owen Murphy.

Q. And were you the Liberal or the Conservative candidate ?—A. I was the Conservative candidate.

By the Chairman :

Q. Was that the first time he sided with the Liberal party in Quebec openly ? —A. Openly I think it was.

Q. Was it the last ?—A. Oh, I don't know.

By Mr. Geoffrion :

Q. Will you look at a letter now handed to you, and say in whose handwriting it is, and by whom it was written ?—A. This is a letter signed by Thomas McGreevy, and dated 8th March, 1888, reading

" (Second letter to-day.)

(Exhibit " B 13.") " House of Commons, Canada,
" 8th March, 1888.

" My Dear Robert,—Tell Murphy I have seen Perley, and he will report to arbitrators or to commission of the amount to be submitted to them, which will be

on their total claim of $814,000; at the last meeting they wanted to make it out that the amount to be submitted was the balance of $110,000 for damages; that would be about $80,000, instead of $274,000, so that matter is settled. I seen Lavalle this morning; he has gone off satisfied. Foley and Leonard are here on business; I have seen and trying to do what I can for them, and will get all the information on the Sault Canal before long. The Connollys have not come yet.

"Yours truly,

"THOMAS."

Q. Now, was there anything done in connection with the matters that are referred to in the first part of the letter just read?—A. Well, not being interested in that work, what I would say would be nothing. What I would gather from the information that I was to convey, they wanted a statement of their claim, and it was proposed to have an arbitration. There was a deal of correspondence and interviews respecting who the arbitrators were to be, and when it was all finished Mr. Perley took up the settlement in his own hands, and the proposed arbitration was knocked on the head. That related to what was to be submitted to the arbitrators at the time.

Q. At page 24 of the Evidence there is a letter addressed to you by your brother in the following words: "11th March, 1886—MY DEAR ROBERT,—I enclose the amount of estimates for December and January. The January one includes the new system of measurement. The advance $20,000, on drawback, has been passed, and will be sent at once to British Columbia. The amount of estimate for February has not been telegraphed yet. I will let you know when it comes." Had you anything to do with that advance on the drawback which was made to Larkin, Connolly & Co?—A. That would be British Columbia, likely. I took a hand in all the favours, changes, extras and everything that was required. I took some part in them.

Q. Will you look at the letter which purports to have been written by you to Mr. Murphy, and say whether it is yours.

(Exhibit "C13.")

"LARKIN, CONNOLLY & Co.,

"CONTRACTORS, QUEBEC HARBOUR IMPROVEMENTS,

"THURSDAY, 22nd January.

"O. E. MURPHY, Esq.

"MY DEAR SIR,—Sir Hector Langevin has not come down. My brother wired early to day to have Perley send down report at once *re* drawback, and I expect it will be down to-morrow or Saturday. I leave to-night for Ottawa to return Sunday morning. If the bridge is good enough, come and see me Sunday. Hope you are over your indisposition of yesterday. I have given letters to three men for employment specially recommended by my brother. If you have no room, perhaps you may have room Monday by of our recommends at the early stage of the work.

"I have a letter from my son James who went with Michael Connolly, going to Victoria. They have arrived O. K. in good health and spirits—not rye. I expect another letter with details Saturday.

"I remain,

"Yours &c.

"ROB. H. McGREEVY."

"P. S.—7 p. m.—Telegram just received Sir H. L. that Perley's report had left for Quebec.

"R. H. McG."

By Mr. Amyot:

Q. Whose letter is that?—A. This is my letter to Murphy.

By Mr. Geoffrion:

Q. What would be the year by the matters referred to there?—A. 1886. No—from the subject of the letter I should say it was 1885.

By Mr. Tarte :

Q. To what work then would it reply ?—A. It says here, "I have a letter from my son James who went with Michael Connolly going to Victoria." They left in December, 1884. This must have been written in January, 1885.

By the Chairman :

Q. "Telegram just received from Sir H. L." Did you see that telegram ?—A. No.

Q. How did you get the information ?—A. When I say I did not see it I made a mistake.

Q. Was it a telegram to you ?—A. No, it was a telegram to Thomas McGreevy.

Q. Did you see the telegram ?—A. Yes ; my brother showed it to me.

By Mr. Geoffrion :

Q. Do you remember the circumstances under which the tenders for the South Wall were put in ?—A. I had something to do with the making of the tenders for the South Wall.

Q. Were the tenders in the name of Larkin, Connolly & Co ?—A. No.

Q. In whose name were they ?—A. It was agreed at the suggestion of the Connollys that Larkin should be left out of the work for the South Wall, and Gallagher and Murphy should tender for it, so as to divide it into four; at 25 per cent. each.

Q. But there were two tenders put in ?—A. Yes.

Q. One of them was the same Gallagher whom you have previously mentioned ? —A. Yes.

Q. And the other was in the name of Murphy ?—A. Yes.

Q. Do you remember whether there were other tenderers ?—A. There was another, I think—McCarron and Camerons, and perhaps someone else.

Q. Were you to have an interest in that contract, although the tenders were put in the names of Gallagher and Murphy ?—A. Yes ; I was to have 25 per cent.

Q. As a matter of fact, later on you had 25 per cent ?—A. I do not think I got anything out of it at all.

Q. Do you remember where the tenders were opened ?—A. They were opened in Quebec, in the Harbour Commissioners' office.

Q. Did you see them whilst they were under examination or under calculation by the engineer—whilst they were handed to him or under his care for that purpose ? —A. Yes ; I saw them.

Q. Explain how you had communication of them during that time ?—A. I saw them in Thomas McGreevy's house on the day they were opened.

Q. Were the extensions by the engineer completed ?—A. No ; there was nothing done to them. They were only referred to the engineer.

Q. You say you saw them at your brother Thomas' house ?—A. Yes.

Q. Were you alone there with your brother ?—A. No ; Mr. Murphy was with me.

Q. Did you only see them or had you access to the tenders ?—A. Oh, I examined them.

Q. Do you know whether Murphy also had occasion to examine them ?—A. Yes ; he looked at them.

Q. Were they all the tenders that had been put in ?—A. They were all that had been submitted.

Q. How long did you remain in possession of them or how long were those tenders in the house of your brother subject to your examination ?—A. Oh, about an hour or so.

Q. Were they returned to the engineer the same evening ?—A. So I understood.

Q. Do you know who took them back to the engineer ?—A. I think it was my son Charles.

Q. Who was the engineer to whom they had been referred ?—A. Mr. Perley.

Q. You say you saw them at your brother's house. When you came to your brother's house were they there?—A. Yes.

Q. You do not know how those tenders happened to be in the private house of your brother that evening?—A. No.

By Mr. Amyot:

Q. How many tenders were there?—A. Three or four.

Q. Do you remember whose they were?—A. Gallagher's, Murphy's and McCarron & Cameron's.

By Mr. Geoffrion:

Q. Those are the three you remember, anyhow?—A. Yes.

By Mr. Lister:

Q. Did you examine them for the purpose of ascertaining which was the highest and which was the lowest?—A. I took a memorandum from them.

By Mr. Geoffrion:

Q. Will you look at this letter, which appears to have been written by you and addressed to Mr. Murphy, and read it?—A. It is written by me to Mr. Murphy, and reads as follows:—

(Exhibit "D13.")

"RUSSELL HOUSE, OTTAWA, 22nd December, 1886.

"MY DEAR MR. MURPHY,—I had expected to have seen you last night at train to give you copy of the extension of the three tenders. It was 9.40 before we got through with them or I would have left you a copy. I now enclose it. You will see that Gallagher is lowest, no matter what interpretation is put on McCarron & Cameron's. Of course, they should not be asked to explain at all, but if the parties in power decide to do so, I would say do it at once, before asking Gallagher, and then we will see. Yours is a decent tender, and no doubt you would be prepared to do something, while on Gallagher's nothing can be done. I hope Perley won't do anything towards writing them until he comes up here. I tell you we have had a close shave on Gallagher, and if you are obliged to accept it, it will be hard work to make ends meet. I will be home on Friday morning." There is nothing after that.

Q. Do you say that you sent to Mr. Murphy a copy of the extension of the three tenders?—A. Yes.

Q. How did you prepare those copies?—A. I made copies from the notes I took of the tenders.

Q. Who gave you access to the tenders?—A. Just as I have mentioned.

Q. You mean you saw them at Quebec?—A. Yes.

Q. The extension was made in Ottawa?—A. No; it was made before I left. The night I left it was made.

Q. In Quebec?—A. Yes; and I told him only for it being so late I would have sent him a copy and then I could explain the position.

Q. You had to leave for Ottawa the same evening, and you wrote from Ottawa giving him information?—Yes.

Q. You refer to the interpretation of McCarron's tender. What do you mean by that—was there any difficulty?—A. The metalling of the road that would be disturbed by excavation. A rate was asked per superficial yard for putting the road in order. By some means McCarron & Cameron filled in theirs with either $150 or $1,500 a yard, which brought that item alone to over a million dollars. So my view was, that Mr. Perley ought not to write them for an explanation at all. There was the item, but if they did ask them for an explanation, and they explained it was $1.50 instead of $1,500 or $150, Gallagher's would have been the lowest still.

Q. And below Murphy's?—A. Yes.

By Mr. Mills:

Q. As they stood without explanation they were above both?—A. Yes; that item alone was a million and a-half.

Q. It was manifestly an error?—A. I do not know; it was evidently an error—but one made with their eyes open.

By Mr. Lister:

Q. You hoped to have the Department throw that out on account of that excessive charge?—A. Not to ask for an explanation.

Q. You knew before the result of the tenders were made known who were the lowest?—A. Yes.

By Mr. Mulock:

Q. You mention in this letter, if I caught it correctly, that the Gallagher tender was so low that it would not stand anything. What do you mean by the expression: "Yours is a decent tender, and no doubt you would be prepared to do something, while on Gallagher's nothing can be done"—what do you mean by that?—A. I meant if there were donations required that his would admit of some, but Gallagher's would not.

By Mr. Tarte:

Q. But it came out all right?—A. No; Gallagher's had to be accepted.

By Mr. Geoffrion:

Q. They had to take it?—A. Yes.

Q. Had you any interest in this?—A. Twenty-five per cent.

Q. Were there changes during the execution of that contract?—A. It was changed from brick to stone.

Q. Was there any other change that made the work cheaper or more expensive?—A. They lifted up the sewer out of the ground, which would be a saving of about $20,000 to $25,000.

Q. Was there any reduction made on your contract on account of that change?—A. I cannot tell you, because I left about that time, and I do not know what the termination was.

Q. You sold out before the termination?—A. Yes; I left.

Q. You were a party to the change?—A. Yes.

Q. You rendered your usual services in obtaining the change?—A. Yes.

Q. Was there any reduction in the price of the contract when the changes were made—in the price you were to get from the Government or the Harbour Commissioners?—A. The change from brick to stone was an increase, but I do not know what took place for the raising of the sewer.

Q. Did the reduction of the work bring a reduction of the price?—A. I do not know.

The Committee adjourned at 6 o'clock p.m.

HOUSE OF COMMONS, FRIDAY, 24th July, 1891.

The Committee met at 10 a.m.; Mr. Girouard in the Chair.

Investigation into certain circumstances and statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, &c., resumed.

ROBERT H. MCGREEVY'S examination continued.

By Mr. Geoffrion:

Q. Will you say whether the letter now handed to you was written by you?—A. Yes; this is a letter written by me.

Q. Addressed to whom?—A. Addressed to Mr. Murphy, dated Ottawa, 27th January.

Q. Read it, please?—A. It reads:

Exhibit "E13.") "DEPARTMENT OF MILITIA AND DEFENCE,
"OTTAWA, 27th July.

"MY DEAR MURPHY,—I recd your memo.; but did not understand the whole of it. P. has been seen to-day, his report on St. Joseph D. is about $100,000 under claim or as I understood it for about $100,000 more whether this includes the $30,000 certificate you got during the summer I will explain you further when I see you."

That is all that relates to that question of the Lévis graving dock.

Q. From whom did you receive the information you conveyed in that letter?—A. From Mr. Thomas McGreevy.

Q. Will you also look at this letter (Exhibit "F13") and say by whom it is written and signed?—A. It is a letter from Thomas McGreevy addressed to me and received by me, dated 4th May, but no year on it.

Q. I don't think it is necessary to read the whole of the letter. What I want to put in is only this "I think Perley is delaying in sending report on drawback until harbour business now before the House is passed." There is some other funny part in the letter which I will not read?—A. From the subject of the letter I would gather it was written in 1887, from Thomas McGreevy to myself, and the part that bears on this case is "I think Perley is delaying in sending report on drawback until the harbour business is passed.

Q. Yesterday I showed you Exhibit "E7," and asked you to give to the Committee what explanation you could about the different amounts which are mentioned by Martin Connolly as being charged to expense, Esquimalt dock. You had, I believe, explained the item for $17,000. Are there any other items you can explain, or can you add anything to this statement?—A. With regard to this statement I think I explained all the items I was familiar with.

Q. You have no more explanation to give as to this statement? Can you give any explanation as to Exhibit "L5"?—A. If it is of any importance to you I might explain this $5,000, Three Rivers, March, 1887, in regard to the division of that account. As I understand it is included in the $17,000, that is the $10,000 I spoke of yesterday.

Q. You think there is an error in mentioning the amount again because it is included in the $17,000?—A. Yes. What I would like to see would be the book-keeper's statement before that—the period before that began. That only begins in 1885 and there was an expenditure in 1884; the earlier part of 1885—much earlier than that.

Q. As you were not interested in Lévis Graving dock you cannot give any explanation with respect to Exhibit "L5"?—A. No.

Q. Will you now give your explanations of the items in "B 5" on which you were not questioned yesterday?—A. The first item of $25,000 I explained yesterday. The second that I have any knowledge of will be March 20th, 1886, $5,000. That was reported to me by the other members of the firm as being paid to Thomas McGreevy, and is charged—should have been charged—to British Columbia. I found it in Quebec Harbour improvements, and I remonstrated with the book-keeper afterwards and it was corrected. It still remains here, however, but I think it was corrected and put in the British Columbia; but I heard Martin Connolly, the book-keeper, the other day on that item, and he said it was in the $17,000. That is not correct. It is not in the $17,000. September 30th, 1886, $5,000—that I got from Martin Connolly and gave to Thomas McGreevy.

By the Chairman :

Q. What was done with that money? Was it for his own use?—A. He got it for the local elections of 1886. He came with me to Mr. Connolly's office and asked for the money for the local election. The same with the 13th of October, $3,000. Both those sums—making $8,000.

By Mr. Geoffrion :

Q. They were asked by Thomas for the local elections?—A. Yes.

Q. Who got them?—A. I got them and gave them to him.

Q. Whilst you are at it, do you remember when the voting took place?—A. 14th October, 1886. I think it was the 14th. The next item is March 28th, $27,000. That I disposed of yesterday in connection with the second dredging account. But I explained only $25,000 out of the $27,000. That occurred by Mr. Murphy spending $2,000 more than what was allowed; but it was afterward admitted and passed.

By Mr. Davies :

Q. When he says admitted by the partners, I want to know the individual partners who admitted it?—A. They all admitted it.

Q. You swear that Nicholas Connolly, the man who was examined here, admitted it?—A. Certainly.

By Mr. Edgar :

Q. Was it discussed distinctly before them so that there could be no misunderstanding?—A. Yes, and being one of those matters smaller than the others it would be discussed, because unauthorized. August the 3rd and 8th, $1,000 and $4,000—that I spoke of yesterday. December 31st, 1888, $3,000—that I spoke of yesterday. That puts me through that bill.

By Mr. Ouimet :

Q. Did you explain the items of $1,000 and $4,000 on August the 3rd and 8th?—A. Yes. Members of the firm that I spoke to on that said they gave them to Thomas McGreevy.

Q. Which members of the firm?—A. Mr. Murphy and Mr. Connolly.

Q. Did they say what it was asked for or given for?—A. Yes; they said—Mr. Murphy told me—that Thomas McGreevy came to him and said Sir Hector Langevin was about leaving and this money was necessary.

Q. And the $4,000?—A. The same for the $4,000.

By Mr. Geoffrion :

Q. You say that you are aware that the $4,000 were paid by Nicholas Connolly?—A. Yes.

Q. What information did you receive from Nicholas Connolly as to the $4,000?—A. The only further evidence I can offer on part of that $5,000 is that I met Thomas McGreevy in Dalhousie Street about four o'clock on that afternoon of 21st

July, and he told me he had received $1,000 from Mr. Murphy. About the $4,000 I do not know any more than I have said.

Q. Do you remember whether Sir Hector Langevin was in Quebec at that time? —A. I do not.

By Mr. Osler :

Q. Give the year?—A. 1887.

By Mr. Geoffrion:

Q. To make my question clear: I ask you whether you were aware that Sir Hector Langevin was in Quebec on the day you had that conversation with your brother?—A. I do not know.

By Mr. Davies :

Q. Do you know whether Sir Hector Langevin was in Quebec at the time of the alleged payment to him?—A. I do not know.

By Mr. Geoffrion :

Q. You were connected with the Baie des Chaleurs Railway?—A. Yes; I became connected with it about 1883 or 1884. Perhaps 1883, I became a stockholder.

Q. How many shares had you?—A. Five hundred.

Q. Had your brother Thomas any shares in the same company?—A. One thousand.

Q. Were you an officer of the company?—A. Yes; I became one afterward. In that year, which was in 1885 I think, I became a director.

Q. Who was the president?—Hon. Theodore Robitaille.

Q. Was Mr. Riopel connected with the railway, too?—A. Yes; he was managing director.

Q. Did you do any work on that railway line?—A. Yes; I done some work to keep the charter alive.

Q. What was it?—A. It was about expiring in 1885.

Q. You did that work to keep the charter alive?—A. Yes. That is what his request to me was.

Q. You had no special contract? Were you authorized by the board to do the work?—A. I was authorized by the board to do the work.

Q. What was the worth of the work done?—A. The expenditure amounted to about $3,000.

Q. So not being under contract you did the work for the expenditure?—A. Yes.

Q. Which amounted you say to about $3,000?—A. They made me an allowance of $1,200 or $1,500 for my services.

Q. Did you include in the expenditure the plant and work done?—A. Yes.

Q. So that would give you a claim of $4,500 against the company?—A. About that.

Q. Were you paid for that work?—A. No.

Q. Did you pay for the shares you had subscribed?—A. I gave a promissory note for 10 per cent. of the subscribed stock. They were $50 shares.

Q. Did you pay this promissory note?—A. No; I have not seen it since.

Q. Are you still a stockholder in that company?—A. Yes.

Q. You never sold your shares in that company?—A. I hold 660 shares yet. I had 500, and in about the year 1887, Thomas McGreevy transferred me his thousand which made me 1,500 shares.

Q. He transferred you his shares?—A. Yes.

Q. Do you remember having seen a certain memorandum or paper writing disposing of the value of your work and plant on this line of railway?—A. Yes; in April, 1886.

Q. Do you remember who were the parties to that agreement?—A. The parties to that agreement was Armstrong.

Q. C. N. Armstrong?—A. Yes. Thomas McGreevy, Theodore Robitaille and I think Riopel and myself, Robitaille the president of the company, to guarantee the carrying out of the agreement.

Q. To guarantee on behalf of the company?—A. Yes.

Q. I think you have already been called upon to state that you had not the original of that document?—A. I never seen it since the day it was signed.

Q. Where was it signed?—A. In the tower room of the buildings here.

Q. In this building?—A. Yes.

Q. You only saw it at the time you signed the document?—A. That is all.

Q. You did not keep it?—A. No.

Q. Could you give the substance of the agreement?—A. Yes; we transferred our 1,500 shares, the nominal value of it would be $75,000 and the work done, for which we were to receive $50,000 in cash and $25,000 in bonds of the first issue. The cash payment was to be made $10,000 immediately after the signing of the agreement and five payments of $8,000, each out of the Dominion subsidy for the first 20 miles.

Q. You say "we were to receive." Who were the persons who were to receive? A. Thomas McGreevy and myself.

Q. In what proportion?—A. Between ourselves the proportion whatever to be divided.

Q. But no proportion was mentioned in the document?—A. Oh, no.

Q. Were the $10,000 cash paid?—A. $3,000 was paid in a couple of weeks and the other $7,000 ran on until the month of June.

Q. Who paid the $10,000?—A. Armstrong.

Q. Were the instalments to be paid out of the subsidies received?—A. I said so.

Q. Were they paid?—A. They were not all paid. I received the $10,000 in cash as I before stated, and I got four remittances of $8,000 each.

Q. Making a total of?—A. $42,000.

Q. What did you do with that money?—A. I paid it all away.

Q. To whom?—A. I paid it all to or for Thomas McGreevy.

Q. The balance of the $50,000, or the last instalment of the subsidy is not yet paid?—A. No; there is $8,000 and the bonds to be paid.

Q. And you state you have not yet been paid the $4,500 which was due you?—A. I never got a cent, whatever I spent on the road I am the poorer by that.

Q. You state you never paid the promissory note you gave for the shares in your name? Do you know what has become of that promissory note?—A. I do not.

Q. It has not been returned to you?—A. No. When I spoke a moment ago that I had not received a cent, I meant that I had not got any of the $42,000 that passed through my hands.

Q. Had you anything to do with the steamboat "Admiral" plying on the Baie des Chaleurs or somewhere there?—A. I became the owner in 1888.

Q. When did you so become owner of that ship?—A. About the month of February, 1888.

Q. How long did you remain the owner of that ship?—A. I could not tell you. I have never signed any papers respecting it since.

Q. At whose request did you purchase or become the owner of that ship?—A. At Thomas McGreevy's.

Q. Did you own it for your own interest or somebody else?—A. I held it for his account; at least I held it for him. I became nominal owner for him. Mr. Connolly took a mortgage for $25,000 that he loaned on the boat.

Q. Did you manage this ship "Admiral" after you became the apparent owner of it?—A. No; I had nothing to do with it at all.

Q. Who managed it?—A. Mr. Chabot managed her.

Q. Do you remember when that ship was bought and where it was bought?—A. It was bought in New York in 1882 or 1883.

Q. How much did it cost?—A. I understood at the time—I have no personal knowledge of what it cost.

Q. Did you supply any money for the payment of it?—A. In 1884 I paid $10,000 or $15,000, that was running on the boat from the time it was purchased.

By Mr. Geoffrion :

Q. How did you pay it, out of your own money?—A. I paid it out of the $84,000 I had received from the Government of Canada for the Intercolonial claim.

Q. Did you not sign a mortgage on the ship?—A. I signed a mortgage to Nicholas Connolly, $25,000 in 1888.

Q. Did you keep the money for yourself?—A. No.

Q. To whom did you give the money?—A. I gave $20,000 to Mr. Ross of Quebec, in discharge of a mortgage that he held on it, and I gave $5,000 to Thomas McGreevy.

Q. Had you been authorized by Thomas McGreevy to borrow that amount?—A. Certainly.

Q. Will you look at Exhibit "H12" and say whether the first part of it is signed by you?—A. That is my signature, 7th February, 1888. That is the time of the power of attorney.

Q. That is the time of the power of attorney you gave to your brother Thomas?—A. Yes.

Q. And the other part of the document is signed by your brother also?—A. That is a transfer by Thomas McGreevy to Julien Chabot.

Q. And that is your signature?—A. Yes.

By Mr. Kirkpatrick ;

Q. You stated that this agreement had been made between you and Robitaille and Armstrong. You were to settle the proportions in which you were to share the money?—A. I said our proportions was between ourselves.

Q. Did you do so?—A. I got no proportion.

Q. Did you not benefit by it in any way?—A. Not at all.

Q. Was it not put to your credit in his books?—A. The money not spent on the road I charged to his account, which I gave him in 1889, and he admitted the account and it went to my credit.

By Mr. Geoffrion:

Q. It went to your credit later in an account which you sent him?—A. Yes.

Q. But you kept none of the $42,000 you received?—A. Not a dollar. I may say further that I accounted to him for that $42,000 in a separate account.

By Mr. Kirkpatrick:

Q. In writing?—A. In writing. I sent it to him.

By Mr. Geoffrion ;

Q. Will you state to the Committee what passed, if anything passed, in connection with a complaint which you were making to Michael Connolly, because he had informed your brother that you had some interest in the contracts?—A. What I was speaking to Michael Connolly about was his indiscretion in speaking to Thomas McGreevy about the large amount of money that was made in British Columbia. Thomas McGreevy had told me that Michael told him that there was an immense amount of money made there, and that I certainly must have been keeping some of it when he did not see as much as Michael had told him had been made; and the first opportunity I had of seeing Michael, I told him: first, that he had overrated the amount that was made, as far as I understood it; second, that I thought it was a very improper thing for him to speak to Thomas McGreevy about it. That is what the conversation was about.

Q. In the case referred to?—A. In the case referred to.

Q. Some time in the beginning of that year 1889, had you some explanation with your brother about your accounts in connection with these different contracts? —A. Yes. About the 13th or 14th January I had occasion to meet him in his office in the Lower Town, and there we had some very unpleasant conversation respecting the affair, the amounts of money that he thought I did not account for to him that came from Larkin, Connolly & Co. I told him that probably the period covered, in which he was receiving those sums, was so long that he did not remember that the bulk sum was very large, but I could not convince him that was the case, and some conversation very unpleasant was exchanged, respecting that he did not get his share, and the result was, I told him I would send an account of what he had received.

Q. You say that he complained that he had not got his share. Was that conversation about the money which he had received as special donations or subscriptions, or about his share in the business in which you were interested as a sub-partner?—A. That is the way I understood it—that he had not received what he would consider his share of the money I received as my part of the profits.

By the Chairman :

Q. You mean for his personal use?—A. Yes.

By Mr. Geoffrion :

Q. His discussion with you was, therefore, about your share as a partner, or as an interested party in these contracts?—A. Yes.

Q. And he was complaining you had not accounted to him for his proportion? —A. Yes. I promised that I would send him an account that day, which I did.

By Mr. Ouimet :

Q. What proportion did he claim?—A. Oh, the proportion was not mentioned.

By the Chairman :

Q. It was left to you, I suppose?—A. It was not mentioned.

By Mr. Ouimet :

Q. There was never any agreement as to that proportion?—A. No; there was no agreement.

By Mr. Geoffrion :

Q. You say you promised him an account of what you had given him out of your share of the profit?—A. Yes.

Q. And did you prepare such an account?—A. I did, and sent it to him, accompanied by a letter.

Q. Did you, at the same time that you sent him this account, write him a letter? —A. I did.

Q. Did you keep a draft of that letter?—A. Yes.

Q. Will you read it?—A. This is the draft of the letter:

By Mr. Ouimet :

Q. Have you any reason to believe that this letter has been received by Mr. Thomas McGreevy?—A. The only reason that leads me to believe he received it was that the account that accompanied the letter—or that the letter accompanied—he acknowledged it. The letter reads:

(Exhibit "G13.")

"QUEBEC, January 14th, 1889.

"DEAR THOMAS,—I enclose you the account amounting to $78,484, less $20,939, received on your account, leaving a balance of $57,545 without the interest, the very large, I may say nearly all, was paid you within 2 years. To give you some idea of

the amount of money I have for speculation, let me show you what it has cost me for 1883. It takes $4,000 to pay premiums on life insurance; $5,000 per year cost of living, which includes Building Society; $2,000 per annum to pay Union Bank and other interests, in all $11,000 for five years is $55,000. I paid $10,000 out on I.C.R. claim; I have paid Banque Nationale (including note due to-morrow) $7,650, in all $73,000, with amount paid you of $57,000 makes $130,000. I received from L. C. & Co. about $135,000, something under that I believe; you received from me out of this $135,000 or thereabouts $58,000, besides some $117,000 paid direct to you from L. C. & Co., and still you are not satisfied. I have to pay between this and August $10,000 to La Banque Nationale to clear them up. I intend to reduce and pay up the Union Bank and all I can to you. If this reasonable programme don't suit you, then break up the whole thing and wind it up at once. I have no desire nor interest in being the medium of conflict between these contractors and you, and of trouble and turmoil to myself.

"I remain, yours truly,
(Signed) "ROB. H. McGREEVY."

Q. This is a true copy of the letter sent by you?—A. Yes.

Q. You say that your brother later on acknowledged having received the account?—A. Yes; after they entered the suit of about $400,000 against me he pleaded the account. He admitted the account.

Q. He referred to that account as sent in from you?—A. Yes.

Q. Did he admit the account?—A. Yes.

Q. Did he correct the amount that you then mentioned in your letter?—A. It was not the exact amount.

Q. The interest on the account, which I now see follows, is added?—A. Yes.

Q. In your letter you only give the capital, without the interest, in round figures?—A. Yes.

Mr. GEOFFRION.—I put in now the following Exhibits, from the records of the Superior Court in Quebec:

"H13", Declaration; "I13", Defendant's Plea; "J13", Incidental Supplementary Demand; "K13", Interrogatives of the parties to the Plaintiff; "L13", Plaintiff's answers; "M13", Plaintiff's depositions; "N13", Plaintiff's special answer to the incidental proceeding; "O13", Defendant's amended plea; "P13", Copy of Defendant's bill of particulars filed with his Plea; "Q13", Plaintiff's exhibit at trial, being copy of account referred to.

Q. Wil you look to this account, "Q13," which was filed by your brother, and say if it is a copy of the account you have just mentioned?—A. It purports to be a copy of the account, and from the items in it I believe it is a correct copy, $64,800.

Q. Only, as there are errors in the copy, it is a true copy of the account you refer to?—A. Yes.

Mr. GEOFFRION.—I asked that all the papers filed by Mr. Campbell should be copied and compared by Mr. Todd.

Mr. TODD.—Copies have been made, and they have all been compared.

Q. You state in this letter that you paid $58,000 to your brother out of your share of the profits of the different contracts of Larkin, Connolly & Co.?—A. Yes.

Q. You mentioned different other amounts as having been received by your brother. What were the other amounts you claim your brother received?—A. I mentioned his having received $117,000 from the Larkin, Connolly & Co. firm.

Q. As to the item of $58,000, can you swear whether that statement made in your letter is correct, and if this money was really paid to your brother?—A. Yes.

Q. This is the account which is put in in the case by your brother, and of which a copy is just shown you. Do you recognize the account as the one you sent?—A. Yes; the one I sent.

Q. It was put in the case by your brother?—A. Yes.

Q. As to the $117,000 that you mention having been received from Larkin, Connolly & Co., are you prepared to say how much has been paid to your personal knowledge to your brother?—A. I had paid him direct about $74,000.

By Mr. Osler :

Q. Of the $117,000 ?—A. Yes.

By Mr. Geoffrion :

Q. And for the rest you are charged in the books of your partners ?—A. $40,000, was given to me by Larkin, Connolly & Co., of which I paid my share, and it was charged in the accounts to suspense or expense.

Q. That would make $114,000 ?—A. Well, that is the facts.

Q. In your letter you mention $117,000, but you can only swear to $114,000 ?—A. I have not the figures before me at the time.

A. You could not be precise. When you wrote the letter you had not Larkin, Connolly & Co.'s books before you?—A. No.

Q. Are you aware whether your brother Thomas, and Murphy, were in frequent communication together?—A. They were very friendly.

Q. Had you occasion to see them together frequently ?—A. Yes.

Cross-examined.

By Mr. Stuart:

Q. You have been asked to produce here your account books, diaries, cheques, and cheque-books. Will you kindly produce them ?—A. The account books and cheques are before the accountants of this Committee.

Q. Have you produced all the account books that you have covering the period in question ?—A. All that I have.

Q. What do they consist of?—A. The blotter, ledger and journal.

Q. Are they your original ledger and journal ?—A. Yes.

Q. The only ledger and journal that you have covering that period ?—A. Yes.

Q. The only ones ?—A. Yes.

Q. Have you produced to the accountants of the Committee all the cheques covering that period ?—A. All that I had.

Q. And the bank books ?—A. The bank books—yes.

Q. You spoke on your examination before the Sub-Committee of some blotters that you had. Have you produced those ?—A. I mentioned to you what I have produced.

Q. Have you produced the blotters that you referred to before the Sub-Committee?—A. Yes; I have. Here are three of them.

Q. The book I now hold in my hand is your original ledger.—A. Yes.

Q. It is the only one you produce and the only one you have ?—A. The only one I have.

Q. At what times were the entries made in the books—at the time of the various payments to which they refer ?—A. I would not say about that, because as near as I can tell I only kept the blotter myself, and as any of the boys might happen to be at home they posted them up.

Q. Whereabouts is the blotter kept by yourself, from which you posted into these books ?—A. I did not post into the books.

Q. You had them posted by your sons ?—A. This is it, I think. Blotter filed as Exhibit R13.

Q. Are you quite sure this is it ?—A. Pretty sure.

Q. Is there any person else who can tell as to these books ?—A. I do not think so.

Q. Is that your blotter or is it not ?—A. That is my blotter—yes.

Q. Is it the blotter in which you kept the original entries of the transactions covering the period in question ?—A. This is the blotter.

Q. Is it the only blotter you kept at that time ?—A. I do not know.

Q. If you do not know, who else knows ?—A. I do not know if anybody knows.

Q. I want you to tell the Committee whether you ever had any other blotter, covering the period in question in which you made entries of the transactions, transferred to these books here ?—A. Not that I recollect now.

Q. You now produce before the Committee the only blotter that you kept during the period covered from January, 1883, to January, 1889 ?—A. As far as I recollect that is all I have or all I had.

Q. If you had had another book, would you recollect it, do you think ?—A. I might.

Q. Would you ?—A. I could not give you any answer more than I might.

Q. I ask you, would you recollect it ?—A. I might.

Q. Do you or do you not recollect it ?—A. I do not recollect of any other.

Q. I want to know from you whether there is another or not ?—A. I have answered you already.

Q. Will you swear there is no other than this ?—A. I will not do anything of the sort. This is my recollection.

Q. Is this in your handwriting (referring to blotter) ?—A. Most of it.

Q. Who else had written in it ?—A. I could not say.

Q. You could not say who else wrote in your books. Do you find any other handwriting than your own in your books ?—A. Not as far as I have gone.

Q. Well, look through it and see if there is not any other handwriting ?—A. (After examination of book.) Yes; there is some here in the forepart of it.

Q. In whose handwriting ?—A. There is some part here of my son's handwriting—one of them.

Q. Which of them ?—A. I do not know ; there are two or three.

Q. Whose handwriting might that be ?—A. It might be any of them.

Q. You cannot recognize the handwriting ?—A. No.

Q. You have no idea at all which of your sons made the entries at the beginning of the book ?—A. I think it is Frank—Francis.

Q. At what date does this book begin ?—A. This book begins in September, 1889.

Q. What is the date in September ?—A. 1st of September.

Q. Where is the blotter from the 1st of January, 1883, to the 1st of September, 1889 ?—A. I think this would be it. Either of those. (Referring to two books placed in his hands.)

Q. Will you please hand to the Clerk of the Committee the blotter from the 1st of January, 1883, to the 1st of September, 1889 ?—A. I do not see anything to indicate the date. I see June here, but it does not appear to indicate more.

Q. I wish you to produce another from 1st of January, 1883, to 1st of September, 1889 ?—A. I have produced all that I have.

Q. Among the books you have here, will you now file with the Committee the blotter, if you have it, for that period—1st of January, 1883, to 1st of September, 1889 ?—A. You can read these for yourself.

Q. I want you to read them. I wish you to produce to the Committee the blotter for the period I have mentioned ?—A. I have produced all I have. I do not know whether this is for 1883, 1887 or 1888.

Q. You do not know whether this blotter is for 1883, 1887 or 1888 ?—A. There is January here, but whether it is for 1883, 1887 or 1888 I do not know. That is all I have.

Q. What date does the loose sheet which you now produce cover ?—A. It covers from 10th June.

Q. What year ?—A. I do not know; it does not appear on it.

Q. Can you identify the year by the entries ?—A. I cannot for a certainty. I do not find by it what year it is.

Q. What year are you prepared to say it is from the nature of the entries ?—A. From the nature of the entries it would be about 1887.

Q. Now, what period does this sheet cover, supposing it to be 1887 ?—A. From June 10th to July 23rd. Sheet filed as Exhibit "S13."

Q. Take this loose sheet and state the period it covers ?—A. This covers from January, I think, 1887. (Exhibit "T13.")

Q. What date in January ?—A. The 7th.

Q. To what date?—A. About May, 1889.

Q. From 7th January, 1887?—A. About that time. There is no date on it, but I presume it would be about that time. I do not say as a matter of fact that it is.

Q. So that in this blotter, Exhibit "T13," we have from 7th January, 1887, to about May 2nd, 1889?—A. Yes.

Q. And on the loose sheet, marked Exhibit "S13," we have from July, 1887, to what date?—A. I said so before.

Q. Please repeat it?—A. From June 10th to August 23rd, 1887.

Q. And in the book, Exhibit "R13," you file an account from September 1st, 1889, to what date?—A. June, 1891, as far as I see.

Q. Well now, you observe from that that you have produced no blotter prior to January, 1887. Where is your blotter for the previous years from January, 1883?—A. I don't know that I had any.

Q. Where, then, did you get the record of the entries subsequently made in these books?—A. I don't know.

Q. You cannot give the Committee any information upon the point of where you kept those entries?—A. Not at all.

Q. Or where you got the information you dictated to your book-keepers, which is contained in the ledger and journal here?—A. No.

By the Chairman:

Q. Do you find many pages in the ledger between those dates covering that period from 1st January, 1883, to 1st January, 1887?—A. The ledger would not go by pages.

By Mr. Stuart:

Q. How many pages of the journal were covered by that period?—A. The journal appears to begin in June 1st, 1883.

Q. Are you quite sure of that?—A. It says so at the top.

Q. I would like to draw your attention to the top page, marked "one-half"?—A. It does not begin from that; it begins at page 1.

Q. Was there an entry on the page marked "one-half"?—A. It appears to have been crossed over.

Q. Well, how many pages in this journal are covered from 1st January, 1883, to 1st January, 1887?—A. About 60 pages.

Q. Are those pages consecutive?—A. It appears so.

Q. The page that is marked "one-half," was it part of the original book, or a page that is stuck in?—A. It appears to be a half page that was pasted in.

Q. And the entry on it is on July 1st, 1882, headed "Quebec, July 1st, 1882"?—A. Yes.

Q. Will you tell us in whose handwriting are the entries in the journal, from 1st June, 1883, to 31st December, 1886, contained in pages 1 to 60, inclusive, of the journal, beginning with the first page?—A. They are all in some one of my sons' handwriting.

Q. I asked you to indicate, page by page, in whose handwriting they were?—A. Well, I tell you they are all in one or other of my sons'.

Q. I wish you would say in which of your sons' handwriting the pages are?—A. They are all, except one or two, in the one handwriting.

Q. Whose handwriting is that?—A. Some of my boys.

Q. Which of your boys?—A. I could not say; there are two of them that write so much alike.

Q. Which of these two?—A. There is Frank and Robert.

Q. Will you tell us, if you can, in whose handwriting is the first page—whether Frank or Robert?—A. Either of them; I am not certain which.

Q. Which do you believe it to be?—A. I could not say as a fact.

Q. You have no idea at all?—A. It is either of those two.

Q. Now, will you go on and tell us, whether from pages 1 to 60 there is any other handwriting than that on the first page?—A. Except in one or two instances, they are all in one handwriting.

Q. Will you point out those one or two instances, and the pages in which you find a difference in the handwriting?—A. As far as I can see, except in one or two instances, it is the one handwriting.

Q. I ask you to indicate the one or two instances?—A. On page 43 there appears to be some entries in another handwriting.

Q. Whose handwriting is that page in?—A. I do not know.

Q. You cannot say which of your sons it is?—A. No.

Q. Any others?—A. On page 31 there are some entries there.

Q. The two last?—A. Yes.

Q. Do you know in whose handwriting?—A. No; that is as near as I can get to it.

Q. What time were these entries made?—A. They were made, I think, at the time represented to be made.

Q. Were they made from day to day?—A. No.

Q. How would they be made? At the end of the month or every two months?—A. I think it was just as the boys would be at home they would post up the books.

Q. From what would they post the books?—A. They would post them either from blotters or memoranda that I would give them.

Q. Where are those blotters?—A. You have got all I have.

Q. You swear that the blotters now produced are the only blotters you have got?—A. Yes.

Q. Where are the blotters in which these entries were made?—A. I do not know.

Q. Have you searched for them?—A. I have.

Q. Have you made a careful search?—A. Not very.

Q. Will you do so?—A. I will, if it is necessary.

Q. Can you say when you last saw them—the blotters that are missing?—A. I do not know that there are any.

Q. Were there ever any at any time?—A. There may not have been.

Q. Where are the notes from which these entries are made?—A. I do not know.

Q. You now swear you do not know whether there were blotters from 1883 to 1887?—A. I say so.

Q. To the best of your recollection, was there or was there not?—A. I do not recollect whether there was or was not.

Q. How did you keep a record of your business transactions from day to day?—A. I do not know how I kept the business transactions; but in a word, I will tell you that every book, or paper, or blotter in connection with these ledgers and journals I have given to the Committee. I have reserved nothing that I had in my possession.

Q. You have told us that these entries were made just at the time your sons might have been at home?—A. Yes.

Q. And from memoranda or blotter?—A. Yes.

Q. Where are those blotters?—A. I cannot tell you.

Q. Have you any idea at all what became of them?—A. No.

By the Chairman:

Q. Did you make any of those original entries on sheets of paper?—A. That is what I said.

Q. Those are the memoranda you referred to?—A. Yes.

Q. But did you keep them on sheets of paper?—A. Most likely they would be.

Q. Can you recollect over a period of four or five years?—A. I did not pay any regard to the blotters once the books were posted up.

Q. You do not recollect whether you had many of those fly sheets or not?—A. No.

By Mr. Stuart:

Q. Can you state whether you had any?—A. I do not know which it was.

Q. You would know, no matter what has become of them. Have you had any at any time?—A. The entries must have been taken at some time from sheets or memoranda or blotters.

By Mr. McLeod:

Q. You did have sheets or notes or blotters when the entries were made?—A. There is no doubt about that. If these books are going to be filed before the Committee I would ask that I get them back as soon as possible, because you may see the whole of the books are in relation to other business than this. There is not an entry in these books relating to this investigation, except the account of Thomas McGreevy, which is already in the record of the Court.

By Mr. Stuart:

Q. Will you tell us whether these books contain the entry of all your business transactions from June 1st, 1883, onward?—A. That would depend a great deal on what the transaction was.

Q. Then you had other books?—A. I have not.

Q. So that there were apparently a number of transactions that you did not keep a record of?—A. That I did not put in the account book.

Q. How did you keep a record of them?—A. In my head.

Q. Could you indicate to us in a general way what class you put in your books and what class you kept in your head?—A. For instance, donations. I did not keep any of them in these books. Any moneys I got from Larkin, Connolly & Co. to be given away I did not make an entry of.

Q. Do I understand you to say that this journal contains the only record of all your ordinary business transactions for the period covered by it?—A. Mostly.

Q. Does it contain all?—A. I do not know that it does.

Q. Can you indicate in a general way what it does contain?—A. I cannot.

Q. What business transactions other than donations did you not enter up?—A. There may be others.

Q. What can they be?—A. I cannot say.

Q. What would be the kind of transactions other than donations?—A. Various transactions.

Q. Can't you give the Committee some more definite information?—A. I cannot.

Q. You cannot recollect any particular transaction other than donations that is not entered in that book?—A. I cannot.

Q. Is it not the case that this book was written up apparently at the same time for quite a period, in the same handwriting, the same ink, and apparently continuously entered for several months?—A. It may have been.

Q. Is it so?—A. I do not know that it is.

Q. Look and see?—A. I have looked at it several times.

Q. Look again if it is necessary from the beginning?—A. For several months it is. For eight or nine pages it looks like that.

Q. Covering how many months?—A. Eight or nine months.

Q. Covering how many months?—A. From June 1st, 1883 to August 19th, 1885.

Q. Further on are there any indications that they were not written at the same time?—A. They are not as precise as the other.

Q. But indications of that kind?—A. Yes.

Q. I notice that the pages of this book ("U13") skip from page 66 to page 75?—That is so.

Q. So that pages 67, 68, 69, 70, 71, 72, 73 and 74 are wanting?—A. Yes.

Q. These pages have been cut out?—A. Evidently.

Q. In whose handwriting is page 1½—the page added to the book?—A. It is in either of my two sons that I spoke of a while ago. I could not say which. They write very similar. I would not like to say whose handwriting it is.

By Mr. McLeod ;

Q. Do I understand you to say that the pages covering the period from 1883 to 1885 were written at one time ?—A. It looks like that. Pages 1 to 9.

Q. They cover a period of two years ?—A. Yes. From 1883 to August, 1885.

By Mr. Mills :

Q. Where would those items on those be taken from ?—A. From notes or sheets of paper furnished by myself, likely.

By Mr. McLeod :

Q. Have you any memory about it ?—A. Not now.

By Mr. Stuart :

Q. Will you refer to page 12 of your journal, July 8th, 1885, and state whether the entry had been erased with a knife ?—A. There looks to be an erasure of some kind.

Q. Can you say what entry there was there ?—A. No. It is the first time I seen it.

Q. It is so completely removed that it is impossible to say what the entry was ?—A. Yes.

It would appear that the date had been scratched out and the whole entry, including the date, removed ?—A. It looks to me as though it was an entry put in another place.

Q. And all record of what that entry was is removed ?—A. It looks very like it.

Q. Can you say who did it ?—A. I do not know.

Q. Can you say when it was done ?—A. No: it is the first time I seen it.

Q. I notice many places in the journal in which there are blanks left for the entries ? Is that so ?—A. No; I could not say that is so.

Q. Will you explain the four blanks on page 5 of the Journal ?—A. They do not appear to be blanks left for any entries. It appears to be the system with which those who entered the books would make the pages.

Q. Why is it not so on pages 1, 2 and 3 ?—A. I do not know.

Q. Was it the system of the party at that time ?—A. According to those who entered them, evidently.

Q. You have already stated it was the same person who entered. Just look and see whether it was the same person who entered them ? Is page 5 in the same handwriting as page 1 ?—A. It looks very like it.

Q. So that the same person varied his system of book-keeping ? A. Evidently.

Q. Will you refer to page 92 of this journal. The entry dated October 11th, 1887, and state whether there is any erasure there in the books ?—A. It is not a complete erasure; it is an entry brought down.

Q. Can you say what there was there ?—A. It looks like as if the entry that follows was removed down further.

Q. Will you look at pages 3 and 7 of the journal and state whether there are inserted entries in some of the blanks left there ?—A. I do not see any in these.

Q. Was the second entry on the page made at the same time apparently or before or after the third ?—A. There is one made on the 2nd of the month.

Q. The second one on the page ?—A. No, I do not think so.

Q. Where do you find an entry on the 2nd of the month ?—A. It is not the 2nd of the month. I took it to be the date, but it appears to be the folio of the ledger.

Q. Look at page 7 and see whether there has been an alteration there in the 2nd entry ?—A. There has been a change; one name has been written over another; both are to be seen; none are erased.

Q. Will you look at page 44, under date 28th June, the entry in these words, "Thomas McGreevy, Dr., to Cheque to himself $2,000," and state whether that entry was made before the entry that followed it?—A. I do not know.

Q. It is in the same handwriting and ink as the entries that precede and follow? —A. It does not appear to be the same; it appears to be the same handwriting but not the same ink.

Q. It is in different ink?—A. Yes.

Q. Will you refer to the next page, page 45, to the entry of July 6th, 1886, "Thomas McGreevy, Dr., to expenditure and services in connection with the construction of the Baie des Chaleurs Railway, $5,000," and state whether that entry is in the same handwriting as the preceding and following entries?—A. It is the same handwriting but not the same ink.

Q. And therefore entered at a different time from the entries that precede and follow?—I do not know.

Q. Was it or was it not?—A. I do not think it was.

Q. Can you explain why it is that the entries that precede and follow are exactly in the same ink and handwriting and that this entry is different?—A. I cannot.

Q. Will you refer to page 54, the entry at the bottom of the page which reads, "Thomas McGreevy, Cr.; by cheque from Baie des Chaleurs Railway, $8,000.

By cheque from Tessier, N. P., difference on interest, given Bosset, $200; for Lindsay, $172, total, $8,172," and state whether that entry was made after or before the one that immediately precedes it?—A. It looks there as if it was made after.

Q. Will you refer to the one preceding, and say what the date is?—A. 24 November, 1886.

Q. Read the entry?—A. The entry reads—"Thomas McGreevy Dr—Cash to Deputy Sheriff Sherwood Bal of Heney note $1,000, Sued on $2,000".

Q. And the following entry is of what date?—A. The 22nd and reads—"Frank McGreevy Cr—By Cash $275".

Q. Then comes the entry just read, so that this entry is apparently of the 22nd November 1886, and it follows one apparently of the 24th?—A. Yes.

Q. Can you tell us from what the entry of $8,000 relating to the Baie des Chaleurs Railway Co, was made?—A. I could not say from memory.

Q. Was it made from the blotter?—A. It would, if it was in it.

Q. Can you say whether it was in it or not?—A. I don't know.

Q. Will you now look at your blotter, exhibit T13 at the following entry—"Cr T. McGreevy November 22—86 Ck from Baie de Chaleur Ry Cy $8,000.

" do —Tessier M.P., dif. on interest given Bossé, ($2000) per Lindsay, $172".

There is the year 1886 in the corner. Is that the entry from which this entry in the journal was posted?—A. It looks very likely.

Q. Was it or not?—A. I don't know.

Q. Have you any doubt at all whether it is so?—A. I don't see any reason to doubt it.

Q. Was it not made in 1887?—A. It is on the sheet 1887.

Q. Is in your hand writing?—A. It is in my hand writing.

Q. It is dated in the corner 1886?—A. Yes, in brackets.

Q. And 1886 is underlined?—A. Yes.

Q. So that was made, apparently in August 1887 or after?—A. Evidently.

Q. And the entry that goes before it is one of August 29th, 1887, and the one that follows is September 1st, 1887, is it not?—A. That is what there is there.

Q. Where did you get the entry that you posted in August, 1887, and the entry of November, 1886?—A. I could not tell.

Q. You have no idea at all?—A. No.

Q. Will you look at this book (produced) and state whether it is your ledger and what period it covers?—A. From 1883 I think.

Q. What date?—A. October, 1882 or 1883 it appears.

Q. Cannot you say which?—A. No, I could not.

Q. Why cannot you?—A. They are both there, 1882 on one side and 1883 on the other.

Q. The first entry I think has been scored?—A. There is a pencil mark over it.

Q. Only a pencil mark?—A. That is all.

Q. Will you please refer to the account of O. E. Murphy, at page 66 of your ledger and state whether there have been alterations of the account?—A. I don't see any alterations.

Q. Do you see erasures?—A. I see one erasure here—the total.

Q. Do you see fresh entries written above the other entries?—A. I see pencil marks.

Q. Do you see fresh ink entries at the top of the page, and old ink entries and several alterations below them?—A. I do.

Q. Can you tell us when these fresh ink entries were made?—A. I don't know.

Q. Who made those entries in fresh ink?—A. Those entries were made by my son Joseph.

Q. Where is your son Joseph?—A. In Quebec.

Q. On what date?—A. They were made on 21st June, 1888.

Q. Do you swear those entries were made in June, 1888?—A. That is what it shows.

Q. Ah, but that is not what I am asking. I am asking you when the entries were made, not the day they appear in the book?—A. I cannot say.

Q. You swear you do not know when those entries were made? Can you say whether they were made before or after the subsequent entries?—A. They were made after.

Q. Can you say when?—A. I cannot give precise date.

Q. Have those papers (produced) that I find in the book any reference to them?—A. They may.

Q. Does it?—A. I cannot say for certain.

Q. Do the figures not correspond with the entries?—A. I do not see what they are.

Q. Are they not records of the same transaction?—A. I do not see any correspondence.

Q. Do they correspond with the last three entries which are in the same ink as the two above to which I have directed your attention?—A. Yes, there are corresponding entries on this sheet.

Q. Can you tell the date from these sheets?—A. This memorandum is made within the last two or three months.

Q. Is it not the last two or three weeks?—A. I cannot say.

Q. Is the memorandum in your handwriting?—A. It is, part of it. Most of it is in my handwriting.

Q. You say the last three entries on page 66 were made within the last three months?—A. Yes.

Q. Is it not true that entries bearing date 21st June, 1888, were made at the same time?—A. I think so.

Q. Is it not a fact that these entries—that is the two entries bearing date 21st June, 1888—have been made in this book since the examination before this Committee of O. E. Murphy?—A. I say they were not.

Q. You are perfectly sure of that?—A. Yes.

Q. How long before Mr. Murphy came up to give his evidence were they made?—A. I cannot tell.

Q. Were they made since his examination ended?—A. They were made, as I said before, about two or three months ago.

Q. Since the enquiry began?—A. It must have been before.

Q. Are you sure it was before?—A. I think so.

Q. Are you certain?—A. No.

Q. Are there any means by which you could make yourself certain?—A. No.

Q. Are there any other memoranda in your possession about this matter?—A. No.

Q. Could you tell us whether, at this late period, you changed an entry in the books or made an entry before 21st June, 1888?—A. That is very easily explained.

The stock transactions between Mr. Murphy and myself had went on for two or three years, and the entries of the sales and the results did not take place at the time, so that when the stocks this spring and all transactions of stocks was closed then I went to work with one of my boys and closed the account. Having no more stock there is no more entry. It had no reference whatever to any investigation or account to be rendered. It had reference to stock that is now all gone.

Q. Will you refer to pages 128 and 129, being O. E. Murphy's account, and state whether those entries have been altered?—A. They have been altered.

Q. And other figures written over?—A. Yes.

Q. How many are there—one, two, three, four, five, six or seven lines erased?—A. No; six.

Q. And one here?—A. That has not been erased.

Q. That paper is in its original condition there?—A. I had no knife on it.

Q. What was this erased with?—A. I never touched it; the son whom I was directing what to do erased them.

Q. It was done by your son under your direction?—A. Yes.

Q. He had the knife?—A. He had a knife or something. There appears to have been too many letters used on the word "interest"; that is what I believe it is.

Q. The knife has been used a little?—A. On one word these erasures are made. Whoever carried the sale of the stock carried out into Mr. Murphy's credit in the column of dollars and cents, taking the whole amount of the produce of the stock, instead of carrying what Mr. Murphy paid on account of it. He has carried these stocks on margin and instead of giving him credit only for what he gave or advanced on them, they gave him credit for the whole result of the stock, and therefore it had to be changed to meet that circuumstance. It says: "So many shares R. & O., so much and so on."

Q. You did not give us an answer as to when these erasures were made?—A. About the same time.

Q. With this account before you, can't you be a little more precise as to date?—A. No.

Q. And do not want to be?—A. I would if I could; but I would not like to make a statement I knew was not correct. To give you an instance: He is charged here with the sale of one hundred shares of Richelieu at 56¼, net 55¾, commission off. He was charged with the total amount of the result. That would be $5,600; whereas there should have been only thirty-five, the margin advanced on it in keeping with the facts. It is a mistake of the boy entering it.

Q. Will you look at pages 70 and 73 and state whether the intervening leaf has been cut out or not?—A. It appears so.

Q. Will you look at page 80?—A. The folios from 80 to 85——

Q. Appear to have been torn out?—A. No; the paging is not consecutive.

Q. The binding would allow a few pages to be taken out?—A. I think not.

Q. Will you see whether pages 51 and 52 have been cut out?—A. There has been evidently a page cut out.

Q. And the paging runs from 50 to 53?—A. Yes.

Q. Have you produced any diaries?—A. No.

Q. Will you produce them?—A. No.

Mr. STEWART.—I ask that the Committee order the witness to produce his diaries.

The CHAIRMAN.—What are your objections?

WITNESS.—I make my objection in writing. This is a memorandum which I drew up at the time. The circumstances have changed a little, but I will read it as I prepared it:—

Memo:

"Statement to Committee of reasons for non-production of books, on private business, as asked for in T. D. of June 20th.

"I appear as a witness before this Committee on a summons issued by the Clerk of the Committee to give evidence on matters contained in certain charges made by Mr. Tarte, M.P., against Mr. Thomas McGreevy, M.P., and bring with me all books, letters, vouchers, receipts and other documents in connection with: 1st, The dredging of the Harbour of Quebec since 1882; 2nd, the Cross-wall and lock in connection with the same Harbour; 3rd, the dredging of the wet basin in same Harbour; 4th, the south wall or retaining wall in same Harbour; 5th, the graving dock at Lévis; 6th, the graving dock at Esquimalt; and 7th, the Langevin Testimonial Fund.

"As a witness, I did not deem it necessary to employ counsel before this Committee. Now, I am asked by a telegram from the Clerk of the Committee to produce original statement in "Le Canadien," 30th April, 1890, books, papers, cheque and bank books, letters, books and all papers showing my financial transactions from January 1st, 1883, to January 1st, 1888, as well as a statement of all transactions between Mr. O. E. Murphy and myself, covering the same period.

"I respectfully submit to the Committee my willingness to produce everything I have in connection with, or give evidence on, all the charges I have any knowledge of, contained in the reference by the House to this Committee on the matters for investigation; but I have objections to give evidence or produce books, letters, statements, &c., of my private and other business irrelevant to the matter, for the purpose of enabling the counsel for the accused to make use of such information they may so obtain, to prosecute the various suits pending against me.

"The accused and the Connollys have now pending in the Courts in the City of Quebec, the following cases:—

"An action for $354,000, or thereabouts, general account, Superior Court.

"An action for Criminal Libel against Tarte, Murphy and myself, Queen's Bench.

"An action for $50,000 damage for libel against same parties, civil suit.

"An action for conspiracy.

In these actions the counsel here present representing the accused with several other advocates, represent the plaintiffs; that those books, papers, &c., made as closed matters which will enable them to obtain information which they will use elsewhere against me, which knowledge will much prejudice my case and possibly cause much damage, and to their advantage in the said suits and actions; those are the reasons which move me to ask your protection against such evidence as will enable them to continue the persecution which is going on against me for over two years by those parties.

By Mr. Davies:

Q. I would like to ask you whether you will submit those documents to the Sub-Committee to determine whether and what pages are absolutely private and should not be subject to the inspection of these gentlemen, and what we think you ought to submit?—A. I will submit them to the Sub-Committee. The only reservation I make is, that the counsel for these parties should not have access to them.

By the Chairman:

Q. Would you have any objection to Mr. Osler and Mr. Henry having access to them?—A. Certainly not.

The Committee then adjourned till 3.30 p.m.

FRIDAY, 3.30 o'clock p.m.

Mr. ROBERT H. MCGREEVY'S cross-examination continued.

By Mr. Stuart:

Q. You have produced before the Sub-Committee your diaries from 1883 to 1888, I understand?—A. Yes.

Q. Did you not keep another memorandum book in which you made entries of your transactions daily or habitually?—A. Not any other than the blotter.

Q. Are you quite sure of that?—A. Yes.

Q. You recollect that you were examined as a witness in the case of Robert Henry McGreevy against Michael Connolly, recently pending in Quebec. I will now read you part of your testimony: In the suit of McGreevy *vs.* Connolly No. 1320:

"Q. Have you got in your possession a memorandum book in which you enter everything that takes place from day to day?—A. Well, no; I don't think I have. I am not supposed to note down everything that takes place.

"Q. As a matter of fact, do you note down the principal things that take place?—A. Yes; generally.

"Q. Have you not got a memorandum book in which you enter from day to day what takes place?—A. Yes.

"Q. Have you entered in that memorandum book anything about this?—A. No.

"Q. Have you got that memorandum book in your pocket now?—A. No.

"Q. You swear you have not got it now with you?—A. What book do you refer to?

"Q. The memorandum book in which you make daily entries?—A. I have got a book with me—a diary.

"Q. You have another book, besides the memorandnm book which you have taken out of your pocket, in which you make entries of daily occurrences?—A. I may.

"Q. You have, as a matter of fact?—A. I suppose I have.

"Q. Have you got by you your bank pass-book?—A. No."

Q. Now, after hearing that evidence, will you state whether you have the other memorandum book that was referred to at that time?—A. That memorandum book I referred to at that time was the blotter.

Q. Where is that blotter?—A. All that I have is here.

Q. You are a contractor, I believe?—A. Yes, sir.

Q. How long have you been a contractor?—A. For 30 years.

Q. What occupation, if any, did you follow before you became a contractor?—A. I was managing the contracts for Thomas McGreevy.

Q. Where?—A. I began with these buildings in 1860.

Q. The buildings in which we now are?—A. In which we now are.

Q. Had you any contracts before that?—A. Not before that.

Q. What is your trade or occupation?—A. My trade is a joiner.

Q. You say you began managing for Thomas McGreevy in 1860?—A. Yes; in 1860.

Q. In 1866 did you take a transfer from Thomas McGreevy of the contract which he then had for the completion of a portion of the Parliament Buildings here?—A. Yes.

Q. What was the price you paid for it?—A. The price I agreed to pay, I cannot say from memory what it was.

Q. Will you look at the three promissory notes, filed in the case of McGreevy *vs.* McGreevy, No. 1731, Superior Court, Quebec, Exhibits *et enquête*, Nos. 27, 28, 29, being three promissory notes, dated at Montreal 3rd November, 1866, each for $7,646.15, and state whether your's is the signature to them?—A. Those were signed by me.

Q. Is it not a fact that those three notes represent the consideration price, or part of the consideration price, for the transfer of the contract by Thomas McGreevy to you, of which you have just spoken?—A. I think so.

Q. Is it not so, as a matter of fact?—A. I don't know; I think so.

Q. When did you last see those notes?—A. Fifteen years ago, perhaps.

Q. You did not see them when they were produced in the litigation in Quebec, on 4th November, 1880?—A. I did not.

Q. Was there any question of them in the litigation?—A. There was.

Q. Well, now, with the assistance of the information you got during that litigation, are you able to say whether or not those are the notes you gave for the purchase price of the contract?—A. I said they were.

Q. Were those notes ever paid?—A. They were paid, not in money but in kind.

Q. In what kind?—A. (No answer.)

Q. I want to know from you in what way those notes were paid?—A. Those notes was one part of the contract, and Thomas McGreevy did not fulfil his offer, so I did not pay the notes.

Q. Then the notes were not paid. So, when you state the notes were paid in kind you state what is not the case?—A. I say so still.

Q. Then in what way were they paid? The Committee would like to know whether they were paid or not?—A. The occurrence is so far back that I cannot tell you the details. My impression was that these notes, he having not satisfied his part of the agreement, did not look for the payment of them, and therefore they were not paid.

Q. Was that the answer which you made in the litigation between Thomas McGreevy and yourself when you were sued upon these notes?—A. If my memory serves me right, I gave two or three answers.

Q. Was that one of them?—A. That was one of them I think.

Q. Will you look at three bearing date Ottawa 9th June, 1869, for $6,187.74 each, being notes produced in case No. 1731, McGreevy, *vs.* McGreevy as Plaintiff's Exhibit in *enquete*, and state whether these are signed by you?—A. It looks very like it.

Q. Do they bear your signature or do they not?—A. It looks very like my signature.

Q. Is it your signature?—A. I do not know.

Q. Is it your signature?—A. I cannot tell.

Q. You say you do not know this is your signature? You swear that?—A. I think so.

Q. Had you any doubt about your signature when you were sued upon these notes?—A. I do not know that I had.

Q. Did you deny your signature when you were sued upon them?—A. I do not think I did.

Q. Are they your signature or not?—A. I do not know whether they are the notes I seen there.

Q. You do not know whether these are the notes produced in the litigation between your brother and yourself, and filed on the 14th November, 1890?—A. I do not know.

Q. Then you cannot tell us whether that is your signature?—A. I think it is my signature.

Q. When you saw them on a previous occasion did you deny that it was your signature?—A. I have not seen them for a long time.

Q. When you saw them before, did you deny them?—A. I do not know. They were fresh in my memory then.

Q. Is it your signature?—A. I would not like to say.

Q. Do you know whether they were paid?—A. I cannot say.

Q. As a matter of fact, were they paid?—A. I do not know.

Q. Did you plead payment when you were sued upon then?—A. I pleaded compensation among other things.

Q. You also pleaded prescription, I think?—A. I think so.

Q. But you did not plead direct payment?—A. I pleaded a set-off of some kind.

Q. Where those notes paid at any time otherwise than by compensation?—A. They may have been.

Q. Were they?—A. I do not know.

Q. You are not prepared to swear they were?—A. No.

Q. After the contract for the Parliament Buildings here was completed, and in which you were interested, did you engage in a contract in Pennsylvania for the building of a railway?—A. The contract here was not terminated.

Q. Did you at any time?—A. Yes; I went out there in 1868.

Q. How long did the works last out there?—A. Three years.

Q. Who were your partners?—A. Mr. Ralph Jones, Frank Shanly and James Walsh, of Toronto.

Q. You four composed the firm of Jones, Shanly & Co.?—Yes.

Q. Did Thomas McGreevy advance money to the firm of Jones, Shanly & Co.?—A. Yes.

Q. In 1872, is it not the case that there was due to Thomas McGreevy by yourself and the other members of the firm of Jones, Shanly & Co. the sum of $59,798?—A. I do not know what the amount was.

Q. Was it about that amount?—A. Somewhere in that vicinity.

Q. It was represented by a number of promissory notes?—A. I do not know whether it was or not.

Q. Look at these promissory notes, and say whether these notes were signed by you and given in connection with that transaction?—A. As they were renewed they kept the whole of them. They may have several sets. These are all signed by myself, and as far as I can see by the other members of the firm. These represent renewals and all. There was perhaps three or four renewals.

Q. Will you look at these, and say which are the renewals and which are not?—A. It is hard, without putting them on the paper, to say which are renewals and which are not.

Q. Do you say that any of them are renewals?—A. It looks to me that some of them are.

Q. Will you swear that some of them are?—A. Quebec, four months from 13th February, 1875, that would come due in June.

Q. Are those renewals?—A. As far as I see, there are some.

Q. Will you state which of them are?—A. Not until I get time to do it.

Q. Which do you find there, are renewals?—A. The reason I say so is they are all different dates; therefore, if the notes were given they would have all one date.

Q. These are possibly renewals for notes that were running at the time?—A. Possibly not.

Q. Had you ever any litigation with your brother about any of them that were renewals?—A. No.

Q. You did not?—A. No.

Q. What did you plead with reference to the sum demanded by your brother from you of $59,798 for the advance to Jones, Shanly & Co.?—A. I pleaded prescription for one thing, and I pleaded that he had not settled with the other members of the firm for a certain sum, as a discharge of those notes. I think that was my plea.

Q. I think you adduced no evidence on the pretended settlement that you had pleaded, did you?—A. I don't know.

Q. You don't know whether you did or did not?—A. I don't know.

Q. So, you now say to the Committee that you adduced no evidence of the settlement you pleaded with Jones, Shanly & Co.?—A. Yes.

Q. You were manager, I think, for your brother when he was contractor of the North Shore Railway, were you?—A. Yes.

Q. For how many years?—A. From 1874 to 1882.

Q. During that time were you carrying on any other works of your own?—A. I don't think it.

Q. You were contractor for a section of the Intercolonial Railway, were you not?—A. Not at that time.

Q. But you were at one time?—A. Yes; that was from 1870 to 1874 or 1875.

Q. What section?—A. Section 18.

Q. Did your brother advance to you in connection with your contract?—A. He advanced a certain sum of money as representing his share.

Q. How much did he advance?—A. Oh, I don't know; about $100,000, I suppose.

Q. What period did those advances cover?—A. From 1870, the time of the contract, up to its completion, 1874 or 1875 and 1876.

Q. I think he sued in connection with his advances on that contract, did he not?—A. Yes; that is part of the suit.

Q. The amount that he demanded from you in connection with that contract was $170,000, was it not?—A. I think so.

Q. The result of the litigation was that the three first items in Jones, Shanly & Co's account, the notes representing the purchase of the contract in Ottawa, and the other three Ottawa notes, were declared by the court to be prescribed, or barred by the Statute of Limitations. Is not that so?—A. I don't know what the judgment of the court was.

Q. Did you ever see the judgment?—A. I don't think I did.

Q. Were you ever told of the judgment?—A. I was told it was a judgment of fifty or sixty thousand.

Q. Will you swear that you don't know that was the result of the judgment?—A. Only from hearsay.

Q. But that hearsay was from your counsel, Mr. Casgrain, was it not?—A. I think so.

Q. And the result of the judgment indicated to you by Mr. Casgrain, was it not that the court held those three accounts against you to be barred by the Statute of Limitation?—A. I think that was so.

Q. And the balance of $56,000 for which you were condemned was taken as an offset against what your brother received out of that Intercolonial Railway account?—A. No; I think not.

Q. All the offsets allowed were taken from the Intercolonial Railway account?—A. I don't know.

Q. Were there any offsets allowed against any of those other accounts that were declared to be barred by the Statute of Limitation?—A. I could not say.

Q. Did Mr. Casgrain tell you so?—A. I do not think he did.

Q. Did you discuss this judgment with him?—A. No; not much.

Q. Did you direct him to take it to a higher court?—A. I directed him to take it to the Court of Review.

Q. Without discussing it at all?—A. Without discussing it.

Q. Out of the Intercolonial Railway account there was deducted the contra account, a copy of which you produced this morning?—A. I do not know what was taken out of it.

Q. That account was taken out in any case?—A. I suppose so.

Q. Did you say this morning it was allowed at the court?—A. I said that the plaintiff admitted it.

Q. It was therefore deducted from the amount for which you were sued?—A. From the entire claim.

Q. Will you look at that, and say whether it is a copy of the judgment in the suit?—A. I cannot tell whether it is or not.

Q. Read it and see. Was there any other suit between Thomas McGreevy and Robert Henry McGreevy pending on the 9th February, 1891?—A. I do not think so.

Q. You know, as a matter of fact, not?—A. I think not.

Q. You said a moment ago that your brother contributed a certain amount as his share. What did you mean by that?—A. I mean with reference to the Intercolonial Railway; I mean that he was a partner with me in the construction.

By Mr. Mills (Bothwell):

Q. Was your brother a member of the House of Commons at that time?—A. Yes, 1867.

By Mr. Stuart:

Q. Do you recollect that your brother was a candidate for Parliament at the time the contract was going on, or about that time?—A. Yes.

Q. Was Mr. John O'Farrell, of Quebec, a candidate against him?—A. I think so.

Q. You know it, as a matter of fact?—A. Yes; in 1873 and 1874.

Q. Did Mr. O'Farrell charge that Mr. Thomas McGreevy was a partner with you in the Intercolonial Railway matter?—A. Charge what?

Q. Did he make the charge publicly that Thomas McGreevy was a partner with you in the Intercolonial Railway contract?—A. I do not think that he did. I think he did it in a petition for unseating him.

Q. Did he not make it on the hustings?—A. I cannot say.

Q. Can you say that you did not publish an affidavit at that time denying that Thomas McGreevy had any interest in the contract?—A. I may have done so.

Q. You may have published to the world, on your oath, that your brother was not a partner with you, and now you say it is true that he was?—A. It is easily explained. He was a partner up to the time of that election, as I stated in my pleadings; but inasmuch as there was a danger of his seat being contested, on that account he requested me to destroy all papers in connection with his partnership, and then, of course, I was at liberty to take an affidavit that he was clear. But I made no affidavit while I was in possession of the papers.

Q. So it was the destruction of the papers that justified you in saying that he was not a partner?—A. Because he ceased to be a partner in 1873.

Q. This affidavit was published during the time the election was coming on?—A. I am not sure.

Q. To the best of your recollection it was so?—A. No; it is not.

Q. It was in answer to the charge made on the hustings that your brother was interested with you. Was it?—A. I do not think it was.

Q. It is extremely likely?—A. It may be likely.

Q. These papers that established the partnership, as you say, were they destroyed at the time the election was coming on?—A. I do not know exactly when they were destroyed, but it was in either 1872 or 1873 they were destroyed.

Q. They were destroyed before the nomination and return?—A. I could not say now which.

Q. Who was present when these papers were destroyed?—A. Nobody.

Q. Who witnessed the destruction of the papers?—A. Nobody.

Q. Where was the destruction of the papers done?—A. The destruction of the papers was done at the time, and as he stated on his part he would destroy any he had. Then, on that understanding I thought he was at the end of the partnership.

Q. As a matter of fact, is it not the case that the affidavit made then and published was to the effect that your brother had not been, and never had an interest in your Intercolonial Railway contract?—A. I do not know that it did; but if it did, I was bound to make some declaration to protect him.

Q. To protect your brother?—A. At his request, I might say. It could only be formal, however.

Q. It did not dissolve the partnership?—A. No; it was to save him.

Q. To save him you published an affidavit that your brother was not, and had not been interested with you in the Intercolonial Railway contract. Do you say that?—A. I do not say it is.

Q. Is it?—A. I do not say.

Q. You have already done so?—A. I say I may have done so.

Q. You gave instructions for the drafting of your pleadings in the litigation of McGreevy *vs.* McGreevy, did you not?—A. I think not.

Q. Did you see the pleas before they were put in?—A. I do not think so.

Q. Do you say you did not?—A. I do not think so.

Q. Will you swear the papers were not read to you before they were filed? Were they, or were they not?—A. I could not say.

Q. You won't swear that they were read to you?—A. I will not.

Q. As a matter of fact, is it not true that your counsel and solicitor, Mr. Casgrain, refused to sign and file the plea in that case until such time as he had read it to you?—A. I do no know.

Q. Is it so or is it not?—A. I do not know; I could not say.

Q. Do you not recollect your going to Mr. Casgrain's office, and his reading the plea to you, in order that you might take the responsibility of it?—A. I do not.

Q. You swear you did not?—A. I do not swear I did or did not.

Q. Will you swear the plea was not read to you?—A. I won't swear that it was.

Q. Did you read the plea?—A. I may or may not have read it.

Q. I want to know if you did?—A. I may have or may not.

Q. Did you read it at any time?—A. I did.

Q. Does it contain the truth?—A. I suppose it does.

Q. Does it or does it not contain the truth?—A. I do not know, I am sure. I suppose these pleadings as he submitted them were right.

Q. As you read them, they contained the truth?—A. Practically.

Q. The result of the judgment in the case was that the judge disbelieved your plea that your brother was a partner with you in the Intercolonial Railway Contract; did he not?—A. I do not know that he did.

Q. As a matter of fact, he did not hold that part to be proved?—A. I do not know.

Q. Did you adduce any evidence of the fact?—A. I could not; I had none to produce.

Q. You questioned your brother, I think, under oath on the subject?—A. I think so.

Q. And he said it was not true, did he not?—A. I think so.

Q. Did you ever render account to your brother in connection with the Intercolonial contract?—A. He kept the accounts himself.

Q. You swear he kept the accounts himself?—A. They were in his office.

Q. You swear that?—A. Mr. Chaloner——

Q. Was it he or Mr. Chaloner who kept the accounts?—A. It was between them.

Q. Did he or Mr. Chaloner keep the accounts?—A. I do not know. It was either of them. I took Mr. Chaloner's word always. It was the same as his as regards the accounts.

Q. And Mr. Chalmer kept the accounts?—A. So he said himself.

Q. So Mr. Chaloner said?—A. Yes.

Q. I will read you a paragraph from your plea, Mr. McGreevy, "That in the year eighteen hundred and seventy-three the plaintiff having again been a candidate for re-election at the general elections for the said House of Commons of Canada and having been re-elected to sit for the said electoral division of Quebec West against one John O'Farrell, of the city of Quebec, Esquire, advocate, who was also a candidate at such election, the election of the said plaintiff was contested and his right to sit for the said constituency was controverted and a petition contesting plaintiff's said election was fyled and presented, demanding the avoidance of said election on the ground and for the reason, among others, that the said plaintiff having an interest in a contract for the building of a public work under the Government of Canada, to wit: in the construction of a part of the said Intercolonial Railway of Canada and holding, undertaking and executing a contract or agreement with and for the Government of Canada for which the public moneys of Canada were and are to be paid, was ineligible as a member of the said House of Commons and disqualified to sit as such; and that thereupon in order to do away with any written proof of the said herein alleged facts, the said plaintiff requested the defendant to destroy all the said documents, letters, missives and papers evidencing and containing the said contract, agreements and stipulations between the said parties herein above alleged."

Q. Is that allegation true?—A. I thought it was true.

Q. Is that allegation true?—A. I thought it was true.

Q. But is it true now? It is immaterial what you thought then?—A. It is the same now as then.

Q. You say it is true now?—A. I think so.

Q. Was your brother's election contested by O'Farrell?—A. I thought so then.

Q. Was it, as a matter of fact?—A. Well, I don't know, but I alleged that it was.

Q. I don't care what you alleged. I want to know whether your brother's election was contested by O'Farrell at that time?—A. I don't know.

Q. As a matter of fact, do you not know it was never contested?—A. I don't know.

Q. When you came to prove this plea before the courts, did you adduce any evidence upon that point?—A. I did not.

Q. Did you seek to adduce any evidence upon it?—A. I had none.

Q. Did you go to Mr. John O'Farrell to see if you could prove that fact—if it were true?—A. I did not.

Q. Was he not in Quebec?—A. He may have been for all I know.

Q. You know he lives in Quebec, and is there pretty nearly all the time?—A. I do.

Q. Did you see him upon the subject?—A. I did not.

Q. Did you search the files of the court to see whether there was a petition on record against your brother by him?—A. I did not.

Q. Did you search the files or in any way make any attempt to examine them to see whether, if there was a petition against your brother, what it would contain?—A. I did not.

Q. In other words, did you not try to substantiate that charge in the least?—A. I did not.

Q. A more recent case in which you were concerned was a transaction between yourself and O. E. Murphy for a $400,000 note of Michael Connolly's, transferred to you by O. E. Murphy, was it not?—A. Yes.

Q. Will you look at the note produced here as Exhibit "D10," and state whether that is the note that was transferred to you by O. E. Murphy, and upon which you instituted that suit?—A. I have already been examinined in that case, and my evidence is on record. I ask the Committee whether I am open for examination in a case in which I have already given my evidence before the court?

The CHAIRMAN.—This case is not before the court. You have to answer the question.

WITNESS.—That is the note.

Q. The note is in these words: "On demand I promise to pay to Mr. E. Murphy or order 400,000 dollars, for value received, without defalcation or discount." Signed by Michael Connolly, endorsed to the order of R. H. McGreevy and E. Murphy, without recourse. You instituted a suit upon that note against Mr. Michael Connolly, did you not.

Q. That suit was instituted on the 4th June, 1890?—A. About May, I think.

Q. The plea was fraud, want of consideration, and conspiracy between yourself and O. E. Murphy, was it not?—A. I don't know what the plea was.

Q. You did not see the plea?—A. I may have seen it at the time.

Q. The plea was not read to you by your counsel?—A. Yes; it was.

Q. Well, in substance, it was fraud, want of consideration and conspiracy, was it not?—A. You have got it there; you can see for yourself.

Q. I am asking you?—A. It may not. You have it here now, and you can see exactly what it was.

Q. I will read the paragraphs from the plea:—

"The pretended promissory note declared upon was obtained by the said O. E. Murphy falsely and fraudulently about nine or ten years ago and he never at any time gave, nor did the defendant receive any valuable consideration whatsoever therefor.

"The plaintiff in this cause never gave any valuable consideration whatsoever for the said pretended note, and has always been aware that the same was obtained and held by the said Owen E. Murphy falsely and fraudulently, and wholly without consideration.

"The present action is the result of a conspiracy between the said Murphy and the plaintiff to harass, injure, and defraud the defendant, both well knowing that no value was ever given for the said pretended note, and that the defendant was never indebted to the said Murphy; that the said O. E. Murphy never had nor was intended to have any right of property whatever in the said pretended note, no value having been given by the said McGreevy to the former therefor."

Q. Motion for particulars was made in this case. You were asked in the course of these proceedings to give details of the consideration that was given by O. E. Murphy to Michael Connolly for the note in question?—A. (No answer.)

The CHAIRMAN.—The witness will please answer the question.

A. My answer is in the record of the case.

Q. Was there or was there not a bill of particulars filed?—A. I will give you no other answer.

Q. Why?—A. Because my answer and testimony is in the record.

Mr. STUART.—I ask you, Mr. Chairman, to instruct the witness that he is bound to answer?—A. You only want to catch me.

Q. I only want the truth?—A. I gave my answer. My evidence and answer is in the case.

Q. Will you look at the bill of particulars filed in No. 1320 and state whether that is the bill of particulars you filed?—A. I cannot tell you, I am sure.

Q. You do not know. Did you prepare the bill of particulars?—A. I did.

Q. With O. E. Murphy?—A. Yes.

Q. Did you hand it to your attorney, Mr. Casgrain?—A. Yes.

Q. Is that Mr. Casgrain's signature?—A. I do not know.

Mr. ARCHIBALD CAMPBELL recalled.

By Mr. Stuart:

Q. Is that the bill of particulars filed in the case in question?—A. Yes; it is the bill of particulars in the case of Robert H. McGreevy *vs.* Connolly.

Mr. R. H. MCGREEVY'S cross-examination resumed.

By the Chairman:

Q. Is that the bill of particulars you authorized your lawyer to give?—A. Yes; that is very like it.

Q. Then you have seen it before?—A. I think I have.

Q. That is the bill of particulars filed in the case under your instructions?—A. I do not know whether it is the bill of particulars; I saw one like it.

Q. Was that the bill of particulars filed in the case?—A. Something like it.

Q. Does it differ in any respect from the one filed?—A. It may, for aught I know.

Q. Could you point out any differences?—A. No.

Q. One of the items in this bill of particulars, furnished by Owen Murphy to the defendant, Michael Connolly, reads as follows: (It is the last item) "Special sum he realized by the raising of the bottom of the sewer of South Wall contract of 3 feet, $35,000." Is that so or not?—A. That the sewer was raised?

Q. No; that that was the last item of the bill of particulars furnished by you in the case?—A. I do not say I furnished this. I see $35,000 mentioned.

Q. Did you give that information for the last item in the bill of particulars?—A. I did.

Q. Did you give the other information for the bill of particulars?—A. I did.

Mr. STUART then announced that he would not be prepared to proceed further with the cross-examination of this witness to-day.

Mr. JOHN BENSON WILLIAMS, sworn.

By Mr. Geoffrion:

Q. Where do you reside now?—A. In Quebec.

Q. Do you know Mr. Thomas McGreevy?—A. I do.
Q. Do you know Mr. Robert McGreevy?—A. Yes.
Q. Do you know Sir Hector Langevin?—A. Yes.
Q. Have you been a public employé at any time?—A. Yes, sir.
Q. During what years?—A. 1885, 1886, 1887 and part of 1888.
Q. What is your profession?—A. Civil Engineer.
Q. Were you approached by anybody and asked whether your would go and work as resident engineer on certain works which were going on in British Columbia?—A. In the month of May (I think it was May, 1885) I was employed as a sessional clerk—an extra writer in the House. I was met by Mr. Thomas McGreevy in the grounds outside this building on my way up, and he told me to call on Mr. Perley, Chief Engineer of the Public Works Department. He told me Mr. Perley wanted to see me. I did so.
Q. What was the conversation you had with Mr. Perley?—A. Mr. Perley told me that the Department thought of making some changes in the position of Resident Engineer of the Esquimalt Dock, I think it was. He asked me if I was capable of taking such a charge as that. I told him I was. He said there had been a letter written from the Department of Public Works to the Department of Railways and Canals asking them if they could recommend a suitable person for that work, and that no answer had been received up to that date, although it was two or three days before that the letter had been written. He asked me to call again at the end of the week, when he would be able to speak to me more definitely on the subject, as by that time he expected an anwser would have been received from the Department of Railways and Canals.
Q. Did he tell you by whom the letter was sent to that department?—A. He said it was sent by the Department of Public Works. Whether he meant himself or not I do not know.
Q. And he expected there would be an answer in the course of a week?—A. He said if he did not get an answer in the course of that week he would then be in a position to speak definitely with me on the subject.
Q. What passed then?—A. Mr. Perley then said if I would call upon him in a few days he would let me know more. In the meantime, he handed to me the printed tenders showing the position of the work at that time.
Q. Where?—A. Out in British Columbia. He told me that I might read them over, that I might take it with me to the office, which I did, and I read them. At the close of the time that he had specified I returned to see him, and he then made me a definite offer of the position in British Columbia without any further explanation. I put no questions to him; I did not know the name of the party then occupying the position, and he did not make any reference to it or the reasons for the change, simply that the progress of the work was not satisfactory. That is all I knew about it.
Q. You did not understand that there was a vacancy by death, but that you had to replace somebody there?—A. Yes.
Q. Did you give him an answer immediately?—A. No, sir. I asked him for 24 hours to consider the matter.
Q. Did you see anybody else besides Mr. Perley about that position that was offered to you?—A. Not at that time.
Q. Well, later on?—A. The next morning I sent in a letter to Sir Hector Langevin and also one to Mr. Perley, explaining my reasons for declining the position.
Q. You had decided to decline?—A. I decided to decline, and wrote my reasons for it. I saw Sir Hector and gave him my reasons, and he approved of them. I was afterwards appointed to the charge of the surveys and improvements on the North Saskatchewan River. I had made no application for this other position.
Q. You say you wrote to the Minister. Had you been informed by Mr. Perley that what he was offering you was with the authority and sanction of the Minister?—A. The impression he gave me was that he was acting by the consent of the Minister.

Q. From what you heard you thought he was acting officially?—A. Yes.

Q. You got that impression?—A. I was always under that impression that it was with the authority of the Minister that he was acting.

Q. And you declined the position?—A. I wrote a letter to Sir Hector declining the position and one to Mr. Perley to the same effect.

Q. When you had the interview with Sir Hector, had he received the letter from you?—A. Certainly. He had acknowledged he had received the letter and he approved of my reasons for declining.

Q. Did he make any statement which showed he was unaware of the offer that had been made?—A. No.

Q. Did I understand you to say that it was during session that this offer was made?—A. It was during the long session of 1885; it was, I think, in the month of May some time. I do not recollect the time.

Q. And perhaps the first intimation you had that you were wanted for that purpose was by Mr. Thomas McGreevy?—A. Mr. Thomas McGreevy met me here in the grounds on the way up to work—the Honourable Thomas McGreevy M.P., I mean. He asked me if I had seen Mr. Perley, and told me to call upon him at once. During the morning I went over to the Department of Public Works and saw him.

By Mr. Osler:

Q. You had no other conversation with Mr. Thomas McGreevy, he simply told you to call on Mr. Perley?—That was all.

Q. You had no communication with Mr. Thomas McGreevy, nor had you any communication with, or interest in the firm of Larkin, Connolly & Co.? You had nothing to do with them?—A. Nothing whatever.

Q. You were a stranger to all parties, as far as business relations were concerned?—A. Yes; as far as business relations were concerned. I was not at that time acquainted with either Larkin or Connolly.

Q. What other engineering work have you been in charge of?—A. I served on the Baie des Chaleurs Railway.

Q. Under whom?—A. Well, at that time I had been engaged by Mr. Sénecal, who was interested in that road, and I went down there more to examine into the land grant as an expert, but when I arrived there, being in want of an engineer, they asked me to assist Mr. Grant, who was in charge.

Q. In which location?—A. In the location of the road.

Q. And before that?—A. Well, before that I had been for fifteen years superintendent of the Montmorency Mills, for my uncle, Mr. Hall, who is proprietor. I served there until Mr. Hall died.

Q. Had you any experience in public works?—A. I have had experience in all that concerns engineering work.

Q. What is your present appointment?—A. I have none, sir, just atpresent.

Q. What was your last appointment?—A. When I was sent for to come here I was about trying to get work under the Provincial Government.

Q. What was your last employment?—A. It was in explorations and exploratory services on the Bonaventure River, and in the Metapedia Valley.

Q. For whom?—A. For private individuals.

By Mr. Davies:

Q. Did you tell Mr. Perley when you went to him who sent you?—A. Yes, sir; I told him just what I stated here; Mr. Thomas McGreevy had told me to call on him. I was not at that time acquainted with Mr. Perley. I introduced myself to him, but he evidently expected me.

Q. You told him you had been sent to him by Mr. Thomas McGreevy?—A. Yes.

Q. What were those mills with which you were connected professionally for some fifteen years?—A. The mills at Montmorency Falls, Quebec.

By Mr. Edgar:

Q. Did Mr. Perley enquire from you as to your experience and qualifications for this kind of work?—A. He simply asked me. He knew I was an engineer—I think the Minister was well aware of it—and I applied whenever there would be any opportunity for a position, as I would like work of that kind.

Q. To whom had you applied?—A. To Sir Hector himself. I knew him in Quebec, personally; it was he who had given me my sessional appointment.

Q. And you knew Mr. Thomas McGreevy pretty well?—A. I had.

Q. At that time?—A. I have known him for many years. He lives in Quebec, and I have lived there, or near there, for a good many years.

Q. Had he any means of knowing your professional capacity at all?—A. Well, I think indirectly he did, not through any work I had ever done for him, but he knew that I had applied for positions in that profession.

By Mr. Tupper;

Q. What position have you applied for under the Provincial Government?—A. Nothing at all in particular. I approached the Minister there lately. I had the hope before I came up here of doing something, but my business here has rather interfered with that.

By Mr. Mulock:

Q. Have you had any experience in such works as the Esquimalt Graving Dock?—A. Well, sir, by education; I am a graduate of the United States Military Academy. I served through the Civil War there, and afterwards came to Canada, and for a long time served my uncle, Mr. Hall, at the Falls, as superintendent of those mills.

Q. Was that your first appointment after you left the college? you served in the war?—A. Well, as an engineer officer. I am both a military and civil engineer.

Q. And then you came to Canada and served fifteen years at a saw mill?—A. Well, at first I was superintendent of the mills. Afterwards I became general superintendent of the property, exploratory service surveys, etc.

Q. You have not had any experience in building docks and public works?—A. No. I have been engaged in works not exactly like that as a young man—canals, for instance—and I had some practical knowledge of all sort of engineering work—bridges and masonery of every description.

Q. At the time you were offered this though, it was I suppose thirty years at least since you had any experience?—A. Yes, sir; in that special work. I have never been engaged in any kind of work like that, not for twenty years.

By Mr. Kirkpatrick:

Q. Had you any letter from the Department?—A. No, sir

Q. It was by word of mouth?—A. Yes, sir; I have no letters, except a letter of appointment in the month of July. That was after the session that I was appointed as engineer in charge of the surveys and improvements on the North Saskatchewan.

The Commitee then adjourned.

No. 91.

VOTES AND PROCEEDINGS OF THE HOUSE OF COMMONS.

OTTAWA, WEDNESDAY, 16TH SEPTEMBER, 1891.

PRAYERS.

Mr. Girouard, from the Select Standing Committee on Privileges and Elections, presented the following Report :—

The Select Standing Committee on Privileges and Elections to which was referred certain statements made in connection with the tenders and contracts respecting the Quebec Harbour Works, the Graving Dock at Esquimalt, etc., with instructions to enquire fully into the said allegations, and especially, but without limiting the scope of such enquiry, to investigate all circumstances connected therewith and the payments and other matters mentioned in the said statements, beg leave to present as their Seventh Report, the annexed draft Report prepared by their Sub-Committee, and adopted by your Committee at a meeting held this day.

"A"

SELECT STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS.

DRAFT REPORT OF SUB-COMMITTEE

AS SUBMITTED BY SIR JOHN THOMPSON AND MESSRS. GIROUARD AND ADAMS.

The Select Standing Committee on Privileges and Elections beg leave to report that under the Order of Reference made on the 11th day of May last, they have investigated the charges contained in the said Order: That in so doing they have received and examined a large number of documents, have heard the testimony of seventy one witnesses and have held for the purpose seventy-one sittings, extending over fifty-five days, in addition to twenty-nine sittings of Sub-Committees. They submit herewith the Minutes of their proceedings and the evidence taken in the course of the enquiry, and at the same time beg to state the conclusions at which they have arrived.

The time referred to in the first charge was 1882. Before that year, by a series of Statutes beginning in 1873,various sums of money had been authorized to be loaned by the Government of Canada to the Quebec Harbour Commissioners for the improvements of the Harbour, including the construction of Harbour Works and the Graving Dock at Lévis. In some of the Statutes the approval of the Governor in Council is required for plans of the works to be performed, in others the co-operation of the Department of Public Works is required, but in all cases the works were to be under the jurisdiction and control of the Harbour Commissioners and the moneys advanced by the Government were to be loans for the improvement of the Harbour.

The statements referred to the Committee are contained in sixty-three paragraphs, which, analysed, resolve themselves into sixteen distinct charges, now re-cast for convenience, as below.

Of these sixteen charges, the first ten are against the Honourable Thomas McGreevy, the next two are against the Honourable Sir Hector Langevin, and the last four are against the Department of Public Works.

In the paragraphs of the Order of Reference which set out the charges against the Honourable Thomas McGreevy, there are statements involving the Honourable Sir Hector Langevin and the Department of Public Works. The paragraphs containing such statements are therefore printed in this analysis, not only under the charges against the Honourable Thomas McGreevy, but also under those against Sir Hector Langevin, or those against the Department of Public Works, or under both, as the case may be.

CHARGES AGAINST THE HONOURABLE THOMAS McGREEVY.

CHARGE No. 1.

DREDGING CONTRACT, 25TH SEPTEMBER, 1882.

"*a.* That the Honourable Thomas McGreevy, being a member of the Parliament of Canada and a member of the Quebec Harbour Commission, entered into an agreement with Larkin, Connolly & Co., after they had tendered for the Dredging Contract of 1882, by which, in consideration of their taking his brother, Robert H. McGreevy, into partnership with them and giving him an interest to the extent of 30 per cent. in the work tendered for, he agreed to give, and did give them in an undue manner, his help and influence, in order to secure to them the said contract.

"*b.* That to this end he, the said Thomas McGreevy, undertook to secure the dismissal of Messrs. Kinipple, Morris and Pilkington from their positions as engineers, and that they were so dismissed and replaced by Henry F. Perley and John E. Boyd."

1. In 1882 the sum of $375,000 having been voted by the Parliament of Canada to carry out the works of the Harbour of Quebec, the Quebec Harbour Commissioners called for tenders in dredging in connection with the said works.

2. That Messrs. Larkin, Connolly & Co. tendered and were awarded the contract for the said dredging.

3. That in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government of Canada, the firm of Larkin, Connolly & Co., with the knowledge of the said Thomas McGreevy, took as a partner Robert H. McGreevy, his brother, giving him an interest of 30 per cent. in the firm.

4. That the said Thomas McGreevy consented to his brother becoming a member of the firm, and stated that he had first consulted the Hon. Minister of Public Works, Sir Hector L. Langevin, and secured his consent.

5. That the said contract, signed on the 25th of September, 1882, stipulated that the works thereunder were to be finished by the 1st of November, 1884, but that the said Larkin, Connolly & Co. continued to perform the work of dredging under the scale of prices therein mentioned, up to the close of the season of 1886.

NOTE.—Under each of the charges, as now re-cast, the original paragraphs of the Order of References, from which the charge is drawn, are printed in small type.

6. That in order to help Larkin, Connolly & Co. to secure the said dredging contract, the said Hon. Thomas McGreevy agreed to give, and did give in an undue manner his help as Harbour Commissioner to Larkin, Connolly & Co.

7. That the said contract was approved and ratified by an Order in Council based on a report of the Hon. the Minister of Public Works.

8. That up to the year 1883 aforesaid Messrs. Kinipple and Morris, of London, England, had acted as Engineers to the Quebec Harbour Commission, and that their Resident Engineer for carrying out of the works was Mr. Woodford Pilkington.

9. That in concert with Larkin, Connolly & Co. the said Thomas McGreevy undertook to secure the removal of Messrs. Kinipple, Morris and Pilkington from their positions, and that they were in fact so removed in 1883, and replaced by Mr. Henry F. Perley and John Edward Boyd, with the consent of the Hon. Minister of Public Works.

It is asserted by O. E. Murphy and Robert H. McGreevy that Thomas McGreevy knew that his brother Robert H. was to have an interest in this contract and to become a partner in the firm of Larkin, Connolly & Co. in the work if obtained. This is denied by Thomas McGreevy. The Committee have come to the conclusion that Thomas McGreevy knew of his brother's interest at the time that interest was acquired.

Although the partnership agreement in terms provided that Robert McGreevy should provide thirty (30%) per cent. of the capital, it appears that no capital was expected to be put in by him, and, as a matter of fact, none was ever contributed by him, nor did he take any part in the work.

There is no evidence of any express agreement on the part of Thomas McGreevy to give his help or influence to Larkin, Connolly & Co. in connection with these tenders or their contract, but it seems to have been understood by the parties interested that such help and influence would be given.

Below is a tabular statement of the tenders as prepared by Mr. Woodford Pilkington the Resident Engineer of the Quebec Harbour Works.

(Exhibit "U.")

TABULAR STATEMENT of Tenders received by the Harbour Commissioners of Quebec for certain Dredging and Timber Work.

DREDGING.

Number of Tender.	Names of parties Tendering.	Residence.	Gradation of price per Cubic Yard.	Total Quantities per rate per Cubic Yard.	Total number of Cubic Yards.	Totals at per Rate.	Total Amount.	Remarks.
			$			$	$ cts.	
1	John E. Askwith..	Ottawa.....	26 ; 30 ; 33 ; 37 ; 40..	168,500, 90,000, 90,000, 55,000, 20,000.....	423,500...	43,800, 27,000, 29,700, 29,-350, 8,000.....	128,850 00	
2	George Beaucage..	Quebec. ...	25½ ; 27½ ; 33 ; 43 ; 51.	do do ..	do ..	42,967-50, 24,750, 29,700, 23,650, 10,200.....	131,267 50	
3	Larkin, Connolly & Co.....	do	27 ; 29 ; 35 ; 45 ; 55..	do do ..	do ..	45,495, 26,100, 31,500, 24,-750, 11,000	138,845 00	
4	Edward Moore....	do	47 ; 50 ; 56 ; 56 ; 63..	do do ..	do ..	79,195, 45,000, 50,400, 30,-800, 12,600....	217,995 00	
5	Fradet & Miller...	do	20 ; 20 ; 25 ; 25 ; 30 ..	do do ..	do .	33,700, 18,000, 22,500, 14,-750, 6,000.	94,950 00	Apparently impracticable.
6	Blake & Co.....	Portland, U. S.....	60 ; 60 ; 60 ; 60 ; O ..	do do ..	403,500 c. yds.	242,100 + 20,000.....	242,100 + 20,000	Not in terms of the advertisement.

The tender of Beaucage was, according to agreement between Larkin, Connolly & Co. and Robert McGreevy, put in by the latter. He obtained and used the name of Beaucage for that purpose.

The engineer of the Harbour Works having reported that the tender of Fradet & Miller was apparently impracticable, the Board of Harbour Commissioners passed a resolution awarding the contract to the lowest tenderers on condition that security should at once be given by a cash deposit of $10,000, on or before a day named, and the Secretary of the Board, on the 10th of July, wrote Messrs. Fradet & Miller accordingly.

Their reply was received by the Harbour Commissioners on the 12th, and in it they state their inability to comply, within the time limited, with the condition as to security; and it may be mentioned here that it appears that the financial standing of the firm was poor.

The Beaucage tender, which was lower than that of Larkin, Connolly & Co., was withdrawn by letter of the 12th July. On the same date, the Secretary of the Harbour Commissioners wrote to Askwith, informing him that the Commissioners were prepared to give him the contract on security being given by a cash deposit of $10,000, on or before the following Wednesday at 3 p.m., and provided the work be commenced by the first of August and completed on or before the first of November.

On the 18th Askwith replied by letter, enclosing an accepted cheque for the amount named as security, but wishing to have it understood that he was to be given two weeks from the ratification of the contract by the Honourable Minister of Public Works, in which to get his plant upon the ground. To this letter there was a postscript, stating that since writing the letter he was informed that lake dredges could not be changed so as to be available for use in tidal waters, and asking a week in which to examine and satisfy himself, and to determine whether to bind himself or not.

On the 20th the Secretary acknowledged the receipt of Askwith's letter, and informed him that the Commissioners could not allow him any further time to consider the acceptance or refusal of the contract, and required an answer within 24 hours.

On the 24th Askwith telegraphed to the Secretary withdrawing his tender. The contract was, thereupon, awarded to Larkin, Connolly & Co., they complying with the same provision as to security.

In connection with the action of the Board of Harbour Commissioners upon these tenders there is no evidence of interference, or of the exercise of influence, by Thomas McGreevy in favour of Larkin, Connolly & Co.

As to Kinipple & Morris, it appears by the evidence of Owen E. Murphy, that the contractors objected to them, partly because those engineers, as he said, kept them strictly to their contract—the Graving Dock contract. He states also that, with a view to their removal, he had conversations with Thomas McGreevy, both before and after the time when Robert McGreevy became a member of the firm. It is sufficient, so far as this branch of the case is concerned, to state that Messrs. Kinipple & Morris were dismissed by the Harbour Commissioners in June, 1883. One of the grounds for the dismissal was that the superintendence of the works was unsatisfactorily performed by reason of the absence from this country of those engineers. Further grounds were that alterations in the works were required, and that their absence caused delays and extra charges by the contractors, which resulted in disputed accounts: that there were defects in the plans and specifications of the Graving Dock, which necessitated the abandonment of the plan as originally designed, and the placing of the Dock gates a long distance back from the position originally provided for; and finally, the refusal of these engineers to comply with the request of the Commissioners to come to Quebec to settle disputed accounts with the contractors, such refusal causing great delay and expense.

CHARGE No. 2.

Cross-wall Contract, 26th May, 1883.

"*a.* That in the year 1883 Larkin, Connolly & Co., amongst others, tendered for the Cross-wall in connection with the Quebec Harbour Works, and that before tendering, and in order to secure the influence of the said Thomas McGreevy, they took into partnership with them Robert H. McGreevy, a brother of the said Thomas McGreevy, giving him a 30 per cent. interest in the work, and that this was done with the knowledge and consent of the said Thomas McGreevy.

"*b.* That among the parties tendering were a contractor named George Beaucage and one John Gallagher. That Beaucage's tender was made at the instance of the said Thomas McGreevy, and that with the knowledge of the said Thomas McGreevy, the tenders of Larkin, Connolly & Co., of Beaucage and of Gallagher were prepared by members of the firm of Larkin, Connolly & Co.

"*c.* That while the tenders were being examined and quantities applied in the Department of Public Works the said Thomas McGreevy obtained from the Department and from officers thereof, information in relation to said tenders which he offered to communicate, and did communicate, to Larkin, Connolly & Co. before the result was officially known.

"*d.* That to the knowledge of the said Thomas McGreevy the tenders of Gallagher and Beaucage were lower than that of Larkin, Connolly & Co., but in consideration of the promise of $25,000 the said Thomas McGreevy agreed to secure the acceptance of the tender of Larkin, Connolly & Co. That to this end he suggested to members of that firm to so arrange and manipulate matters with Gallagher and Beaucage as to render the tenders of these two parties higher than that of the said firm. That certain arrangements and manipulations were carried out as so suggested, and were participated in by the said Thomas McGreevy, and in consequence the said contract was awarded to the said Larkin, Connolly & Co. That shortly thereafter $25,000 was paid to the said Thomas McGreevy in fulfilment of the corrupt arrangement above stated, and about the same time a sum of $1,000 was paid by Larkin, Connolly & Co. towards "The Langevin Testimonial Fund."

"*e.* That in the course of the carrying out of the works the said Thomas McGreevy caused changes, against the public interest, to be made in the said contract."

10. That in the same year 1883 tenders were called for a Cross-wall and lock in connection with the harbour works at Quebec, in accordance with plans and specifications prepared in the Department of Public Works under the direction of Henry F. Perley, Esq.

11. That several tenders were made, and amongst others who tendered were Messrs. Larkin, Connolly & Co.

12. That before tendering, and in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Board by appointment of the Government, Larkin, Connolly & Co. took into partnership with themselves Robert H. McGreevy, a brother of the said Hon. Thomas McGreevy, giving him a 30 per cent. interest in the firm, and this with the knowledge and consent of the said Hon. Thomas McGreevy.

13. That among the parties tendering were a contractor named George Beaucage, and one John Gallagher.

14. That it was on the suggestion of the said Hon. Thomas McGreevy that Beaucage consented to make a tender.

15. That with the knowledge of the said Thomas McGreevy, the three tenders of Larkin, Connolly & Co., of Beaucage, and of Gallagher, were prepared by the members of the firm of Larkin, Connolly & Co., Beaucage being throughout deceived by the said Hon. Thomas McGreevy as to his position in the matter, as he alleges in an action recently entered by him against the said Thomas McGreevy in relation to the said contract, in the Superior Court of Montreal.

16. That the said tenders were transmitted to the Department of Public Works of Canada for examination and extension.

17. That while all the tenders were being examined and the quantities applied in the Department of Public Works of Canada, the said Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, promised to obtain and did obtain from the Department of Public Works of Canada, and from officials of that Department, in relation to the said tenders, to figures in connection therewith, and to the amounts thereof, information which he offered to communicate before the result was officially known, and which he did communicate to the firm of Larkin, Connolly & Co., and to certain members of the said firm individually.

18. That to the knowledge of the said Thomas McGreevy, the tenders of Messrs. Gallagher and Beaucage were lower than those of Larkin, Connolly & Co., but that in consideration of the promise of the sum of $25,000 to be to him paid, he, the said Thomas McGreevy agreed to secure the acceptance of the tenders of Larkin, Connolly & Co., and that he suggested to that firm and to certain members thereof individually, to make arrangements in connection with the said Gallagher and Beaucage and to so manipulate matters as to render the tenders of those two parties higher than those of the said firm, or at all events to ecure the contract for Larkin, Connolly & Co., and that said arrangements and manipulaons were carried out as suggested by him.

19. That in consequence of the said arrangement and manipulations, wherein the said Thomas McGreevy directly participated, the contract for the Cross-wall and lock in connection with the Quebec Harbour Works, was awarded to Larkin, Connolly & Co., on a Report to Council made by the Hon. Minister of Public Works, under date 26th May, 1883.

20. That a few days thereafter the sum of $25,000 was, in fulfilment of the corrupt arrangement above stated, paid to the said Thomas McGreevy in promissory notes signed by the firm of Larkin, Connolly & Co., which said notes were duly paid.

21. That about the same date, namely, the 4th June, 1883, a sum of $1,000 was paid by the firm of Larkin, Connolly & Co. towards "the Langevin Testimonial Fund"—a fund destined to be given to Sir Hector Langevin.

22. That in the course of the carrying out of the works, the said Thomas McGreevy caused changes, contrary to the public interest, to be made in the conditions of the said contract.

In accordance with the provisions of 45th Victoria, Chapter 47, the plans and specifications for the construction of the Cross-wall and entrance to the proposed Wet Basin of the Quebec Harbour Works were prepared under the direction of the Chief Engineer of Public Works and were approved by the Governor in Council on the 6th April, 1883. Thereupon tenders were called for by the Harbour Commissioners and were received and opened by them in Quebec on the second day of May.

The tenders asked for in the notice to contractors were for an item contract for labour, materials, tools, vessels, plant and machinery which might be required to complete the projected works according to plans and specifications exhibited, but no quantities were given.

The tenderers were John Gallagher, George Beaucage, Larkin, Connolly & Co., Peters & Moore and J. & A. Samson. Three of these tenders, namely, those of Gallagher, Beaucage and Larkin, Connolly & Co., were prepared by members of that firm. Before these three tenders were prepared it was agreed that Robert McGreevy (who had been a partner with them in the dredging contract of 1882), should be also associated with them in the Cross-wall contract if they should obtain it. While there is some contradiction between Beaucage and Robert McGreevy as to the origin of Beaucage's tender, it seems to be clear that it was controlled by Robert McGreevy for the benefit and advantage of himself and his partners in the firm of Larkin, Connolly & Co. John Gallagher was a foreman in the employ of Larkin, Connolly & Co. The design, in putting in the three tenders, was explained by Robert McGreevy, and he says that before they were sent in they were carefully compared so that they should be consecutive, in order that "if one tender did not suit, the other would."

There was a so-called "error" common to all of those three tenders. The schedule attached to the blank form of tender called for prices of sheet-piling of varying thickness per lineal foot in line of work. The blanks for these items were filled up at prices which, it was clear, did not represent the value of the items as provided for in the schedule, the prices being so low that it seems to have been assumed by the Engineer that they were intended to have reference to lineal foot of pile instead of lineal foot of completed work. The Beaucage tender had a further peculiarity. In giving a price for the item "pile-driving to any depth not exceeding 20 feet," they added the words "for labour only," notwithstanding the fact that clause 80 of the specification provided that the rates and prices named in the schedule should be held to include the cost of all materials as well as labour.

According to Murphy's evidence all these so-called errors were purposely made.

Murphy and Robert McGreevy state that Thomas McGreevy knew of his brother's interest in the Cross-wall work from the first, and that he was aware of the fact that the tenders in the names of Gallagher, Beaucage and Larkin, Connolly & Co., were all in the interest of that firm and controlled by them. After being

opened by the Harbour Commissioners at Quebec, as already mentioned, all the tenders were transmitted to the Department of Public Works, at Ottawa, where, it appears, they arrived on the 4th of May. Thomas McGreevy arrived in Ottawa from Quebec on the same day. On the 5th he wrote to his brother as follows:—

* * * * "The tenders for Cross-wall only arrived here yesterday and are locked up until Monday, when he will commence his calculation. I will write you Tuesday and let you know the result. Larkin was here yesterday. I told him that it would be useless to get Peters out of the way, as it would be tantamount to giving the contract to the highest tender, that you would have to stick to Beaucage's tender as it was fair."

The expression "he will commence his calculation" referred to Mr. Boyd, an Engineer of the Department of Public Works, who, it appears, did, in fact, apply the quantities to the tenders. On the 7th Thomas McGreevy wrote to Robert as follows:

* * * * "I hope to let you know to-morrow about the result of the Cross-wall tenders. Have your arrangements right with Beaucage before the result is known; I will give you timely notice." * * *

On the 8th he wrote his brother:

* * * "I seen Boyd this morning. He has not finished the Cross-wall yet. I will meet him this afternoon about it and let you know the result." * * * *

It would seem that Thomas McGreevy knew the relative value of the three tenders as they were put in by Larkin, Connolly & Co., and that he and his brother, and the other members of the firm, up to the time that they became aware of the result of the applications of the quantities by Boyd, thought that the tender of Peters and Moore was lower than that of Larkin, Connolly & Co.

He seems to have had the knowledge of the Gallagher, Beaucage, and Larkin, Connolly & Co. tenders, and the idea above suggested, as to the position of the tender of Peters & Moore, and while he must have known that the only remaining tender, that of Samson & Samson, was so high as to be out of the reckoning, he could not have known, without ascertaining the quantities applied, which tender would, in the event, be found to be lowest. The further evidence on this branch of the case shows that much was done by Thomas McGreevy in this connection, and that he kept his brother supplied with information from time to time as to what had been done, and was being done, with reference to the tenders.

Between the 4th May, the date of the receipt of the tenders in Ottawa, and the 17th, the value of each tender was actually made out (that is, applying the prices mentioned for sheet-piling strictly as given) and seems to have been arrived at by Mr. Boyd, with the following result:

Gallagher	$552,255 00
Beaucage	593,463 50
Larkin, Connolly & Co	634,340 00
Peters & Moore	643,071 16
Samson & Samson	864,181 00

On the 17th of May the Chief Engineer, having discovered the apparent "errors" as to the prices of sheet-piling in all three tenders, wrote to Gallagher, Beaucage, and Larkin, Connolly & Co., calling attention to the same, and enquiring whether or not they had really made an error in this respect, and he also called the attention of Beaucage to his tender in respect to pile-driving. The letter to Beaucage is as follows:

"Department of Public Works, Canada,
"Chief Engineer's Office, Ottawa, 17th May, 1883.

"Quebec Harbour Works.

"Sir,—In your tender for the construction of the Cross-wall, Harbour Works, Quebec, there is an evident error in the prices. You have given for 'sheet piling,' 8," 6" and 4" thick white pine, and 6" thick any timber, as per clause 18. If

you will examine the form of tender you will note the prices asked for are 'per lineal foot in line of work', which means a measurement along the *top* of the work after having been done, and not with any reference to the length of piles to be driven, &c. From the prices you have given it is inferred that you have named a price per lineal foot of pile instead of per lineal foot of work.

"I am directed to call your attention to this, and to request an immediate reply whether an error has or has not been made by you, and if so, that you will name a price per lineal foot in the line of work, to enable me to compare your tender with others, who have given prices as per the requirements of the tender.

"I have to call your attention to the price you have placed in your tender, 'for pile-driving to any depth not exceeding twenty feet,' and the note that you have placed that this price is for 'labour only'. It is clearly stated in clause 80 of the specification that all prices named in the schedule shall be held to cover not only the cost of labour, but of all the machinery, plant, &c.

"I am, Sir, your obedient servant,

"HENRY F. PERLEY,

(Exhibit "T 2") "*Chief Engineer.*"

On the same day Thomas McGreevy wrote his brother as follows:

"17th May.

"My Dear Robert,—I received your letter about Morris coming back here. What can he do in the face of all the blunders he has made? As I told you yesterday to try and get a good plan and as quick as possible in answer to the letter that Gallagher and Beaucage will receive about their tenders to bring them over L. & C. so as their tender will be the lowest. The contract will be awarded from Ottawa direct. I think I will go down Saturday to be in Quebec Sunday morning. * * *

"I think you were wrong in tendering without a cheque accepted by such a pair of cut-throats."

"Yours truly,

(Exhibit "D 2.") "THOMAS McGREEVY."

Meanwhile, on the 16th, a letter was sent from Gallagher to the Secretary of the Department of Public Works as follows:

"Montreal, 16th May, 1883.

"To the Secretary,
"Department of Public Works, Ottawa.

"Sir,—Since my proposal for the 'Cross-wall' Quebec, which I learn from the Secretary of the Harbour Works has been sent to your Department, I find, owing to the length of time that has passed since my tender went in and the time it may take to decide, and from the fact of fearing further delay, I have taken another contract and wish to withdraw my tender for the said work, on condition of my deposit cheque being returned to me.

"Yours, respectfully, &c.,

(Exhibit "V 3.") "JOHN GALLAGHER."

This letter, it appears, had not come to hand when the Chief Engineer's letters of the 17th were dispatched.

The reply of George Beaucage to the Chief Engineer was as follows:

"Quebec, 21st May, 1883.

"Henry F. Perley, Esq.,
"Chief Engineer, Department of Public Works, Ottawa.

"Sir,—I have received your letter of 17th instant, No. 6905, relative to items in my tender for Cross-wall which demand an explanation. Having examined, on receipt of your letter, my memorandum of details of calculations for this work in Harbour of Quebec, I find that my rates or of prices, as is evident on the face of it, are

based on foot lineal of pile, and the width of these piles are assumed at 9" to 10" wide each, and I so read those items as meaning foot lineal of pile. This, I must say, is a serious error on my part. My rate for this work as now explained by you would be $19 per foot for sheet-piling, 8" thick driven from 6 to 8 feet, white pine; do 6 inches thick, $17; do 4 inches, $15 per foot; do 6 inches thick of any timber as per claues 18 of specifications, $15.75, all per lineal foot in line of work, and I desire my tender to be so amended. I think, under the circumstances, this addition should be allowed to my tender, seeing it is evidently an error, caused by a misunderstanding of the terms of the schedule. With regard to the second question in your letter on the item 'pile-driving to any depth not exceeding 20 feet,' where you say I have put the word 'labour only' this has also been an error, but as clause 80 of the specification you invoke is clear on the subject, I would strike out the words 'labour only' which I put.

"Hoping these explanations are clear and satisfactory,

"I remain, your obedient servent,

(Exhibit "W2.") "GEORGE BEAUCAGE."

Larkin, Connolly & Co. sent a reply as follows:

"LARKIN, CONNOLLY & Co.,

"CONTRACTORS, GRAVING DOCK, LÉVIS, P. Q., 19th May, 1883.

"HENRY F. PERLEY,

"Chief Engineer, Public Works.

"DEAR SIR,—Your favour of 17th May is received, and in reply would say that in tendering for the Harbour Works at Quebec, our interpretation of the specification was as we tendered, per lineal foot for each pile driven. Notwithstanding the error we have made, we hold ourselves ready to enter into contract at the prices submitted in our tender, provided the work is awarded us.

"We have the honour to be,

"Your obedient servants,

(Exhibit "U2.") "LARKIN, CONNOLLY & Co."

John Gallagher replied as follows:

"MONTREAL, 19th May, 1883.

"HENRY F. PERLEY, Esq., C. E.,

"Chief Engineer, Public Works, Ottawa.

"SIR,—Since I wrote you my withdrawal of tender for Quay-wall, Quebec Harbour Works, I received your letter of 17th instant, asking me certain questions as to my intentions on the sheet-piling, &c. I wish to say in reply, that my prices were 25c., 20c., and 18c. per foot B. M. respectively, for these four items.

"I remain, Sir, very respectfully yours,

(Exhibit "V2.") "JOHN GALLAGHER."

On the receipt of these replies the rates for sheet-piling were amended, in the case of Beaucage, in compliance with his letter, and the position of the tenders was accordingly changed as follows:

Gallagher	$552,255 00
Larkin, Connolly & Co	634,340 00
Beaucage	640,808 57
Peters & Moore	643,071 16
Samson & Samson	864,181 00

Gallagher having been allowed to withdraw his tender, the contract was awarded to Larkin, Connolly & Co.

As to the portion of the charge which sets out a corrupt bargain by which Thomas McGreevy was to obtain $25,000 from Larkin, Connolly & Co., from Committee Report as follows:

That such an agreement did exist is sworn to by Murphy, but his evidence on on this point, in itself, and independently of the question of the value of his evidence generally, is unsatisfactory.

This part of the charge depends, to a large extent, on his evidence alone, except in so far as Robert McGreevy testifies to more or less bald or vague admissions by Thos. McGreevy to himself of the existence of improper agreements. An additional difficulty of the acceptance of Murphy's statements in this regard, is that, having regard to Thomas McGreevy's intimate and confidential relations with his brother, it seems improbable that he would not have dealt with him in these delicate transactions, instead of doing so exclusively with Murphy.

There was ample object, without such an agreement, in his brother's partnership in the firm of Larkin, Connolly & Co. (his brother being very largely his debtor), to explain the interest which Thomas McGreevy took in these tenders, and the part he played in aiding Larkin, Connolly & Co. as he did, and it clearly appears that he had actively interfered in their interest for some time before the date of the alleged agreement with Murphy.

Notes to the amount of $25,000 (for the purpose, it is alleged, of carrying out this agreement), were signed by the firm payable to the order of its members and these notes were paid by the firm. About $15,000 is all that seems to have reached Thomas McGreevy.

If such an agreement existed, the fact that Thomas McGreevy received only $15,000 from this source would call for explanation, and it has not been explained.

Another reason for doubting Murphy's evidence on this point is that, while he and Robert McGreevy acted as intermediaries between their firm as a whole and Thomas McGreevy, in these transactions, and while they obtained large sums for the irregular purposes under discussion, it also appears that part of these moneys was appropriated by Murphy and Robert McGreevy themselves, although charged to the firm as having been paid to Thomas McGreevy under the alleged agreements with him.

There is no question as to the giving of three notes of $5,000 each to R. H. McGreevy, nor that they were applied towards the liquidation of a judgment against Thomas McGreevy. As to the other two notes, for $5,000 each, it is established by the evidence that they were two demand notes which were paid on the 14th May, 1883, and 1st June, 1883, respectively. The Accountants' Report shows:

"The book record of the payment and subsequent treatment of the notes alleged to have been given for these transactions is as follows:

M. Connolly, cheque 14th May, 1883, for note No. 1 (fo. 33, Exhibit "E3")	$5,000
N. K, Connolly, cheque 1st June, for note No. 2 (fo. 34 of Exhibit "E3")	5,000
P. Larkin, cheque 6th Nov., 1883, note No. 3 (fo. 147 of Exhibit "E3")	5,000
O. E. Murphy, cheque 4th Dec., 1883, note No. 4 (fo. 164 of Exhibit "E3")	5,000
N. K. Connolly, cheque 4th Feb., 1884, note No. 5 (fo. 181 of Exhibit "E3")	5,000

It will be seen that the cheque of 14th May, 1883, is signed by the firm of Larkin, Connolly & Co. per O. E. Murphy, and endorsed by M. Connolly, and was drawn in cash. The cheque of 1st June, 1883, is signed for the firm by O. E. Murphy and is endorsed by N. K. Connolly, and was drawn in cash, fifty $100 bills. On the 16th May, 1883, there was deposited to the credit of R. H. McGreevy $3,500, and on 1st June, 1883, $4,000, the latter deposit, as shown by deposit slip filed, being made by forty one hundred dollar bills. Robert McGreevy was asked to explain the source from which these moneys came, and did so by saying that he received at that time some money on account of the Intercolonial Railway, St. Charles Branch, but A. P. Bradley, Secretary of the Department of Railways and Canals, was called and proved

that no money had been paid during May or June, 1883, on account of that work. The Committee, therefore, consider it to be fairly proved that at least the $4,000 deposited on 1st June, 1883, came out of the amount paid on Larkin, Connolly & Co.'s cheque of 1st June, 1883. It appears that, as regards this $10,000, it did not reach the hands of Thomas McGreevy, but in some way was appropriated by Murphy and Robert McGreevy. It is proved that in April, 1885, when the auditors were auditing the books of the firm, they declined to pass the charge for $25,000 unless vouchers were produced. Murphy was the cashier at the time and he produced the three notes admitted to have been appropriated to Thomas McGreevy and the two demand notes. These two latter were made and endorsed "Larkin, Connolly & Co., per O. E. M." and apparently were never in a bank or in the hands of any other party than Murphy himself.

On the other hand it is admitted by Thomas McGreevy that about $15,000, paid by the firm in connection with the Cross-wall contract, went towards paying thes judgment against him, and the Committee cannot accept his statement that he was ignorant of the source of these funds, nor can they find that his alleged contribution of a similar amount towards the purchase of *Le Monde* newspaper, affects the present question.

The conclusions of the Committee as to the charges against Thomas McGreevy, in connection with this contract, are, therefore:

(1.) That in the year 1883, Larkin, Connolly & Co., amongst others, tendered for the Cross-wall, and that before tendering, and in order to secure the influence of Thomas McGreevy, they agreed to take into partnership with them Robert H. McGreevy, brother of Thomas, giving him thirty (30%) per cent. interest in the work and that this was done with the knowledge of Thomas McGreevy.

(2.) That among the parties tendering were George Beaucage and John Gallagher. That with the knowledge of Thomas McGreevy the tenders of Larkin, Connolly & Co., of Beaucage, and Gallagher were prepared by members of the firm of Larkin, Connolly & Co.

(3.) That while the tenders were being examined and quantities applied in the Department of Public Works, Thomas McGreevy obtained from the late John E. Boyd, an Engineer in the Department of Public Works, information in relation to said tenders which he communicated to Larkin, Connolly & Co., before the result of the application of quantities to the tenders was officially known.

(4.) That to the knowledge of Thomas McGreevy, the tenders of Gallagher and Beaucage were lower than those of Larkin, Connolly & Co., but that Thomas McGreevy co-operated with O. E. Murphy and Robert McGreevy to secure the acceptance of the tender of Larkin, Connolly & Co.

(5.) That in July, 1883, Thomas McGreevy received from the proceeds of certain notes for five thousand dollars each, made by the firm of Larkin, Connolly & Co., and endorsed by Patrick Larkin and Owen E. Murphy and N. K. Connolly respectively, the sum of $14,344.51.

CHARGE No. 3.

CONTRACT FOR THE COMPLETION OF THE LÉVIS GRAVING DOCK, 23RD JUNE, 1884.

"That in the year 1884 the said Thomas McGreevy agreed with members of the firm of Larkin, Connolly & Co., to secure for them a contract for the completion of the Graving Dock at Lévis, on condition that he should receive from them any excess over the sum of $50,000 of the contract price, and that, accordingly, the said Thomas McGreevy afterwards received from the said firm the sum of $22,000."

23. That in 1884, Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, agreed with the firm of Larkin, Connolly & Co., and certain members thereof individually, to secure for them a contract for the completion of the Graving Dock of Lévis, one of the conditions of the agreement being that he, Thomas McGreevy, should receive any excess over the sum of $50,000 in the contract price.

24. That to the detriment of public interest, a contract was signed in or about the month of June, 1884, for the performance of the said works, and that subsequently the said Thomas McGreevy received the price stipulated in the corrupt arrangement above mentioned, namely, $22,000.

As to this contract, Murphy testifies that an agreement was come to between Thomas McGreevy and himself which provided that in the event of a "lump sum" contract for the completion of the dock being awarded to Larkin, Connolly & Co., they would give all over $50,000, of the amount of that contract, to Thomas McGreevy.

The amount of the contract was afterwards settled at $74,000, and Murphy says there was a dispute between himself and Thomas McGreevy as to $2,000, after the contract was awarded, and that finally the matter was settled by notes being given for $22,000, instead of $24,000, the whole amount of the excess over $50,000.

Robert McGreevy's evidence does not agree with the above account. He says he learned from his brother that the amount was $14,000. He says that notes for $22,000 were made, that he gave his brother notes to the amount of $14,000, and that he paid him the balance in ones or twos (one thousand or two thousand dollars), as occasion offered afterwards.

Thomas McGreevy denies the agreement testified to by Murphy. He admits receiving $10,000 from Robert McGreevy in the fall of 1884, which, he says, he applied towards the payment of the purchase money for *Le Monde* newspaper.

The evidence is, therefore, in the opinion of the Committee inconclusive as to whether there was an agreement made for a definite amount to be paid to Thomas McGreevy, although the notes for $22,000 were made after the contract was executed. That this amount was agreed upon rests entirely on the statement of Murphy, inasmuch as Robert McGreevy states that the amount admitted by his brother to have been arranged for was $14,000.

As to how much was actually paid to Thomas McGreevy, the Committee can only state that, in their opinion, there was an understanding between Thomas McGreevy on the one hand, and Murphy on the other, that the former was to receive a sum or sums of money from the firm of Larkin, Connolly & Co., in connection with this contract, and that accordingly he did receive from that firm a sum or sums of money, the amount of which cannot satisfactorily be determined.

CHARGE No. 4.

CONTRACT FOR THE COMPLETION OF THE ESQUIMALT DOCK, 8TH NOVEMBER, 1884.

"*a.* That before Larkin, Connolly & Co. tendered for the completion of the Graving Dock at Esquimalt, the said Thomas McGreevy agreed to help, and did help them, in divers ways, amongst others, by obtaining from the Department of Public Works information, figures and calculations in respect of the proposed work and communicating the same to them.

"*b.* That with the knowledge and consent of the said Thomas McGreevy, Larkin, Connolly & Co. took into partnership with them his brother, Robert H. McGreevy, for the purpose of securing the influence of the said Thomas McGreevy, the said Robert H. McGreevy taking a 20 per cent. interest in the work.

"*c.* That during the execution of the contract the said Thomas McGreevy acted as a paid agent of Larkin, Connolly & Co. in dealing with the Department of Public Works and that he obtained for them at their request important alterations in the works and more favourable conditions, which enabled them to realize very large profits.

"*d.* That large sums were paid by Larkin, Connolly & Co. to the said Thomas McGreevy for his services in dealing with the Minister of Public Works, the officers of the Department, and generally for his influence as a member of Parliament, and that in consideration of these sums the said Thomas McGreevy furnished a great deal of information, and procured to be made, by the Department and the Minister of Public Works, alterations in the plans and in the works, which alterations have cost large sums of money to the public.

"*e.* That in consideration of offers of large sums of money by members of the firm of Larkin, Connolly & Co., the said Thomas McGreevy took steps to induce certain members of Parliament to assist him to obtain alterations and additional works, and at his suggestion, members of Parliament were approached to this end by members of the said firm.

"*f.* That the said Thomas McGreevy did, at the request of Larkin, Connolly & Co., corruptly endeavour to procure the dismissal from office of certain public officers employed in connection with the works in order to have them replaced by others who would suit Larkin, Connolly & Co., the former being objectionable to Larkin, Connolly & Co., because they compelled them to carry out the works and accept estimates therefor according to the terms of the contract."

25. That in 1883 and 1884, tenders were asked for by the Government of Canada for the completion of the Graving Dock of Esquimalt, B.C.

26. That the firm of Larkin, Connolly & Co. were among those who tendered and that the contract was awarded to them in pursuance of a Report to Council, dated 24th October, 1884, and signed by the Hon. Minister of Public Works.

27. That before tendering, the said Larkin, Connolly & Co. had with Thomas McGreevy, then and now a member of the Parliament of Canada, communications and interviews wherein they secured his services to assist them in dealing with the Department of Public Works in order to secure the said contract.

28. That he agreed to help them, and that he did in fact help them in divers ways, and, amongst others, by obtaining from the Deparoment of Public Works information, figures, and calculations which he communicated to them.

29. That to the knowledge and with the consent of the said Thomas McGreevy, and for the purpose of securing for themselves his influence, Larkin, Connolly & Co. took into partnership with themselves his brother, Robert H. McGreevy, giving him a 20 per cent. interest in their firm.

30. That during the execution of the said contract, the said Thomas McGreevy was the agent or one of the agents in the pay of Larkin, Connolly & Co. in dealing with the Department of Public Works; that he endeavoured to obtain, and did obtain for them, at their request, important alterations in the works and more favourable conditions.

31. That the said favourable conditions and the said alterations enabled them to realize, to the detriment of the public interests, very large profits.

32. That during the execution of the works large sums were paid by Larkin, Connolly & Co. to Thomas McGreevy for his services in dealing with the Minister of Public Works, with the officers of the Department, and generally for his influence as a member of the Parliament of Canada.

33. That in consideration of the sums of money so received by him and of the promises to him made, the said Thomas McGreevy furnished to Larkin, Connolly & Co. a great deal of information; strove to procure and did procure to be made by the Department and the Hon. Minister of Public Works, in the plans of the Graving Dock and the execution of the works, alterations which have cost large sums of money to the public treasury.

34. That he himself took steps to induce certain members of the Parliament of Canada to assist him, the said Thomas McGreevy, in his efforts, in concert with Larkin, Connolly & Co., to obtain alterations and additional works, for which large sums of money were offered to him by the members of the firm.

35. That on his suggestion members of the Parliament of Canada were approached by members of the firm of Larkin, Connolly & Co.

36. That certain members of the said firm have declared that the said members of the Canadian Parliament, on being so approached, had asked for a certain sum of money for exerting their influence in favour of Larkin, Connolly & Co., with the Minister of Public Works, and that Larkin, Connolly & Co. had agreed to give them money for that purpose.

37. That Thomas McGreevy, acting in concert with Larkin, Connolly & Co., did, at their request, corruptly endeavour to procure the dismissal from office of certain public officers employed in connection with the works of the Graving Dock at Esquimalt, in order to have them replaced by others who would suit Larkin, Connolly & Co., the former having for a time incurred the ill-will of Larkin, Counolly & Co., because they then compelled them to carry out the works in conformity with the specifications and contract and prepared their estimates according to the terms of the said contract.

Before the contract was awarded, and also during the period covered by the execution of the work, Thomas McGreevy manifested an active interest in the affairs of the firm of Larkin, Connolly & Co., in connection with this work.

The tenders were receivable on the 20th of September, 1884, and its appears that the Chief Engineer received a private note from Thomas McGreevy, dated the 9th of that month, asking for certain information in respect of the proposed work, to which he replied, giving some of the information asked for, and stating that he could not give the rates as he had never determined them. This information was communicated by Thomas McGreevy to his brother and was used, for what it was worth, by Larkin, Connolly & Co. in determining on their tender.

Other letters of Thomas McGreevy, addressed to his brother, go to show that he interested himself for Larkin, Connolly & Co. as to matters connected with this contract and in relation to the Department of Public Works.

These letters contain references to interviews with the Chief Engineer, to the estimates involving the measurement of stone, to delay in the forwarding of estimates, to advance on drawback, the dismissal of Bennett, the Resident Rngineer, and to the matter of the appointment of a successor to Mr. Bennett.

We find also that the letters support the statement of Robert McGreevy that Thomas McGreevy was aware, from the first, of his interest in the work, as a member of the firm of Larkin, Connolly & Co.

Considerations, corresponding to those mentioned in determining upon the question of the object of the other members of the firm of Larkin, Connolly & Co. in associating Robert McGreevy with them in the previous contracts, have here induced a similar conclusion, namely, that Robert McGreevy was taken in as a partner with the object of securing the influence of Thomas McGreevy.

The charge does not state any specific sums as having been paid to Thomas McGreevy.

The Committee do not consider the evidence on this branch of the charge, and referred to as above, to be of the character or as coming from a source which would justify a conclusion that any specific amount or amounts of money were paid to Thomas McGreevy as and for remuneration to him for the services alleged in the charge to have been performed by him for the firm of Larkin, Connolly & Co., but the Committee find it to be established that he did, in fact, receive moneys the amounts of which cannot definitely be determined, but which were charged to expense account in connection with this work.

The Committee have had no evidence to support the charge that Thomas McGreevy took steps to induce certain members of Parliament to assist him to obtain alterations and additional works, and that at his suggestion members of Parliament were approached to this end by members of said firm, or that any member of Parliament asked for money for exerting their influence in favour of the firm; or that the firm had agreed to give them money for that purpose.

As to the concluding portion of this charge, wherein it is stated that at the request of Larkin, Connolly & Co., Thomas McGreevy corruptly endeavoured to procure the dismissal of public officers employed in connection with the works, the only evidence tending to establish it is to the effect, as shown in part by his letters to Robert McGreevy and by the admission of Thomas McGreevy, that he did endeavour, in interviews with the Minister of Public Works and with the Chief Engineer, to bring about the dismissal of Bennett, the Resident Engineer at Esquimalt. This may have been induced by the fact alleged that Mr. Bennett unduly kept back the estimates. Mr. Bennett was not dismissed, but was employed by the Department until the completion of the work.

CHARGE No. 5.

CONTRACT FOR DREDGING OF WET BASIN AT THIRTY-FIVE CENTS PER YARD, 23rd MAY, 1887.

"*a.* That in the winter of 1886-87, the said Thomas McGreevy proposed to, and made with Larkin, Connolly & Co., arrangements whereby the firm undertook to pay him $25,000, on condition that he would obtain for them the sum of thirty-five cents per yard for the dredging of 800,000 cubic yards in the Wet Basin of the Quebec Harbour Works, the said Thomas McGreevy knowing that dredging of the same kind and even more difficult dredging, had up to that time been executed for twenty-seven cents per yard and for even less in the same works.

"*b.* That the said Thomas McGreevy used his influence, as a member of Parliament, with the Department of Public Works, and in particular with Henry F. Perley, to induce him to report to the Quebec Harbour Commission in favour of the

payment of the said sum of thirty-five cents per yard, and that before the Quebec Harbour Commissioners were consulted a written correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co. took place at the suggestion of the said Thomas McGreevy, and with his knowledge and participation, was conducted in such a manner as to conceal from Parliament and the public the corrupt nature of the contract.

"*c.* That Larkin, Connolly & Co. paid to the said Thomas McGreevy $20,000 on account of this arrangement and at his request $5,000 was left in the hands of one of the firm to be used in the then approaching Dominion Election at which the said Thomas McGreevy was a candidate.

"*d.* That in pursuance of the arrangement above set out, and through the intervention, effort and influence of the said Thomas McGreevy, and without any public tender being called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co. for all the necessary dredging and removal of material in the Wet Basin at the rate of 35 cents per cubic yard.

38. That during the winter of 1886-87 the said Thomas McGreevy proposed to, and made with the firm of Larkin, Connolly & Co., through certain members of the said firm, an arrangement whereby the said firm undertook to pay to him the sum of $25,000 on condition that he would obtain for the firm the sum of 35 cents per cubic yard for the dredging of 800,000 cubic yards in area of the Wet Basin in the Harbour of Quebec.

39. That dredging of the same kind, and even more difficult, had previously and up to that time, and to the knowledge of the said Thomas McGreevy, been executed for the sum of 27 cents per cubic yard, and even less, in the same works.

40. That the said Thomas McGreevy used his influence, as a member of this House, with the Department of Public Works, and, in particular, with Henry F. Perley, Esq., to induce him to report to the Quebec Harbour Commission in favour of the payment of the said sum of 35 cents per cubic yard.

41. That the correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co., before the Quebec Harbour Commissioners were consulted, took place at the suggestion of the said Thomas McGreevy, and was conducted with his knowledge and participation in such a manner as to conceal from the eyes of Parliament and of the public the corrupt character of the contract, in connection with which he had received the sum of $27,000.

42. That Larkin, Connolly & Co. paid in money to the said Thomas McGreevy the sum of $20,000 in fulfilment of the arrangement above mentioned, and that at his own request a sum of $5,000 was left, to secure the election of the said Thomas McGreevy to the House of Commons at the general election of 1887, in the hands of one of the members of the firm, who finding that sum insufficient, had to add thereto the sum of $2,000.

43. That on the 23rd of May, 1887, in fulfilment of the arrangement above mentioned, and through the effort, the influence and the intervention of the said Thomas McGreevy and without any public tender having been called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co, for all the necessary dredging and removal of material in the Wet Basin of the Quebec Harbour works.

The evidence is explicit in support of this charge.

Robert McGreevy states that he had very little to do with the obtaining of the contract, that there was some talk between individual members of the firm and between Thomas McGreevy and himself, and that the substance of these conversations was that the remainder of the dredging of the Wet Dock should be paid for at an increased price. He also states that the result was that it was understood that the price of dredging would be increased over what it had been in previous years, and that finally it was arranged that the price should be 35 cents per cubic yard. He states that the matter was then discussed with all the members of the firm of Larkin, Connolly & Co., excepting Patrick Larkin, and that they gave Thomas McGreevy to understand that they would take 32 cents and allow 3 cents (out of the 35 cents per yard) on the quantity proposed to be dredged (800,000 yards), for political purposes. The document (Exhibit "M5") in the handwriting of Michael Connolly, he says he thinks was written in the presence of Murphy and Nicholas K. Connolly and that it was handed him to show to Thomas McGreevy, and that he did so.

Thomas McGreevy denies the existence of any agreement or understanding such as is sworn to by Murphy and Robert McGreevy, but admits that Larkin, Connolly & Co. subscribed $25,000 for political purposes.

He admits receiving $20,000 in that way.

Murphy testifies that he gave $10,000 to Robert McGreevy for Thomas; that he gave another sum of $10,000 to Thomas McGreevy himself, and that he expended, in a manner directed by Thomas McGreevy, not only this $5,000 but $2,000 additional. This statement was accepted by the other members of the firm and, accordingly, $27,000 was charged to "expense account" in the books of the firm. The Committee do not consider it important to determine whether the evidence of Murphy as to these details is true or not, but his statements as to the disposition of part of the sums of $5,000 and $2,000 are positively contradicted by the evidence of some of the persons to whom he claims he made payments.

The document marked Exhibit "M5," written by Michael Connolly, shows that as far back as January a rate of 35 cents per yard for the new dredging had been discussed and arrived at as the price which was to be obtained for that work if possible. Your Committee are of opinion that this document was prepared for the purpose of being shown to Thomas McGreevy.

On the 16th and 26th April, respectively, Thomas McGreevy wrote to his brother Robert, letters of which the material parts are as follows:

(Exhibit "E2".) "16th April.

"I have just seen Perley about dredging. I have arranged to meet him on Monday to discuss his dredging report before he sends it to Harbour Commissioners, also other matter about Graving Dock, &c. * * *

"As Curran's motion is coming up on Monday, I thought better to remain here, also to see Perley and arrange matters with him. When I am wanted below you will let me know."

(Exhibit "F2".) "26th April.

"I have just seen Perley on dredging. I think he will report on 35 cents and put some conditions which will amount to nothing. He will report when I will be there." * * *

The allegation that Thomas McGreevy knew that dredging of the same kind, and even more difficult, had, before that time, been executed for 27 cents per yard and even less, in the same work, involves the necessity of a reference to evidence introduced for the purpose of showing the relation, in this respect, of the contract under discussion to the dredging contract of 1882 and that matter will be dealt with under the 4th charge against the Department of Public Works, but there is little, if any, room for doubt as to Thomas McGreevy's knowledge that the price arranged for was excessive.

Your Committee therefore find that Thomas McGreevy, knowing that his brother was a partner in the firm of Larkin, Connolly & Co., made an arrangement with them by which he was to receive from them $25,000 to be appropriated for political purposes, out of the proceeds of a contract for 800,000 cubic yards of dredging in the Wet Dock of the Quebec Harbour Works at the price of 35 cents per yard, which it was understood he would endeavour to procure for the firm. There is no evidence that Thomas McGreevy used his influence with the Department of Public Works in connection with the making of this contract. The contract was not let by the Department of Public Works but by the Harbour Commissioners, and it appears that the Department had nothing to do with the contract. Mr. Perley was connected with it only as Engineer of the Harbour Commissioners.

The only evidence of the use of influence upon Mr. Perley, as the Chief Engineer of the Harbour Commissioners is that constituted by the inference arising from Thomas McGreevy's letters. On account of Mr. Perley's state of health, it was found impossible to obtain evidence upon this and many other matters.

It is stated in the charge that, before the Harbour Commissioners were consulted, a written correspondence on this subject between Mr. Perley and Larkin, Connolly & Co., took place at the suggestion of Thomas McGreevy. This correspondence is given here :

"OTTAWA, 27th April, 1887.

"GENTLEMEN,—There remains a very large quantity of materials in the Wet Basin, Quebec Harbour Works, a portion of which it is desirable should be removed during the ensuing summer, and the propriety of proceeding therewith I desire to bring to the notice of the Commissioners. Before I can do this I wish to obtain the price per cubic yard, measured in the same manner as was the dredging previously done by you, at which you will do what is required.

"I want only one price, which must cover the dredging to any depths required which may not exceed fifteen feet below low-water spring tides, and the conveyance to a place of deposit, whether on the embankment or in the river. An early answer will oblige,

"Yours obediently,

(Exhibit "Y1".) "HENRY F. PERLEY,

"*Chief Engineer.*"

"QUEBEC, 28th April, 1887.

"HENRY F. PERLEY, Esq.,
"Chief Engineer, Ottawa.

"SIR,—Your favour of the 27th inst. is at hand. In reply we would beg to say that we are prepared to do what dredging is required, as mentioned in your letter, for the average price of our previous dredging, viz., thirty-five (35) cents, although the difficulties are greater than we have had to contend with during the progress of our previous dredging, inasmuch as the passage is narrow, the currents stronger, and the distance to the place of deposit further. We are, Sir,

"Your obedient servants,

(Exhibit "Y1".) "LARKIN, CONNOLLY & CO."

It appears that this correspondence took place before the Harbour Commissioners were consulted. The matter was brought to their notice by the following letter:

"HARBOUR WORKS,
"ENGINEER'S OFFICE,
"QUEBEC, 6th May, 1887.

"SIR,—As a large quantity of dredging remains to be done to complete the area of the Wet Basin to a depth of 15 feet at low spring tides, and as it is desirable that a portion of the work should be proceeded with during the ensuing summer, I addressed a letter—a copy of which is attached—to Messrs. Larkin, Connolly & Co., asking for a price at which they would do the dredging required, the measurement to be made in the same manner as previously done, and the material conveyed to a place of deposit, whether in the embankment or in the river. To this request Messrs. Larkin, Connolly & Co. have replied, and state their price to be 35 cents per yard. (See copy of their letter also attached.) If this offer be accepted, I have to request that the expenditure in dredging during the year be limited to $100,000.

"I am, Sir, your obedient servant,

(Exhibit "Y1".) "HENRY F. PERLEY,

"*Chief Engineer.*"

"A. H. VERRET, Esq.,
"Secretary-Treasurer,
"Harbour Commissioners."

CHARGE No. 6.

SUBSIDIES TO STEAMER "ADMIRAL."

"That on the 10th May, 1888, the Government of Canada decided to pay to Mr Julien Chabot, as owner, a sum of $12,500 yearly for five years as a subsidy to the

steamer "Admiral" for plying between Dalhousie and Gaspé, and that the said subsidy has since been paid accordingly, but that the said Julien Chabot was merely a screen for the benefit of the said Thomas McGreevy, who was then and continued for a long time thereafter the real owner of the said steamer, in whole or in great part, and that previous to the said 10th May, 1888, to wit, since 1883 or 1884, the said amount of subsidy was yearly paid for the said steamer, the title thereto being held by persons for the benefit of the said Thomas McGreevy, and that the said Thomas McGreevy received altogether from such subsidies about $120,000.

45. That by an Order in Council dated 10th May, 1888, the Government of Canada decided to pay a sum of $12,500 yearly during five years to Mr. Julien Chabot, on the condition of his causing the steamer "Admiral" to ply between Dalhousie and Gaspé, forming a connection with the Intercolonial Railway.

46. That the said sum of twelve thousand five hundred dollars ($12,500) has since been paid in the manner prescribed in the Order in Council and the contract made thereunder.

47. That the said Julien Chabot was merely a screen for the benefit of the said Thomas McGreevy, who then was, and continued to be, for a long time thereafter, the proprietor of the "Admiral," in whole, or at least in great part.

48. That previous to the 10th of May, 1888, to wit, since 1883 or 1884, the same subsidy of $12,500 was paid for the said steamer "Admiral," then also owned by men representing the said Thomas McGreevy.

49. That the said Thomas McGreevy received in that connection a sum of about $120,000, while being a member of the Parliament of Canada.

In the year 1882 Thomas McGreevy was the President, and Julien Chabot the Manager, of the St. Lawrence Steam Navigation Company and it appears that a steamboat was required for the Baie des Chaleurs route, to take the place of a steamer of the Company called the "Clyde," which was found to be unsuitable for the service. The Company had no means to make the necessary purchase, and it was arranged between Thomas McGreevy and Chabot that the latter should go to New York to select and purchase a suitable one, if possible, and that Thomas McGreevy should advance the necessary funds for that purpose. Mr. Chabot proceeded to New York, selected the steamer "Admiral" and sent for Mr. McGreevy to meet him there, which he did, and the steamer was afterwards purchased, Chabot becoming the registered owner, and a cash payment of $2,000 on account being made by Thomas McGreevy. The amount of the purchase money was $16,000. The balance was paid by Thomas McGreevy about three weeks afterwards.

The evidence of Thomas McGreevy is to the effect that, at this time, he intended and expected that the Company would be able to pay for and acquire the boat and that, accordingly, he regarded his payments as an advance to the Company, upon the payment of which Mr. Chabot would hold the title to the vessel in trust for them. This, however, never took place. Thomas McGreevy continued to be the sole beneficial owner of the "Admiral," from the time she was purchased in New York until the 25th February last, when she was sold by him to Nicholas K. Connolly. The evidence of Mr. Chabot is that the transfer then made was absolute and in good faith. The history of his ownership of the "Admiral" shows that Thomas McGreevy was careful not to have the title in his own name at any time, as the following transaction will show.

In 1888, at his request, Julien Chabot transferred the title to Robert McGreevy, who held it in trust for his brother, and afterwards, on a similar request, Robert McGreevy executed a mortgage to Nicholas K. Connolly for $25,000—$20,000 of which went to pay off a previous mortgage from Chabot to James Ross, the balance being paid to Thomas McGreevy himself.

Thomas McGreevy admitted that he was the sole owner of the "Admiral" from the time she was purchased until he sold her to Nicholas K. Connolly on the 25th of February last, and that he received $12,500 a year from the Government for the eight years beginning with the season of 1883, as a subsidy to the steamer for plying between the ports of Dalhousie and Gaspé.

CHARGE No. 7.

CONTRACT FOR SOUTH-WALL, 16TH FEBRUARY, 1887.

"*a.* That in the year 1886 the said Thomas McGreevy procured from public officers the tenders sent into the Quebec Harbour Commissioners for the construction of the work called the "South-wall" and showed them to Messrs. O. E. Murphy, Connolly and Robert H. McGreevy, in order to give them an undue advantage over their competitors, and the said Murphy, Connolly and Robert H. McGreevy had said tenders in their possession during several hours, after which they were delivered to Henry F. Perley, who was then in Quebec, and that the contract was awarded to John Gallagher, a mere figure head for the said Murphy, Connolly and Robert H. McGreevy who did the work for their own profit and advantage.

"*b.* That through the intervention and influence of the said Thomas McGreevy, changes detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans and works and in the conditions and securities set out and provided for in the contract."

50. That in 1886, tenders were asked for by the Quebec Harbour Commissioners for the construction of a work called the "South Wall" or "Retaining Wall."

51. That Mr. McGreevy procured from public officials the tenders received, and showed them to Messrs. O. E. Murphy, Connolly and R. H. McGreevy, for whom he was acting, in order to give them an undue advantage over their competitors.

52. That they had the said tenders in their possession during several hours, after which ney were returned to Henry F. Perley, then in Quebec, by the said Thomas McGreevy.

53. That the contract was awarded to one John Gallagher, a mere figure head for the said Murphy, Connolly and R. H. McGreevy, who did the work for their own profit and advantage.

54. That changes detrimental to the public interest, but of a nature to secure great profits to the contractors were made in the plans and the carrying out of the works and in the conditions and securities set out in the contract, through the influence and intervention of the said Thomas McGreevy.

Murphy's evidence as to the first part of this charge, is to the effect that on the evening of the day on which the tenders for this work were opened in Quebec, the tenders were in the possession of Thomas McGreevy at his house, and that Murphy and Robert McGreevy there had access to these documents for an hour and a-half or more, and examined them during that time, and that afterwards they were enclosed in an envelope and carried by Charles McGreevy, a son of Robert, to Mr. Perley, who was then in Quebec, at the St. Louis Hotel. Robert McGreevy's evidence as to this is substantially to the same effect, as is also that of Charles McGreevy.

It appears by the letter, a copy of which is below, that Robert McGreevy left Quebec for Ottawa that evening.

The statements as to the meeting and as to his seeing the tenders after they had been received by Mr. Perley, are denied by Thomas McGreevy.

The Minutes of the Harbour Commissioners show that the tenders, after being opened at a meeting of the Board on the day in question, were handed to Mr. Perley.

The letter from Robert McGreevy to Murphy, above referred to, is as follows:

(Exhibit "D13") "RUSSELL HOUSE, OTTAWA, 22nd December, 1886.

"MY DEAR MR. MURPHY,—I had expected to have seen you last night at train, to give you copy of the extension of the three tenders. It was 9.40 before we got through with them or I would have left you a copy. I now enclose it. You will see that Gallagher is lowest, no matter what interpretation is put on McCarron & Cameron's. Of course they should not be asked to explain at all, but if the parties in power decide to do so, I would say do it at once, before asking Gallagher, and then we will see. Yours is a decent tender, and no doubt you would be prepared to do something, while on Gallagher's nothing can be done. I hope Perley won't do anything towards writing them until he comes up here. I tell you we have had a close shave on Gallagher, and if you are obliged to accept it, it will be hard work to make ends meet. I will be home on Friday morning."

The contents of this letter are obviously inconsistent with the evidence of Murphy, Robert McGreevy and Charles McGreevy in respect of the alleged meeting at the house of Thomas McGreevy. If Murphy was present with Robert McGreevy when these tenders were being examined and memoranda made from them, and the tenders were then taken by Charles McGreevy and handed to Mr. Perley, it is difficult to understand why Robert McGreevy should think it necessary to state the time at which he and whoever was working with him "got through," and why he should have to send the result of the comparisons from Ottawa, and why he should express regret at not having met him "last night" to give him "the extension of the three tenders."

This is one of the subjects upon which Mr. Perley was not examined, and the Committee, finding the difficulty above indicated in the way of accepting the evidence of the meeting, feel bound to conclude that the charge is not satisfactorily established in this particular.

As to the charge that, through the intervention and influence of Thomas McGeevy, changes were made in the plans of the works and in the conditions and securities, detrimental to the public interest, the changes made in the plans and works were two: the raising of the level of the sewer adjoining the wall on the south side, and the substitution of stone for concrete and brick in the construction of the sewer. The necessity for this sewer was incidental to the construction of the South-wall, which cut off the drains leading from the city of Quebec to the part of the Harbour along which this South-wall ran, consequently it was necessary for the Harbour Commission to provide a sewer leading along the land side to a point outside.

The level of this sewer was a metter as to which the Harbour Commissioners were not concerned and the level did not affect the works in any way, but was a matter to be dealt with by the city engineer of Quebec. The city engineer approved of the substituted level. This change was advantageous to the contractors, inasmuch as their work was thereby less affected by the tide.

As to the other charge, namely, the subtitution of stone for concrete and brick, in the construction of this sewer, the evidence shows that the contractors proposed the change, showing a plan of the work proposed to be substituted, and stating that, according to calculations made by them, the cost would be about the same as the cost of executing the original design. Mr. Boswell, Assistant Engineer, thereupon made an approximate estimate of the difference between the two designs, with the result that, according to the contract prices (the contract being an item contract), the work proposed to be substituted would involve an additional cost of $13,028, and he reported to the Chief Engineer accordingly.

The Chief Engineer replied that he could not agree that the cost of the work should be increased and he refused to consent to the change, except on condition that no additional cost should be allowed for. The contractors then agreed to do the work proposed by them without additional cost, and it was executed accordingly. The superior quality of the work as executed, to the work as designed, is proved and does not appear to have been questioned at any time.

As regards an alleged change in respect of security, the evidence shows a disagreement between A. H. Verret, Secretary of the Quebec Harbour Commissioners, and Thomas McGreevy as to the wording of a letter written by the latter to the former, and filed by Verret, as authority for giving up to Murphy a certificate of deposit of the Union Bank for $25,000 (twenty-five thousand dollars), held as security for the performance of the contract, and taking in place of it an unaccepted cheque of Murphy endorsed by N. K. Connolly for the same amount. The letter which was produced by James Woods, who succeeded Verret as Secretary to the Board, reads as follows:

" *Private.*"

" QUEBEC, 27th October, 1887.

" DEAR MR. VERRET,—I see objection to your taking Mr. O. E. Murphy's cheque endorsed by Mr. Connolly, for the one you now hold on deposit.

" Your truly,

(Exhibit " L.") " THOMAS McGREEVY."

Verret testified positively that the letter on which he acted read as follows : " *Private.*"

" QUEBEC, 27th October, 1887.

" DEAR MR. VERRET,—I see no objection to your taking Mr. O. E. Murphy's cheque endorsed by N. Connolly, for the one you now hold on deposit."

" Your truly,

" THOMAS McGREEVY."

The suggestion is, that the original letter was abstracted, and the one produced before the Committee substituted. Such a conclusion would seem to rest exclusively on Verret's reading of the letter when handed to him. The Committee incline to the opinion that the letter produced is the one handed to Verret, that in reading it on that occasion he expected to find in it an authority for an exchange of the security and did not observe that the word " no " not being there, it was not such authority. They are further of opinion that Thomas McGreevy, in writing the letter intended to state that he had no objection, but that he inadvertently left out the word " no." It may be mentioned here that in giving his evidence on this matter Thomas McGreevy stated that there was no reason why the Board should not have authorized the change.

No injury resulted from the relinquishment of the security and none was very likely to result.

CHARGE No. 8.

GENERAL ; AS TO AGENCY, AND MONEYS RECEIVED FROM LARKIN, CONNOLLY & CO. AND ROBERT H. McGREEVY.

" That from the years 1883 to 1890, both inclusive, the said Thomas McGreevy received from Larkin, Connolly & Co. and from his brother, Robert H. McGreevy, for the considerations above indicated, a sum of about $200,000, and that during the period aforesaid he was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Board of Commissioners, in Parliament, and in connection with the Department of Public Works."

55. That from the year 1883 to 1890, both inclusive, the said Thomas McGreevy received from Larkin, Connolly & Co., and from his brother, R. H. McGreevy, for the considerations above indicated, a sum of about $200,000.

56. That during the period aforesaid he was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Board of Commissioners, in Parliament, and in connection with the Department of Public Works.

Of the total of $200,000 above mentioned, we have already dealt with the following items, namely :

Cross-wall contract	$ 25,000
Supplementary contract for completion of Lévis Graving Dock	22,000
Dredging contract, 1887	27,000
Esquimalt Dock	35,000
	$109,000

As to the balance, it is not disputed that a sum of $57,545 was paid to Thomas McGreevy by Robert McGreevy out of his share of the latter in the profits arising from the contracts in question.

On the 14th January, 1889, Robert McGreevy wrote to Thomas McGreevy, enclosing a statement of account and claiming credit for $57,545 (received by Thomas), as having been paid by the former, and it appears by this letter that the source of this amount was the share of profits received by Robert McGreevy from the firm of Larkin, Connolly & Co. The letter does not however indicate that Robert McGreevy treated these profits as a matter in which Thomas McGreevy was interested. On the contrary, he charges them as accounts to be credited by Thomas McGreevy to him and it appears by the letter of Thomas McGreevy to Robert, dated 24th January, 1889, that they were so credited.

It appears, however, by a statement produced by him, that Robert McGreevy claims that, in all, he paid to Thomas McGreevy the sum of $76,800 as Thomas McGreevy's share of the profits drawn by Robert McGreevy from the various contracts in question.

This your Committee cannot accept as true, so far as it sets up the allegation that these sums were paid as a share of profits in which Thomas McGreevy had a direct interest, because they find that, in part, in his letter above referred to, and in an account filed by him in the case of McGreevy against McGreevy (Exhibits "P13" and "Q13") he claims these payments as credits to which he is entitled in his accounting with his brother; a position obviously inconsistent with the contention that they were paid as his brother's share of the profits drawn by Robert McGreevy from the firm of Larkin, Connolly & Co.

The preceding portions of this report show that your Committee cannot determine with any accuracy what amounts have been received by Thomas McGreevy from the firm of Larkin, Connolly & Co. As regards the balance of the two hundred thousand dollars ($200,000), mentioned in the above charge, and not dealt with, the Committee can only report that the evidence is contradictory and irreconcilable and that they have not been able to arrive at any definite conclusion.

As to the charge that during the period mentioned, Thomas McGreevy was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Commission in Parliament and in connection with the Department of Public Works, your Committee find that he did, in fact, act in the interest of the firm throughout.

CHARGE No. 9.

Receipt of Money out of Baie des Chaleurs Railway Subsidies.

"That the said Thomas McGreevy exacted and received out of the subsidies voted by Parliament for the construction of the Baie des Chaleurs Railway a sum of over $40,000."

57. That the said Thomas McGreevy exacted and received out of the subsidies voted by Parliament for the construction of the Baie des Chaleurs Railway a sum of over $40,000.

It appears that, in 1883, Thomas McGreevy became the holder of one thousand, and Robert McGreevy the holder of five hundred shares in the Baie des Chaleurs Railway Company. Nothing was paid for the stock by Thomas McGreevy.

In the Spring of 1886, an agreement was made between C. N. Armstrong and Robert and Thomas McGreevy, whereby the McGreevys agreed to transfer to Armstrong their fifteen hundred shares, the nominal value of which was $75,000 for $50,000 cash, and $25,000 in bonds of the company. This agreement was not produced; it was said to have been lost and the witnesses do not agree as to what were its terms. Robert McGreevy states that the terms as to payment of the $50,000 were that $10,000 was to be paid in cash and the balance in five payments of $8,000 each out of the Dominion subsidy as earned by the construction of the first 20 miles of the railroad. L. J. Riopel, who was the Managing Director of the Company and a party to the agreement by way of guarantee, states that there was nothing in the agreement as to any part of the amount being paid out of the subsidies. The evidence of C. N. Armstrong is not clear upon the point. In answer to the question: "How was

the $50,000 to be paid?" he said: "$10,000 in cash and five payments of $8,000 each." Later in the examination he is asked: "These four payments of $8,000 each were taken out of the Government subsidies as they became due on account of the progress of the work?—A. Indirectly they were. Q. But, as a matter of fact, they were all taken out of Government subsidies; there was no other source for paying it except Government subsidies?—A. There was another source, but that was the agreement."

In 1886 or 1887, Thomas McGreevy transferred his shares to Robert, but there was no consideration for the transfer, and it appears that he continued to be interested in this stock until long after the alleged receipt by him of a portion of the subsidies in question.

It has been proved, and is indeed admitted by Thomas McGreevy, that he received in the year 1886, $8,000 of this subsidy, and he admits that his brother accounted to him in 1889 for his interest, the balance of the forty-two thousand paid in all.

The charge against Thomas McGreevy in respect of these subsidies is vague, but, in the light of the evidence, it can only be supported by the evidence of Armstrong as to the contract above referred to. In order to justify the conclusion that Thomas McGreevy improperly received a portion of the subsidies under that agreement, it should be established that the agreement provided for the payment of the consideration in whole or in part out of such subsidies, or, at least, that the payment of the consideration, in whole or in part, depended on the payment of such subsidies by the Government, and as to this we find that the evidence is not sufficient to warrant the certain conclusion that such was the effect of the agreement, and your Committee, therefore, conclude that although he, Thomas McGreevy, did receive a portion of the subsidy, his doing so has not been shown to have been improper.

CHARGE No. 10.

Use of Name of the Honourable Minister of Public Works.

"That the name of the Honourable Minister of Public Works was made use of by the said Thomas McGreevy in his dealings with Larkin, Connolly & Co. so as to give the impression that he had control over him; the said Thomas McGreevy undertaking to obtain his co-operation, or declaring he had secured it, and that in the name of the Minister of Public Works large sums of money were corruptly demanded by the said Thomas McGreevy from Larkin, Connolly & Co. That he used the Minister's name before the Harbour Commissioners, and that from 1882 to the present Session of Parliament he lived in the same house as the Minister, thereby giving the impression to Larkin, Connolly & Co. that he had absolute control over him and that he was acting as the Minister's representative in his corrupt transactions with them."

> 59. That the said Thomas McGreevy on several occasions demanded in the name of the Hon. Minister of Public Works and received from Larkin, Connolly & Co. sums of money.
>
> 60. That from 1882 to the present Session the said Thomas McGreevy has always lived in the same house as the Hon. Minister of Public Works, and that he seems to have done so in order to put in the mind of Larkin, Connolly & Co. the impression that he had over said Hon. Minister an absolute control and that he was acting as his representative in his corrupt transactions with them.
>
> 61. That in fact on many occasions he used the name of the Hon. Minister of Public Works in his dealings with them, undertaking to obtain his co-operation or declaring that he had secured it.

As to this charge, your Committee find that the name of the Minister of Public Works was made use of by Thomas McGreevy in his dealings with Larkin, Connolly & Co., and that this was done in such a way as to give the impression that he had influence with the Minister. They do not find that sums of money were corruptly demanded by Thomas McGreevy from Larkin, Connolly & Co., nor do they find that he used the Minister's name improperly before the Harbour Commissioners. It appears that during the time that Thomas McGreevy attended the sessions of Parliament, since the year 1882 to the beginning of the present session, he lived in the

same house with the Minister, but the Committee are unable to find any evidence that he thereby gave the impression to Larkin, Connolly & Co. that he had control over the Minister, or that he was the Minister's representative in any of the transactions referred to.

CHARGES AGAINST THE DEPARTMENT OF PUBLIC WORKS.

CHARGE No. 1.

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

"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."

> 17. That while all the tenders were being examined and the quantities applied in the Department of Public Works of Canada, the said Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, promised to obtain, and did obtain, from the Department of Public Works of Canada, and from officials of that Department, in relation to the said tenders, to figures in connection therewith, and to the amounts thereof, information which he offered to communicate before the result was officially known, and which he did communicate to the firm of Larkin, Connolly & Co., and to certain members of the said firm individually.
>
> 18. That to the knowledge of the said Thomas McGreevy, the tenders of Messrs. Gallagher and Beaucage were lower that those of Larkin, Connolly & Co., but that in consideration of the promise of $25,000 to be to him paid, he, the said Thomas McGreevy, agreed to secure the acceptance of the tenders of Larkin, Connolly & Co., and that he suggested to that firm and to certain members thereof individually, to make arrangements in connection with the said Gallagher and Beaucage, and to so manipulate matters as to render the tenders of those two parties higher than those of the said firm, or, at all events, to secure the contract for Larkin, Connolly & Co., and that said arrangements and manipulations were carried out as suggested by him.
>
> 19. That in consequence of the said arrangement and manipulations, wherein the said Thomas McGreevy directly participated, the contract for the Cross-wall and lock in connection with the Quebec Harbour Works was awarded to Larkin, Connolly & Co. on a report to Council made by the Hon. Minister of Public Works, under date 26th May, 1883.

The material facts showing the sequence of events preceding the awarding of the contract have been set out in the portions of this report which refer to the charges against Thomas McGreevy.

As to the charge that while the tenders were being examined and the quantities applied, in the Department of Public Works, 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, we find that the only information which Thomas McGreevy obtained, and which he can be said to have used improperly, was communicated to him in Ottawa by the late Mr. Boyd, an engineer of the Department of Public Works, when Mr. Boyd was engaged in the application of the quantities to these tenders.

This information may have been given by Mr. Boyd without any conscious impropriety on his part.

The position of Thomas McGreevy as a member of the Quebec Harbour Commismission would naturally appear to Mr. Boyd to justify his enquiries and the answers, in the mind of any person doing the work in which Mr. Boyd was engaged, and ignorant as he may have been of the existence of any improper object.

As to the branch of this charge under which it has been contended that improper quantities were wilfully applied to the tenders in the interest of Larkin, Connolly & Co., we incorporate herein portions of the report of Messrs. Jennings and Macdougall, the Engineers appointed by the Committee, which have reference to this part of the inquiry.

In the instructions to these Engineers, one of the matters required of them was to compare the quantities shown by the plans and profiles with the quantities applied to the several tenders for the works.

On this branch of their work they report as follows :

" The plans laid before us, and said to be the originals examined by intending contractors when preparing to tender (and from which we, with the aid of specifications and the use of a scale, were enabled to obtain approximately the quantities of crib-work, sheet-piling, concrete, stone filling and earth work, as originally intended), are, we regret to say, not such a complete exhibit as one should expect to find in connection with the letting of this important undertaking, and may now be enumerated and referred to as follows :

Sheet No. 1.—" Is a block plan showing location and dimension of cribs forming the foundations for the North and South Quay-walls, the entrance and caisson chamber."

Sheet No. 2.—" Is a plan, elevation and section, showing dimensions and manner of construction of crib-work in Quay-walls. This plan has been changed in dimensions and design, thus making it impossible to discern what was originally intended, other than by reference to the specification and the use of a scale. The cribs are shown as resting on piles, also with sheet-piled facing at base, neither of which are referred to in the specification."

Sheet No. 3.—" Is a plan of entrance cribs, and an elevation of caisson chamber cribs; it also shows alterations in dimensions and design as instance in the first clause of specifications, under heading of 'crib-work,' it is specified that the top of the crib-work is to be placed 6 inches below low water or datum, whereas it is shown on plan as being over one foot above that level, or subject to exposure during low spring tides."

" The remaining plans (some of which were referred to by witnesses as originals) laid before us, are evidently of a subsequent date, as they set forth the design finally adopted for closing the entrance, also sluices, gates and ironwork.

" It seems incredible that the three plans above referred to compose the whole of the original set, as one would naturally expect to find a general plan of the site of the work and immediate surroundings, also one showing longitudinal and cross sections through the Quay-wall to explain the mode of construction of the various features of masonry, concrete, crib and earthwork and it is to be regretted that the plans referred to as having been approved by the Governor General in Council in connection with this work are not forthcoming, as they would, in all probability throw additional light on the subject, and we venture the opinion that had the late engineer, Mr. Boyd, lived to see the completion of his work, matters not now clear, and especially relating to the original schedule of quantities as applied by him to the prices submitted by tenderers, would have been made plain. * * *

" By a comparison based on quantities of crib-work, concrete, stone-ballast, sheet-piling and earth-filling, taken by us from the said original plans and specifications, we find the following results in these items alone:

(See details on Sheet "C.")

S. Peters & Moore	$281,009 00
Larkin, Connolly & Co	369,971 70
G. Beaucage	389,871 00
J. Gallagher	405,346 32
Samson & Samson	552,812 00

" And this comparison carried out by the addition thereto of the items in schedule of quantities used in above comparisons and not obtainable from plans and specifications, we find the position of the tenders to be:

(See Sheet "C" for details.)

S. Peters & Moore	$ 736,243 50
Larkin, Connolly & Co.	753,371 70
J. Gallagher	762,378 32
G. Beaucage	765,510 50
Samson & Samson	1,032,011 20

As to the plans, the evidence of Mr. Coste, Assistant Engineer of the Department of Public Works, who was called as a witness after the report, of which the above is an extract, was put in, goes to justify the doubts of Messrs. Jennings and Macdougall, as to whether they had the proper data upon which to determine whether the quantities applied to the tenders before the tenders were awarded were or were not justified by the material from which the quantities were taken out.

It appears that the quantities ascertained from the Engineers' report are the result of measurements from the working plans, either prepared or altered at a date subsequent to the letting of the contract, and, for the reasons which appear in that report, your Committee are unable to conclude, with any degree of certainty, that there was a wilful application of improper quantities.

CHARGE No. 2.

CONTRACT FOR THE COMPLETION OF THE ESQUIMALT DOCK, 8TH NOVEMBER, 1884.

"That after tenders were asked for by the Government for the completion of the Esquimalt Dock and before Larkin, Connolly & Co. tendered for that work, Thomas McGreevy obtained from the Department of Public Works, information, figures and calculations which he communicated to Larkin, Connolly & Co., and that during the execution of the contract, the said Thomas McGreevy, acting as agent of Larkin, Connolly & Co., obtained from the Department important alterations in the plans and works and more favourable conditions enabling the Contractors to realize, to the detriment of the public interest, very large sums of money."

27. That before tendering the said Larkin, Connolly & Co. had with Thomas McGreevy, then and now a member of the Parliament of Canada, communications and interviews wherein they secured his services to assist them in dealing with the Department of Public Works in order to secure the said contract.

28. That he agreed to help them, and that he did in fact help them in divers ways, and, amongst others, by obtaining from the Department of Public Works information, figures, and calculations which he communicated to them.

30. That during the execution of the said contract, the said Thomas McGreevy was the agent or one of the agents in the pay of Larkin, Connolly & Co., in dealing with the Department of Public Works; that he endeavoured to obtain, and did obtain for them, at their request, important alterations in the works and more favourable conditions.

33. That in consideration of the sums of money so received by him and of the promises to him made, the said Thomas McGreevy furnished to Larkin, Connolly & Co., a great deal of information; strove to procure and did procure to be made by the Department and the Hon. Minister of Public Works, in the plans of the Graving Dock and the execution of the works, alterations which have cost large sums of money to the public treasury.

The notice for tenders for this contract called for prices for the various classes of work, and the contract was based on a schedule of rates applied to estimated quantities for the completion of the Dock. This Dock had been in part constructed by the previous contractors and by days' work under the authority of the Government of British Columbia. The estimated quantities for the completion were prepared by Mr. Bennett, who had been the Resident Engineer under Messrs. Kinipple & Morris from the commencement, and these estimates were reported by Mr. Trutch to the Department of Public Works.

The final estimates were based on Bennett's measurement of the quantities actually executed, applied to the schedule of rates contained in the contract, and the result was that the total cost amounted to $581,527, making a difference of $206,968 between the cost as estimated, at the time of the letting of the contract, and the actual cost of the work as finished.

The amount of Larkin, Connolly & Co.'s tender, applying the schedule of rates to Bennett's estimate of quantities, was $374,559.

Of this difference we find, by the Engineers' second report, that $53,897 is referable to changes in the plans and in the execution of the work, the details of which are given by them as follows:

"The alteration in the drip of the dock floor details at mouth of culvert and outer invert amount to		$ 601
"The cost of the circular head as measured from the plans, amounts to	$ 39,532	
"Deduct the value of the works included in the invert and caisson berth, side walls, &c., as shown on contract plans	22,507	
		17,025
		$ 17,626
"The cost of altars, ashlar and dock walls, as constructed and taken from final estimate	$ 136,070	
"Deduct value of these items as measured on contract plans and value of cement concrete displaced by the increased size of stone	103,191	
		32,879
"The difference in cost of the caisson chamber as constructed in stone instead of brick:		
Caisson chamber as built in stone	$ 33,149	
do do do brick	29,757	
		3,392
"Total increase		$ 53,897

The total amount of extras according to Mr. Perley was $23,015.

Adding these two items of $53,897, and $23,015 and then deducting this $76,912 from the above $206,968, we have remaining $130,076, as a balance to be accounted for. As to Bennett's final estimates no evidence was offered as to their being incorrect. On the other hand it is to be remarked that his estimate of the work still remaining to be done at the date of the assumption of the undertaking by the Government of the Dominion appears to have been very inaccurate.

Sir Hector Langevin thus explains the difference:—

Therefore, I say this, that the estimated amount of the tender, as Mr. Tarte said, is $374,559.33. The amount of the final estimate was $581,527.80. The difference between the final estimate and the amount of the tender is $206,968.47. Now, to make this difference of $206,968.47 between the final estimate and the amount tendered there are these figures:

Extra work not in tender	$ 47,584 95
Keel blocks, special agreement	2,469 00
Then the allowance on plant	19,927 13

These three items form a sum of $69,981.08, reducing the difference to $136,987.39. This extra amount is made up as follows:

Extra earth and rock excavation	$ 44,400 00
Recoursing of stone	41,200 00
Substitute of Stone for brick	5,800 00

That is the sum that was mentioned as being six thousand dollars.

Extra due to circular head. That was when the second entrance was removed and we finished it in a circular head, as the other docks in the country are, $31,500.

Extra due to augmentation in other quantities, $14,087.39, making a total of these five items of $136,987.39; so it covers the whole ground.

As to the charge that information was improperly communicated from the Department to Thomas McGreevy, we find that the tenders were returnable at Ottawa

on the 20th September, 1884, and that on the 9th of that month Thomas McGreevy wrote a private note to Mr. Perley, Chief Engineer of the Department of Public Works. This note was not produced. Mr. Perley replied as follows:

"(*Private.*)

"CHIEF ENGINEER'S OFFICE, DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 11th September, 1884.

"MY DEAR MR. MCGREEVY.—Your private note of the 9th to hand, and in reply send you herewith a copy of the specification of the Graving Dock, British Columbia, two copies of tender and sheets showing the quantities of work to be done to complete the work, these quantities having been computed by the Resident Engineer in British Columbia. I cannot send the rates supplied by myself, as I have never determined them. My estimate of the probable cost to finish was arrived at *en bloc*, and amounted to $390,000, or, deducting the $50,000 for plant and materials (see specification) $340,000 net. I send a photograph of the work as it stands, which may be of assistance to you, but an examination of the plans on exhibition here is desirable. I am told the best and most suitable quarry is 80 miles from Victoria at or near Nanaimo. You will see by the list of plant, &c., that cement cost the Department $25 per ton landed, but to this must be charged the expense of unloading, cartage to works, storing, &c. I expect to be in Quebec on Monday, and could see you between 2 and 4, as I want to leave at 5 and be back here on Tuesday at mid-day.

"Yours faithfully,

"HENRY F. PERLEY.

"Hon. THOS. MCGREEVY,
"Quebec."

(Exhibit "R6.")

This constitutes all the evidence under this branch of the charge.

Mr. Perley says in his evidence that he had been in the habit of giving such information and uses this language: "I have always done so and will continue to do so."

Although the tenders were not for a lump sum contract, yet, to some extent, such information, in respect of an item contract, might give the persons receiving it an advantage over other tenderers.

It is shown, and is indeed admitted by Thomas McGreevy, that he sought to bring about the discharge of Bennett, the Resident Engineer, but this does not seem to have been relied upon as a matter supporting the charge against the Department, and it is sufficient to say, on this part of the charge, that that officer was retained in his position until the work was completed.

Evidence was given that steps were taken by the contractors to bring about the substitution of granite at an additional rate of $1 per yard for sandstone in the construction of the dock and that they afterwards changed their minds and took steps to prevent this change taking place. It appears that the change was recommended by the Chief Engineer and approved by the Minister, but the change was not authorized by Council and was not made.

As to the changes which were made, we now quote from the Engineers' second report as follows:

"The dock was designed and the contract provides for the construction of inverts and a caisson berth at the head of the dock, in anticipation at some future date of an extension of the dock. Representations having been made, that owing to the increasing size of vessels trading on the adjacent waters, as well as the size of the newer ships of war of Her Majesty's Navy, the new dock would soon be found inefficient—a Memorandum, dated the 21st January, 1885, was submitted to the Honourable Minister of Public Works by the Chief Engineer relating to the size of steamers plying on the Atlantic Ocean, and some of the ships of the Royal Navy. In this Memorandum the Chief Engineer recommends the removal of the

projected works for a second entrance and the extension of the dock, as follows:—'As before stated, the works for a second entrance at the head of the dock are, and will remain, useless, and if the dock bottom were carried out, and these works abolished, a further length of 50 feet, would be obtained within the limits of the present contract at an additional expense of, say, $35,000, or a total of $410,000.'"

"This recommendation was adopted by Order in Council dated 3rd February 1885. (Exhibit "R4.")

"The works at the head of the dock were thus altered by the substitution of a circular head (having a radius of 26 feet), in lieu of the inverts and caisson berth originally designed, thereby lengthening the side walls and increasing the length of the dock 50 feet, and making the total length 430 feet. The plans for this alteration were sent to the Dominion Government Agent, the Hon. J. W. Trutch, by the Chief Engineer on the 4th May, 1885, letter No. 13538.

"Shortly after the commencement of the work, the contractors submitted to the Hon. J. W. Trutch a plan showing a proposed alteration at the head of the dock, along with three other plans, showing: (1) Proposed change in drip of dock floor from 1 in 370 to 1 in 400; (2) in masonry of outer invert; (3) in details of ashlar in main culvert in dock floor; all of which were submitted to the Chief Engineer. The alterations proposed by the three last named plans were approved of and ordered by the Chief Engineer, in his letter to Hon. J. W. Trutch dated 16th April, 1885, No. 13416 (Exhibit "Q5"). The plans for the recoursing of the ashlar were approved of and ordered on the 4th May, 1885, by letter No. 13537 (Exhibit "Z5.")"

The alteration in the drip of the dock floor, and the substitution of stone for brick in the construction of the caisson chamber, may be passed by as unimportant, and your Committee have no ground for finding that they were not properly permitted and approved of by the Engineer. The change involved in the adoption of a circular head instead of a second entrance at the head of the dock, we find to have been a desirable and proper departure from the original design, giving an increase of fifty feet in the length of the dock, at a total increased cost of $17,025, the work being paid for at the contract schedule rates. The substitution of larger courses in the stone work was properly permitted, and resulted in the construction of a more valuable and permanent work than that originally designed, at a time when it appears the plans were prepared under the belief that large stones were not available.

It appears that this change was allowed by the Department on the 4th of May, 1885, when the following letter was written by Mr. Perley to Mr. Trutch:

(Exhibit "Z5".)

"Department of Public Works,
"Ottawa, 4th May, 1885.

"Sir,—I write in confirmation of the following message sent to you to-day:—'Telegram received; Minister authorizes you to permit contractors to build work with stone of increased sizes as proposed by themselves, they to be made aware that this permission is merely acceding to their request, and not ordering them to make the change.'

"Your long message of the 2nd I laid before Sir Hector, together with my telegrams of the 16th and 20th April, and letters in confirmation of same, and the above telegram was sent to you at his request.

"I am of the opinion that the contractors should have preferred their request in writing before being permitted to change the courses, but as they have not done so, but have informally applied here for permission to do so, it has been granted to them, and I will inform them here of this decision of the Minister, and that no extra payment will be made to them on account of this change.

I am, Sir, your obedient servant,

"HENRY F. PERLEY,
"*Chief Engineer.*

"Hon. J. W. Trutch, C.M.G.,
"Dominion Agent, Victoria, B.C."

The contractors were thereupon duly informed of the above authorization and notified that no extra payment would be allowed for the increased size and quantity of the stone.

The contracters, nevertheless, in September of that year, made a claim for payment for this item. Mr. Perley went to Esquimalt in the autumn of that year, and after his return he made the following report (Exhibit "S6"):

"CHIEF ENGINEER'S OFFICE,
"OTTAWA, 18th January, 1886.

"No. 15636,
"Subj.—Esq. Dock.
"Ref. No.

"SIR,—In accordance with the orders of the Hon. the Minister, I have made an examination of the works in progress for the construction of the Graving Dock at Esquimalt, B.C., and have to report that I found the work to be well advanced and of most excellent quality, and, barring extraordinary accidents, I see no reason why the contractors should not have completed the same at the date stipulated in the contract.

"There are, however, two or three matters connected with this dock which I desire to bring forward for consideration by the Hon. the Minister.

"According to the original plans and specifications for this dock and under which it was commenced and carried on by the Provincial Government of British Columbia up to 1883, when the work was assumed by the Dominion, and also in accordance with the plans and specifications prepared by myself for the completion of the dock, it was shown that the masonry should be built in courses of a certain thickness, such thickness having been determined by the prevailing idea that stone of a greater thickness could not be obtained.

"After Messrs. Larkin and Connolly arrived at Victoria they made a dilligent search for a quarry from which to obtain the quality of stone demanded by the specification and they obtained one on Salt Spring Island, from which stone of any size and of excellent quality could be obtained. Such being the case, they submitted a proposal to re-course the work in the dock whereby one stone took the place of two in depth. This proposal was assented to, and having seen the work done prior to 1883, and compared it with that done by the present contractors, I have no hesitation in saying that the change made to the larger stone has increased the strength and durability of the dock.

"According to the specification, the stone work is backed by concrete, each being paid for at a different price. By the substitution of larger courses of stone, the quantity of stone used has been increased beyond the quantity originally specified and the quantity of concrete backing proportionately lessened, and the change thus made will increase the cost on the dock about $35,000.

"I may here mention that originally the masonry in the Graving Dock at Lévis, Quebec, was intended to be in comparatively shallow courses, but, it having been found possible to obtain a very much heavier class of stone, the courses were doubled in thickness, to the material advantage of that work.

"The stone used at Esquimalt is a sandstone, not differing much in hardness and texture from sandstone generally and not so well adapted for wear and tear as limestone, granite or hard stone of that class, and in view of the great amount of wear and tear to which a dock of this nature is subjected, it is in my opinion a most fortunate thing that the contractors were able to obtain so large a class of stone as they have used, and, as a direct benefit has been conferred, I have to recommend that they be paid full measurement for all the stone they have placed in the dock, due care being taken to reduce the quantity of backing.

"I have the honour to be, Sir, your obedient servant,
"HENRY F. PERLEY,
"*Chief Engineer.*

"A. GOBIEL, Esq.,
"Secretary, Public Works Department."

The recommendation was approved by the Minister, the approval was communicated by an official letter of the 28th January and payments were made accordingly.

The contract for this work contained a provision by which the contractors agreed to take over, at a valuation of $50,000, and as part of the consideration of the contract, a certain quantity of plant taken over by the Dominion Government from the Government of British Columbia. A claim for a reduction on the value of this plant was made by the contractors in the spring of 1885, when the matter was referred to Mr. Bennett, who reported a shortage of $10.45, based on the inventory. The claim then made by the contractors was for an allowance of $12,500.

In a report of the 18th January, Mr. Perley makes the following statement:—

* * * " Whilst at Esquimalt I made a careful examination of the plant, materials, &c., mentioned in the schedule attached to the contract to be taken over by the contractors, and with reference thereto I can only state that it is to be regretted that a very large portion of it was accepted at any price from the Provincial Government. It is old, unserviceable, of no use, and of but very little value, and in my opinion the prices which were affixed to many of the articles are very much in excess of their value ; but could they have been made use of they might have proved of benefit, instead of being not of any service.

" I presume the value of these articles will become a question at a future date between the Department and the contractors. "

No departmental action appears to have been taken upon this report; but it appears that, when Mr. Perley was making up and deciding on the final estimate, he allowed a deduction of $19,873 from the amount of $50,000 above mentioned. The evidence of Sir Hector Langevin and of Mr. Perley shows that the sole responsibility of this transaction rests upon Mr. Perley and that it did not come to the knowledge of the Minister.

In view of the evidence before them, and after full inquiry into the circumstances of the case, your Committee feel bound to express their disapproval of the allowances made in respect of the plant and of the re-coursing of the stone.

CHARGE No. 3.

" South-wall " Contract, 16th February, 1887.

" *a.* That in the year 1886, the said Thomas McGreevy procured from public officials, the tenders sent in to the Quebec Harbour Commissioners for the construction of the South-wall of the Quebec Harbour Works and showed them to Messrs. O. E. Murphy, Connolly and Robert H. McGreevy in order to give them an undue advantage over their competitors, and the said Murphy, Connolly and Robert McGreevy had said tenders in their possession during several hours, after which they were delivered to Henry F. Perley, who was then in Quebec; and that the contract was awarded to John Gallagher, a mere figure head for the said Murphy, Connolly and Robert H. McGreevy, who did the work for their own profit and advantage.

" *b.* That through the intervention and influence of the said Thomas McGreevy, changes, detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans and the works, and in the conditions and securities set out and provided for in the contract."

51. That Mr. Thomas McGreevy procured from public officials the tenders received, and showed them to Messrs. O. E. Murphy, Connolly and R. H. McGreevy, for whom he was acting, in order to give them an undue advantage over their competitors.

52. That they had the said tenders in their possession during several hours, after which they were returned to Henry F. Perley, then in Quebec, by the said Thomas McGreevy.

53. That the contract was awarded to one John Gallagher, a mere figure-head for the said Murphy, Connolly and R. H. McGreevy, who did the work for their own profit and advantage.

54. That changes detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans, and the carrying out of the works, and in the conditions and securities set out in the contract, through the influence and intervention of the said Thomas McGreevy.

The branch of this report which deals with the charges against Thomas McGreevy, in connection with this contract, expresses all that need be said as to this charge, in so far as it relates to the Department.

The only changes made in the execution of the work were properly allowed and they involved no additional cost above that provided for by the contract.

CHARGE No. 4.

CONTRACT FOR DREDGING WET BASIN AT 35 CENTS PER YARD, 23RD MAY, 1887.

"(*a.*) That the Honourable Thomas McGreevy, having made a corrupt arrangement with Larkin, Connolly & Co., providing for a contract for the dredging of 800,000 cubic yards in the Wet Basin of the Quebec Harbour Works, used his influence as a Member of Parliament with the Department of Public Works, and in particular with Henry F. Perley, and induced him to report to the Quebec Harbour Commission in favour of the payment of the said sum of thirty-five cents per yard; and that a correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co. took place at the suggestion of the said Thomas McGreevy before the Quebec Harbour Commissioners were consulted, and was conducted in such a manner as to conceal the corrupt character of the contract.

"(*b.*) That through the intervention, effort and influence of the said Thomas McGreevy, and without any public tender having been called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co. for the above-mentioned work.

"(*c.*) That in the execution of the works of the above contract extensive frauds were perpetrated to the detriment of the public treasury, and sums of money were paid corruptly to officers under the control and direction of Henry F. Perley and appointed by the Quebec Harbour Commission."

> 40. That the said Thomas McGreevy used his influence as a Member of this House with th eDepartment of Public Works, and in particular with Henry F. Perley, Esq., to induce him to report to the Quebec Harbour Commission in favour of the payment of the said sum of 35 cents per cubic yard.
>
> 41. That the correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co., before the Quebec Harbour Commissioners were consulted, took place at the suggestion of the said Thomas McGreevy, and was conducted with his knowledge and participation in such a manner as to conceal from the eyes of Parliament and of the public the corrupt character of the contract, in connection with which he had received $27,000.
>
> 43. That on the 23rd May, 1887, in fulfilment of the arrangement above mentioned, and through the effort, the influence and the intervention of the said Thomas McGreevy and without any public tender having been called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co., for all the necessary dredging and removal of material in the Wet Basin of the Quebec Harbour works.
>
> 44. That in the execution of the works of this contract extensive frauds were perpetrated, to the detriment of the public treasury, and sums of money were paid corruptly to officials under the control and direction of Henry F. Perley and appointed by the Quebec Harbour Commission.

The principal facts relating to the making and carrying out of this contract are set out and commented on in the part of this report which deals with the charges affecting Thomas McGreevy.

It appears that the Department of Public Works had nothing to do with the awarding of the contract or with the execution of the work under it. By the authority of Statute the contract was awarded to carry out plans which had previously been approved by the Governor in Council, and under which the dredging was done under the contract of 1882. Accordingly the matter did not come before the Department and Mr. Perley's connection with it was exclusively in his capacity as engineer of the Harbour Commissioners.

The following considerations are material:

The contract was for dredging to a depth not exceeding 15 feet below low water. The price for that kind of dredging in the contract of 1882, was 27 cents. Large profits had been made by the contractors under that contract, but there is nothing to show that Mr. Perley was aware of that fact.

No tenders were called for. As to this there was no statutory obligation upon the Commissioners to call for tenders. The only Act relating to the Harbour Board which required tenders was that of 1882, in reference to the Cross-wall. It is questionable whether under the circumstances existing at the time, it would have been advantageous to call for tenders. The cost of the work was limited to $100,000, Larkin, Connolly & Co. owned the only plant in the country suitable for the work, and it would seem improbable that any other contractor would build, or bring to Quebec, the necessary plant to do a limited amount of dredging like this. Larkin, Connolly & Co., having the plant on the ground, would apparently control the situation in case of tenders being called for. While these considerations may justify the course of Mr. Perley in not calling for tenders, the fact still remains that the same kind of dredging had been done under the previous contract by the same contractors at 27 cents, and that no effort was made to reduce the figure named in the contractors' offer at 35 cents; and Mr. Perley's course in connection with the recommendation of the offer of the contractors to the Harbour Commissioners, cannot, in the opinion of the Committee, be justified.

As to the alleged frauds in the execution of the work and corrupt payments to officers, the inspectors appointed by the Harbour Commissioners, namely, Messrs. Brunelle, Pelletier and Germain were paid by Larkin, Connolly & Co. nearly $6,000, to induce them to make false returns of the amounts of dredging done from time to time, and this, in connection with evidence as to the capacity of the dredges employed and the work done by the same dredges in previous years, leaves no room for doubt as to the correctness of this part of the charge.

While the contract was limited to an expenditure of $100,000, which would pay for about 286,000 yards, the dredging done was returned at 731,000 yards and this quantity was paid for during the seasons of 1887, 1888 and 1889. A large portion of this dredging appears to have been done to a depth exceeding that provided for in the contract, which was all that was required for the Wet Basin. No satisfactory explanation of this latter fact has been given.

The profits of this dredging contract are greatly augmented by the fact that Larkin, Connolly & Co. were allowed, under another contract, a liberal price per yard for depositing the dredged material in the wall.

Before leaving this branch of the reference, your Committee feel themselves obliged to mention two other matters which appeared in evidence, although they perhaps do not come under any specific charge.

One of these was the fact, admitted by Mr. Perley, that he received a present, in jewellery and silverware, to the value of about $1,885, from Owen E. Murphy, on behalf of the firm of Larkin, Connolly & Co., on or about the 26th day of January, 1887. Of this present Murphy took care to remind the Chief Engineer a few months after it had been made.

The other matter relates to the allowances which were made to the contractors in respect of the Lévis Graving Dock, and the consequent large excess of the cost of the work over the contract price. Most of the information on this subject was put in at the latter part of the investigation—near its close, in fact, and it is apparent that all the evidence regarding the matter was not furnished to your Committee, probably because the allowances above referred to are not mentioned specifically in the charges referred to the Committee. In the absence of further evidence your Committee can only say that extra allowances were made to the contractors on this work which appears not to have been warranted by such facts as were presented during the investigation.

CHARGES AGAINST THE HONOURABLE SIR HECTOR LANGEVIN

CHARGE No. 1.

PAYMENTS 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 that firm.

CHARGE No. 2.

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

"That by improper manipulations and by information improperly obtained from officers of the Department of Public Works, the contract for the Cross-wall was, on a report to Council made by the Honourable the Minister of Public Works on the 26th May, 1883, awarded to Larkin, Connolly & Co., who, about the same date, to wit, 4th June, 1883, paid the sum of $1,000 to the "Langevin Testimonial Fund," for the use of Sir Hector Langevin, then Minister."

19. That in consequence of the said arrangement and manipulations wherein the said Thomas McGreevy directly participated, the contract for the Cross-wall and lock in connection with the Quebec Harbour Works was awarded to Larkin, Connolly & Co., on a Report to Council made by the Hon. Minister of Public Works, under date 26th May, 1883.

21. That about the same date, namely, the 4th June, 1883, a sum of $1,000 was paid by the firm of Larkin, Connolly & Co. towards the "Langevin Testimonial Fund"—a fund destined to be given to Sir Hector Langevin.

As these charges form so direct an accusation against the late Minister of Public Works, of personal corruption, and of having participated, for his personal benefit, in the improper proceedings of the other persons charged, your Committee have deemed it necessary to deal with them as a district branch of the inquiry. The transactions to which they relate have already been detailed in the portions of this report which deal with the other charges. It seems, therefore, unnecessary to repeat the details here.

The only evidence in support of the charge "that members of the firm of Larkin, Connolly & Co., paid and caused to be paid to Sir Hector Langevin, out of the proceeds of the various contracts in question, large sums of money," is that of Owen E. Murphy, who swears that he paid Sir Hector $10,000. He identified the payment as the one shown in Exhibit "L5"; "November, 1887, $10,000." He says: "I went to give it to him in two $5,000,—$5,000 on each occasion and it was "to be kept secret." Afterwards he says he cannot tell the date, that it was discussed at the next audit, which he supposes would be in 1888, the year following the payment. The money, he says, was paid "in Sir Hector's house at different dates." "Cannot tell whether summer or winter." He did not remember the year, but he says he got the money at the dates of the cheques and paid it immediately after he got it from the bank. It was paid in bills which, to the best of his opinion, were of the Bank of British North America. He asked the bank for one hundred dollar bills and got fifties and twenties.

Murphy's cross-examination shows that while Murphy entered other irregular payments in his diaries, this $10,000 does not appear therein. He could not even select the diary in which he should look for it, but finally stated that it must have been either in the year 1886 or 1887.

A portion of the cross-examination as to the non-appearance of any entry on this subject in his diaries may here be cited:

"Q. But consider the year. If you will take the year we will help you.—A. The year would be 1886 or 1887. I cannot recollect.

"Q. One of those two years?—A. I think so.

"Q. We get down so far I see. Now, here is 1887 not very many pages you know, and here is 1886. Now, you see it is simply a little job.—A. (After looking through the books) I don't see anything in the books. * * *

"Q. Do not get off the track. I want to know if there is any entry there for the $10,000. Do you find any entry?—A. No.

"Q. Do you find in the book entries of donations which would be perhaps political payments. You have already mentioned some as you went along?—A. Yes.

"Q. So while you find entries of $2,000, $100, $200 and $250, there is no entry as to $10,000?—A. No.

"Q. Either in 1886 or 1887?—A. No.

"Q. But you selected those two years?—A. Yes.

"Q. Now you have entered in that diary from time to time your various special transactions—your settlements with Robert McGreevy—and you entered in these diaries items down as low as $3?—A. Yes.

"Q. And I notice that here and there your games of draw poker are noticed?—A. Certainly.

"Q. Both your losings and your winnings are entered?—A. Yes. * * *

"Q. We have the scope of these diaries, showing all your entries? We have these diaries showing from time to time your settlements with Robert McGreevy?—A. Yes.

"Q. We have these diaries from time to time showing your payments to Thomas McGreevy, but we have no entry with reference to $10,000 you have sworn to."

Sir Hector Langevin's statement is as follows:

"In answer to the charge made by Mr. O. E. Murphy, that he gave me in my house in Quebec, on two different occasions, the sum of $5,000, making in all $10,000, I have to say that O. E. Murphy was only once in my house, when he came to complain that one of the Assistant Engineers of the Quebec Harbour Commission was too hard with the contractors for the work. My answer was that those officers not being Government officers, the complaint of the contractors should be made to the Quebec Harbour Board and not to me. I add that Mr. O. E. Murphy did not speak to me about money, gift or loan; that he did not offer, loan or pay me any sum of money; and I swear positively that he never paid me the above mentioned two sums of five thousand dollars each, and I never asked him for money."

Another sum of $10,000 supposed to have been paid by N. K. Connolly, is thus testified to. It is sworn by Murphy that Nicholas Connolly told him, first that he paid Laforce Langevin $5,000 on a letter from Sir Hector and then that he paid another $5,000 to Sir Hector Langevin himself.

Murphy's evidence was as follows:

"I called at Mr. Thomas McGreevy's house and he asked for $5,000. His brother was present, and there was quite a disagreement as to which works it should be charged to. Robert objected to it being charged to the Cross-wall or British Columbia and said it ought to be charged to the Graving Dock, Lévis. I stated that my partners would not stand that, as I made a bargain that whatever came to the Lévis Graving Dock nothing should be paid out of it. I went round to Mr. Nicholas Connoily and stated the case—that there was $5,000 asked for—and he refused, and we both got a little excited over the matter, and he there admitted that he had already paid $10,000. I then came around and reported the fact to Mr. Thomas McGreevy in the presence of his brother Robert, and he asked if Mr. Connolly had stated to whom he paid it. I stated the case in the presence of his brother, and he got in a great passion to think that anyone else was getting money but himself. We then—Robert in company with myself—went down to the books and examined them, and found that there was $10,000 charged to the Cross-wall. It was there we discovered also where the inspectors were paid. We then came back to Mr. McGreevy's house and reported, and he himself found a great deal of fault with the way things were done—and that is how I came to discover this money, Mr. Connolly made this statement to me that he got a letter from Sir Hector——

"Mr. OSLER objected.

"WITNESS continued:—"I ask him how he came to give this money and he stated that a letter was brought to him by Laforce Langevin. He said he gave the money the first time to Laforce. I asked him how he gave the second and he told me he gave the second direct to himself."

Robert McGreevy's evidence substantially agrees with that of Murphy.

N. K. Connolly denies ever having made such a payment, or having told Murphy or Robert McGreevy that he had done so.

Sir Hector Langevin's statement is as follows:

2nd. "In answer to the statement made by the said O. E. Murphy, that Nicholas K. Connolly told him that he had given to my son for me and also to me personally each time $5,000, making in all $10,000, I swear positively that the said Nicholas K. Connolly did not pay me, directly or indirectly, any sum of money, and especially the said above-mentioned two sums of $5,000 and he did not pay to my son any sum of money, as far as my knowledge goes."

Laforce Langevin denies the receipt of the $5,000, and the carrying of any letter from Sir Hector to Nicholas Connolly.

Thomas McGreevy denies having ever asked or received the alleged payment.

In a declaration made by Owen E. Murphy in April, 1890, he says:

5. "On the 3rd of August, 1887, the Hon. Thomas McGreevy came to me and stated that Sir Hector Langevin was going away that evening and wanted money—($5,000), I gave him $1,000, and on the 8th of the same month he received $4,000 from N. K. Connolly, this sum was charged to the firm in the books, as appears by the Accountant's statement, suspense account."

R. H. McGreevy at the same time made a declaration commencing as follows (Exhibits "L14" and "M14"):

"I have read over the statement of O. E. Murphy, Esq., one of the firm of Larkin, Connolly & Co., for the various contracts of the Quebec Harbour Improvements and the Graving Dock in British Columbia. I have a knowledge that all the statements are correct."

Sir Hector Langevin's evidence is this:

"Q. Do you remember on the 21st July having met Mr. Thomas McGreevy, and to have stated to him that you wanted $5,000?—A. No. Not only I do not remember, but I did not say so—at any period.

"Q. Did not Mr. McGreevy come back after a certain time, and in the evening bring only $1,000?—A. No; not $1, $1,000, or any amount.

"Q. On the 8th of August following, did you not return to Quebec from Rimouski, and did not Mr. Thomas McGreevy pay to you, or hand to you an additional amount of $4,000?—A. No; it is not so. I stated so in my examination-in-chief, or my statement.

"Q. If Mr. Thomas McGreevy made such a request, either to Murphy or Nicholas Connolly, was he authorized to do so?—No.

"Q. Was Thomas McGreevy ever authorized at any time to ask money on your behalf of Larkin, Connolly & Co., or any member of that firm?—A. No."

Robert McGreevy, it has been observed, states that he met Thomas McGreevy on Dalhousie street about 4 o'clock in the afternoon of the 21st of July, and that he told him he had received $1,000 from Murphy. The published statement from Murphy, corroborated by Robert McGreevy's statement, published at the same time, declares that this alleged payment was made on 3rd August.

There was likewise an allegation that a payment of $5,000 was made to Thomas McGreevy for the Minister. O. E. Murphy's evidence on that point is as follows:—

"Q. Refer again to 'B5' and say whether you find some of the items there that were paid at the request of Thomas McGreevy?—A. There is an item, August 7th, 1887, but that date is not right. Mr. McGreevy came to me and wanted $5,000. These dates, I think, are all wrong; most of them. The book-keeper or the auditor probably can account for that. None of my partners that I know were in Quebec, and we were short of money. Mr. McGreevy stated that he wanted to try and get

$1,000 before Sir Hector was to leave Quebec. I went to the bank, drew the cheque myself, and drew the money and handed it myself to Thomas McGreevy in the office, 124 Dalhousie street.

"Q. What explanation can you give to the Committee as to the item of $4,000 following this?—A. Mr. Connolly told me he paid the $4,000. I have not drawn the cheque, and I only take his word for it that he has paid the money, and the charge is made in the books."

In re-examination, being shown an entry in his diary of date 21st July, 1887, he says:—

"Q. Do these books contain any alleged payments to Thomas McGreevy by the witness?—A. Only one, and it came in this way: Mr. McGreevy appeared to come in a hurry and I drew my cheque. He came for $5,000. I had not the money, and I do not know whether the company had it. I simply drew my cheque and went to the bank and gave it to him. I made that entry, so that there would be $4,000 more due.

"*By Mr. Geoffrion:*

"Q. What is the entry?—A. $1,000.

"Q. It was paid on a call for $5,000?—A. That entry on that date would not be made unless I wanted to get the cheque back from the company."

R. H. McGreevy says:

"Q. Did you explain the items of $1,000 and $4,000 on August the 3rd and 8th?—A. Yes. Members of the firm that I spoke to on that said they gave them to Thomas McGreevy.

"Q. Which members of the firm?—A. Mr. Murphy and Mr. Connolly.

"Q. Did they say what it was asked for or given for?—A. Yes; they said—Mr. Murphy told me—that Thomas McGreevy came to him and said Sir Hector Langevin was about leaving and this money was necessary.

"Q. And the $4,000?—A. The same for the $4,000.

"*By Mr. Geoffrion:*

"Q. You say that you are aware that the $4,000 were paid by Nicholas Connolly?—A. Yes.

"What information did you receive from Nicholas Connolly as to the $4,000?—A. The only further evidence I can offer on part of that $5,000 is that I met Thomas McGreevy in Dalhousie street about four o'clock on that afternoon of 21st July, and he told me he had received $1,000 from Mr. Murphy. About the $4,000, I do not know any more than I have said.

"Q. Do you remember whether Sir Hector Langevin was in Quebec at that time?—A. I do not.

"*By Mr. Osler:*

"Give the year?—A. 1887.

N. K. Connolly says:

"In Exhibit 'B5,' to be found at page 105, being a statement of alleged payment in connection with Quebec Harbour Improvements, there is an item of $1,000 and another item of $4,000 in August. Mr. Murphy was asked what explanation he could give to the Committee as to the item of $4,000; and at page 188 the answer is: 'Mr. Connolly told me he had paid the $4,000'?—A. Who is that?

"Q. To Sir Hector Langevin?—A. I never told him anything of the kind.

"Q. Did you ever tell Mr. Murphy you had paid $4,000 to Sir Hector Langevin?—A. No; I never did.

"Q. Did you make such a payment?—A. Sir Hector never spoke to me about money and I never spoke to him.

"Q. Did you ever state to him you had ever paid such a sum to Mr. Thomas McGreevey?—A. No; I never did.

" Q. Were you made aware of the fact, or tell the fact to Mr. Murphy, at that time or afterwards, that these two payments of $1,000 and $4,000 were made as he states they were made in his evidence to Thomas McGreevy ?—A. No.

" Q. You never were made aware ?—A. No ; I never was aware."

As to the balance of $4,000, N. K. Connolly denies in his evidence (above) that he ever paid it or said that he paid it to Thomas McGreevy.

Robert McGreevy swears than on the 18th May, 1885, he gave $1,000 to Thomas McGreevy, that Thomas had asked him for this for Sir Hector, in Ottawa, but that he had not the money at the time and that he gave it to Thomas McGreevy in Quebec eight or ten days afterwards.

This is denied by Thomas McGreevy and by Sir Hector Langevin as already observed.

In view of the explicit contradictions of the incriminating evidence against Sir Hector Langevin, given by Owen E. Murphy and Robert McGreevy, it seems necessary to notice briefly the facts which bear upon the credibility of these two witnesses.

Owen E. Murphy came to Quebec in June, 1880. He had lived 27 or 28 years in the City of New York, and had become Treasurer of the Board of Excise Commissioners of that city. In that capacity he held from time to time large sums of money and in December, 1877, he absconded from New York, taking with him $30,000 of the money which he held as treasurer. This amount, with $20,000 which he had previously embezzled, made up the sum of $50,000 for which he became a defaulter. He never returned to New York and none of the money has been refunded. Arriving at St. Catharines, Ont., he met his cousin, Nicholas K. Connolly, and entrusted him with the management of some business affairs in New York giving him for collection a cheque on some funds still standing to his credit as Excise Commissioner for an additional sum of $10,000. This cheque, however, Nicholas K. Connolly did not succeed in converting into cash. Until he arrived in Quebec Murphy does not appear to have remained long in any one place. After a short stay at St. Catharines he went to Ireland and England and thence to South America, where he remained about a year, coming back to St. Catharines and, finally, to Quebec in June, 1880, as above stated. He was, by his own admission,, an active participator in every transaction by which the firm or any of its members attempted to defraud the Government or to corrupt or over-reach the officials.

Robert McGreevy had been for years in business connection with his brother Thomas and likewise in his personal confidence. These relations were succeeded within the last two years by terms of the greatest hostility and by a course of litigation, both civil and criminal, in the Courts of Quebec. His credibility is likewise affected by his admissions that he may have made, during his brother's election contest in 1887, a solemn declaration or affidavit that his brother was not interested in a railway contract with him, which was contrary to the fact.

Your Committee, for the reasons above given, report that the accusation of personal corruption which is made in charge No. 1, above set forth, has not been sustained, but has been disaproved.

As to the second of these charges, relating to the contract for the Cross-wall and Lock, the Committee report that no evidence was submitted to show that Sir Hector Langevin was connected with " improper manipulations," or the giving of information improperly. It is proved that the firm of Larkin, Connolly & Co , contributed $1,000 to the Langevin Testimonial Fund at the date mentioned in the charge, but it is likewise proved that Sir Hector was not aware of that fact until it was given in evidence before the Committee and that he could not therefore have been influenced by that consideration in his dealings with the contractors.

CONCLUDING OBSERVATIONS.

Your Committee have the following general observations to make on the charges generally:

Having regard to various features which appear in the contracts which were the subject of this investigation, we feel bound to report that the members of the firm of Larkin, Connolly & Co. conspired to defraud the Government and the Harbour Commissioners, and were materially aided in their designs by the interference of Thomas McGreevy, as has been shown in earlier parts of this report. This conspiracy has been all the more powerful and effective by reason of the confidence which the late Minister of Public Works had in the integrity and efficiency of his officers and by reason of the confidence which the late Minister entertained with regard to Thomas McGreevy, and has accomplished results which are to be greatly regretted as regards the administration of the Department, and greatly to be condemned as regards those who lent themselves knowingly to the purposes of the conspirators.

The charges against Sir Hector Langevin, as already intimated, having been as above set forth, the Committee would observe that in course of the investigation an effort was made to connect him with the wrong-doing of others who have been reported against as directly connected with fraudulent conduct.

Your Committee, therefore, report that the evidence does not justify them in concluding that the Minister knew of the conspiracy before mentioned, or that he willingly lent himself to its objects.

The Committee recommend that, in addition to such action as may seem to be called for under the findings hereinbefore expressed, such legal proceedings as may be available be taken against those who are concerned in this conspiracy, and that for that purpose the books and papers which were before your Committee be retained (or so many of them as may be necessary) in order that they may be available for such proceedings.

MINUTES OF PROCEEDINGS.

(The Minutes of Proceedings from 15th May to 1st September will be found in Appendix No. 1 to the Journals.)

WEDNESDAY, 16th September, 1891.

The Committee met at 11 o'clock, a.m.

PRESENT:

Messrs. GIROUARD, *Chairman*,

Adams,	Davies,	Masson,
Amyot,	Desjardins (*L'Islet*),	McDonald (*Victoria*),
Baker,	Dickey,	McLeod,
Beausoleil,	Edgar,	Mills (*Bothwell*),
Chapleau,	German,	Moncrieff,
Choquette,	Ives,	Sir John Thompson,
Coatsworth,	Kirkpatrick,	Tupper,
Costigan,	Langelier,	Wood (*Brockville*).
Curran,	Lister,	

The Minutes of Tuesday, September 1st, were read and confirmed.

The Chairman submitted the Report of the Sub-Committee appointed to draft a Report to the House on the matters contained in the Order of Reference of the 11th May, which is as follows :—

WEDNESDAY, 16th September, 1891.

The Sub-Committee appointed to draft a Report to the House on the matters contained in the Order of Reference of the 11th May last, beg leave to report that they have held several sittings but have been unable to come to an unanimous conclusion; they therefore submit herewith two draft Reports, marked "A" and "B" respectively, the former prepared by Sir John Thompson and Messieurs Girouard and Adams, and the latter by Hon. Mr. Mills and Mr. Davies, leaving it to the Committee to decide which, if either, of the said draft Reports they will adopt as their Report to the House.

All which is respectfully submitted.

(Signed) D. GIROUARD,
Chairman.

"A"

DRAFT REPORT PREPARED BY SIR JOHN THOMPSON AND MESSIEURS GIROUARD AND ADAMS.

(*For this Draft Report see Seventh Report of the Committee.*)

"B"

SELECT STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS.

DRAFT REPORT OF SUB-COMMITTEE.

AS SUBMITTED BY HON. MR. MILLS AND MR. DAVIES.

Your Committee, to whom were referred certain charges made in his place in the House of Commons by Joseph Israël Tarte, the Member for Montmorency, in the month of May, 1891, beg to submit the following as their Report :—

By an Order, made by the House on the 11th day of May, 1891, and which constituted the authority of your Committee, your Committee was directed to enquire fully into the allegations made by the said Joseph Israël Tarte, and specially, but without limiting the scope of such enquiry, to investigate all circumstances connected with the several tenders, contracts, and changes therein, and the payments and other matters mentioned in the statements of Mr. Tarte, and to report the evidence taken before us, and all our proceedings in the reference, and the result of our enquiries.

The allegations made by Mr. Tarte, practically charged a conspiracy to have existed to defraud the Government of Canada of large sums of public moneys, in the letting and execution of the contracts for the construction of the Graving Dock and Harbour improvements at Quebec, and the Graving Dock at Esquimalt, British Columbia, and that the Honourable Thomas McGreevy, a member of this House, and other officials of the Government, and Larkin, Connolly Company, contractors, were parties to that conspiracy.

These allegations further charged the said Honourable Thomas McGreevy with illegally and improperly receiving for a series of years, beginning in 1883, from the Government of Canada, a yearly subsidy of $12,500, for the services of the steamer "Admiral," for plying between Dalhousie and Gaspé, the said steamer being actually owned by the said McGreevy, but being registered by him in the name of one Julien Chabot, in whose name the contract was made, as a screen for the benefit of said McGreevy, to avoid the consequences of a breach of the Independence of Parliament Act.

The allegations also charged the said Honourable Thomas McGreevy with improperly exacting and receiving out of the subsidies voted for the construction of the Baie des Chaleurs Railway Company, the sum of $40,000.

Your Committee began their labours on the fifteenth day of May last. They have held one hundred sittings, including twenty-nine sittings of their Sub-Committees and have examined seventy-one witnesses and a large number of official documents bearing upon the enquiry. The matter involving questions of a professional and technical character, your Committee found it necessary to engage the services of two Civil Engineers, Messrs. Jennings and Macdougall, and two Accountants, Messrs. Cross and Laing, whose reports upon the matters referred to them your Committee annex with the evidence taken. In order that the findings of your Committee may be clearly understood, it is necessary, first of all, to state the powers conferred and the duties and responsibilities imposed by Parliament upon the Ministers of the Crown, and other public officials, or bodies, under whom the public works referred to in Mr. Tarte's charges, were let and constructed.

These public works and undertakings embrace the construction of a Graving Dock at Lévis, a Tidal and Wet Basin or Dock, and other Harbour Improvements at Quebec, and a Graving Dock at Esquimalt, British Columbia.

The Docks and Harbour improvements at Quebec and Lévis were carried out under the authority of the Quebec Harbour Commissioners and the Minister of Public Works.

By the statutes of 1873, the Quebec Harbour Commissioners were given control of Quebec Harbour, and charged with the duty of making all necessary improvements therein. The Governor in Council was authorized by that statute to raise $1,200,000 to be used partly in redeeming old debentures and partly in defraying the cost of the improvements undertaken, such improvements being first sanctioned by the Governor in Council, on the joint report of the Minister of Marine and Fisheries and the Minister of Public Works. For the purpose, apparently, of giving the Government a controlling influence in the Board of the Quebec Harbour Commissioners, the Act of 1875 reconstitued the same and vested the power of appointing five of its members in the Governor in Council.

In the same year, 1875, the Governor in Council was authorized to raise $500,000 for the completion of the Graving Dock at Lévis. The location of the proposed contract and the dimensions, plans and specifications were to be approved by the Governor in Council, on the joint recommendation of the Ministers of Marine and Fisheries and Public Works, but the expenditure of the moneys was to be under the control and upon the responsibility of the Minister of Public Works alone. The words of the Act in this particular are very clear, and are as follows:—

And any moneys to be hereunder paid to the Quebec Harbour Commissioners, shall be so paid from time to time as the work proceeds, upon the report of the Minister of Public Works that such progress is satisfactory.

We are particular in calling special attention to this important safeguard inserted by Parliament in the Act, because the Brief of Counsel for the Department of Public Works submitted to your Committee is silent respecting it.

In 1880 another Act was passed authorizing the Governor in Council to raise $250,000, to be advanced to the Harbour Commissioners to enable them to complete the Tidal Dock at Quebec, begun under authority of the Act of 1873.

In 1882 an Act was passed authorizing the Governor in Council to raise a further sum of $375,000, to be advanced to the Harbour Commissioners, to enable them to construct the important work known as the Cross-wall and Lock of the Quebec Harbour improvements.

This Act provided that the plans of the proposed work should be prepared by the engineers of the Department of Public Works, and that they should be subject to the approval of the Governor in Council, and that public tenders should be called for, and the contract awarded by the Governor in Council.

The Quebec Harbour Commissioners, therefore, had no power or responsibility with regard either to the plans or the letting of the contract, these being entirely vested in the Minister of Public Works and the Governor in Council.

In 1883-84 and 1886 Acts were passed authorizing the Governor in Council to advance further sums of money to the Quebec Harbour Commissioners to enable them to complete the Graving Dock at Lévis, and the Wet and Tidal Docks at Quebec, amounting in all to $1,350,000. And in 1887 the Governor in Council was further authorized to raise $160,000 to be advanced to the Harbour Commissioners to enable them to complete the Graving Dock at Lévis, and $1,100,000 to enable them to complete the other works, but it was specially provided in this statute that these large sums of money were to be advanced in the same way and on the same terms and conditions as were enacted by the Act of 1875 with respect to moneys thereby authorized to be advanced. It would, therefore, seem beyond controversy that the responsibility for the expenditure of these moneys was specially charged by Parliament upon the Minister of Public Works.

The Graving Dock at Esquimalt was originally begun by the Government of British Columbia. In 1884, as part of an agreement then made between the Province and Canada, this Dock was taken over by the latter, and an Act of Parliament passed that year authorized the Dominion Government to purchase and complete that work.

The Department of Public Works necessarily assumed the responsibility of completing the construction of the work, and tenders were let by it, and the work carried to completion under the immediate supervision of the Minister and his engineer and other officials.

The relations which the several parties implicated in the charges referred to us stood to each other and to the Government of Canada and to the Quebec Harbour Commissioners, are important to an intelligent understanding of the evidence submitted.

The members of the firm of Larkin, Connolly & Company, during the time that our investigation covered, consisted of Patrick Larkin, Nicholas Connolly, Michael Connolly and Owen E. Murphy. Robert H. McGreevy had an interest given him in the profits of the firm in all the contracts taken by them at Quebec and British Columbia, excepting that relating to the Graving Dock at Lévis.

Mr. Robert H. McGreevy was a brother of the Hon. Thomas McGreevy, and for very many years had been his trusted and confidential agent, and the manager of his private affairs. The intercourse between the two brothers appears to have been harmonious and unbroken until the beginning of the year 1889. A large part of the correspondence which passed between them during this period, and which appears to have been very voluminous, could not be obtained by your Committee, as it was alleged to have been lost or stolen, but a number of letters written from Thomas McGreevy to his brother were produced and put in evidence, and as they contained statements made contemporaneously with the facts to which they relate, and on which the charges bore, they were of great assistance to your Committee in arriving at conclusions upon points with respect to which the memories of the witnesses were at fault or varied from each other.

The relations existing between the Hon. Thomas McGreevy and Sir Hector Langevin have for the past twenty years, and more, been of the closest and most intimate kind. As far back as 1876 Mr. McGreevy appears to have advanced for Sir Hector a large sum of money ($10,000) to pay his election expenses, and have taken his notes of hand therefor. These notes have been renewed every three or four months since then, and are still outstanding.

The interest appears to have been paid by Mr. McGreevy, and Sir Hector says that he understood Mr. McGreevy was to look after and protect the principal sum also. When Sir Hector became Minister, in 1878, he invited Mr. McGreevy to make his house in Ottawa his home. Mr. McGreevy did so, and ever since then had his own room in Sir Hector's house, and resided there during the Sessions of Parliament. He also had access to and a seat in Sir Hector's private room in the Parliament Buildings and kept there all his papers. Each of them had contributed largely towards the support of *Le Monde* newspaper, Mr. McGreevy's contribution at one time amounting to $25,000. The amounts paid by Sir Hector he (Sir Hector) could not recollect, but it was of such amount, and given, as he himself said, in such way, as to enable him to control the paper if and when necessary.

The Hon. Thomas McGreevy further appears to have been, during the whole period under investigation, the treasurer of the political funds of the Conservative party in the District of Quebec, and during the same period Sir Hector Langevin was the recognized political head or chief of the party in that district, and in many instances personally directed the application, for party purposes, of the moneys in Thomas McGreevy's hands.

The large sums which were received by Thomas McGreevy from these contractors went to form a part of this political fund, and his refusal to give information to the Committee as to his disposition of these sums leaves it impossible to state definitely to what extent Sir Hector Langevin received the benefit of them politically or otherwise.

The relations between Sir Hector Langevin, in his official capacity as Minister of Public Works, and Mr. Thomas McGreevy as agent of Larkin, Connolly & Company, will fully appear hereinafter, when in this report we consider the effect of the evidence as it bears upon the different charges under investigation, and the circumstances connected with those charges.

Both Sir Hector and Mr. McGreevy appear to have known personally the different members of the firm of Larkin, Connolly & Company.

As between themselves the partners appear to have had every confidence in each other during the years they carried on operations together, and, although it is now denied by some members of the firm, the letters put in evidence disclose that Murphy was a trusted confidant of the other members of the firm, and selected by them to carry out with Robert McGreevy many questionable and improper negotiations with the Honourable Thomas McGreevy, and through him with the Department of Public Works.

The operations of this firm of Larkin, Connolly & Company appear by the report of the skilled Accountants, to whom we referred their books, to have been on a scale truly colossal.

Between the years 1878, and 1891, inclusive, they received from the Harbour Commissioners at Quebec and the Department of Public Works at Ottawa $3,138,234.58; of this only $83,796.36 have been paid during the past two years, viz:—$73,602.77 in 1890 and $10,183.59 in 1891.

Out of this $3,138,234.58 there was paid for—

The Graving Dock and supplementary work at Lévis	$ 718,372 94
Wet and Tidal Docks and improvements Quebec	1,833,415 94
Esquimalt Dock, British Columbia, including $4,354.75 for a dredge and $249.54 for rails	586,445 70
	$3,138,234 58

Out of this sum these contractors made as trading profits nearly one million dollars, the exact figures being $953,975.53, showing that the cost of the works they constructed to them was $2,184,259. Out of this $953,975.53 they divided as profits amongst themselves $735,061.72, paid to themselves, as salaries, $48,466.67, and expended in bribery and "donations," $170,447.14. The particulars respecting the disbursment of this $170,447.14 we will refer to more particularly hereafter.

Of the $735,061.72 divided among themselves as profits—

P. Larkin received	$106,661 13
N. K. Connolly received	148,172 69
M. Connolly do	125,422 69
O. E. Murphy do	167,004 79
R. H. McGreevy do	187,800 42
	$735,061 72

Robert H. McGreevy, who received as profits the above sums of $187,800.42, contributed no capital to the firm, and so far from giving any portion of his time or talents in legitmately assisting the firm to carry out its undertakings, frankly admitted that he rarely if ever appeared near the works, but that or the contrary he and his partners did all they could to conceal from the public the fact of his being interested, and that the sole consideration for the profits he received was the influence he used with his brother to obtain contracts in the first instance for the firm from the Department of Public Works and the Harbour Commissioners, and secondly modifications and alterations of these contracts in the interest of the firm.

The books of the firm appear by the Accountant's report to have been carefully adjusted on the 31st of May, 1889, and the profits struck and divided amongst th four remaining partners. Larkin having retired on the 31st March, 1888. On th former date, 31st May, 1889, Murphy and McGreevy sold out their interest to th two Connolly brothers, receiving $70,000 therefor.

The book-keeper of the firm, M. P. Connolly, when under examination admitted that he had, since the charges were first made public, erased some of the entries showing amounts which were paid illegitimately in bribery and otherwise, and also the names of the parties who received the moneys. His memory was at fault with respect to many of the erasures, and he could not tell what he had erased. The efforts of your Committee, therefore, to trace the destination of these payments, have been to that extent frustrated.

The Honourable Thomas McGreevy having, whilst under examination, refused to disclose the names of the parties to whom he had paid the moneys he admittedly had received from Larkin, Connolly & Company, and disbursed for election purposes, we reported his conduct to the House, but as the step taken by your honourable body to enfore his attendance at your Bar to answer for his contempt have hitherto been unsuccessful, we are unable to report the disposition made of these moneys.

In order that the House may clearly understand our findings on the several matters referred to us, we propose to give a short statement of the facts as they appear to us to have been proved, in so far as they relate to the construction of each of the great public works with respect to which Mr. Tarte's charges apply.

No. 1.

DREDGING CONTRACT OF 1882, IN THE WET AND TIDAL DOCKS AT QUEBEC.

Mr. Tarte's allegations respecting the contract are contained in paragraphs one to nine, inclusive, of the statement made by him in the House and referred to us. They substantially charge, as stated by Counsel for the Department:

(*a.*) "That the Honorable Thomas McGreevy, being a member of the Parliament of Canada, and a member of the Quebec Harbour Commission, entered into an agreement with Larkin, Connolly & Co., after they had tendered for the dredging contract of 1882, by which, in consideration of their taking his brother, Robert H. McGreevy, into partnership with them, and giving him an interest to the extent of 30 per cent. in the work tendered for, he agreed to give and did give them in an undue manner his help and influence in order to secure to them the said contract.

(*b.*) "That to this end he, the said Thomas McGreevy, undertook to secure the dismissal of Messrs. Kinipple, Morris and Pilkington from their positions, and that they were so dismissed and replaced by Henry F. Perley and John E. Boyd."

The charges of Mr. Tarte are:

1. In 1882 the sum of $375,000 having been voted by the Parliament of Canada to carry out the works of the Harbour of Quebec, the Quebec Harbour Commissioners called for tenders in dredging in connection with the said works.

2. That Messrs. Larkin, Connolly & Co. tendered and were awarded the contract for the said dredging.

3. That in order to secure the influence of the Hon. Thomas McGreevy then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government of Canada, the firm of Larkin, Connolly & Co., with the knowledge of the said Thomas McGreevy, took as a partner Robert H. McGreevy, his brother, giving him an interest of 30 per cent. in the firm.

4. That the said Thomas McGreevy consented to his brother becoming a member of the firm, and stated that he had first consulted the Hon. Minister of Public Works, Sir Hector L. Langevin, and secured his consent.

"5. That the said contract signed on the 25th of September, 1882, stipulated that the works thereunder were to be finished by the 1st of November, 1884, but that the said Larkin, Connolly & Co. continued to perform the work of dredging under the scale of prices therein mentioned up to the close of the season of 1886.

"6. That in order to help Larkin, Counolly & Co. to secure the said dredging contract, the Honourable Thomas McGreevy agreed to give, and did give in an undue manner, his help as Harbour Commissioner to Larkin, Connolly & Co.

"7. That the said contract was approved and ratified by an Order in Council based on a report of the Honourable Minister of Public Works.

"8. That up to the year 1883 aforesaid, Kinipple and Morris, of London, England, had acted as engineers to the Quebec Harbour Commission, and that their resident engineer for carrying out the works was Mr. Woodford Pilkington.

"9. That in concert with Larkin, Connolly & Co. the said Thomas McGreevy undertook to secure the removal of Messrs. Kinipple, Morris and Pilkington from their positions, and that they were in fact so removed in 1883, and replaced by Henry F. Perley and John Edward Boyd, with the consent of the Honourable Minister of Public Works."

The first tenders for this work were invited by the Harbour Commissioners in May, 1882. Larkin, Connolly & Co. did not tender, because, as Murphy alleges, Thomas McGreevy advised him not to show their hands, and that the first tenders would not be opened. As a matter of fact, these first tenders were not opened; and on a motion made by Thomas McGreevy, it was decided to invite new tenders, to be received until 4th July. The pretense was that it was desirable that the depth of the Dock should be increased to 26 feet. This depth never has been reached. Six tenders were offered. The lowest was that of Fradet & Miller, which figured out a total of $98,450; then came that of Askwith, figuring out $128,860; the third one in order was that of Beaucage, which was really a tender of Larkin, Connolly & Co., prepared by Mr. Robert McGreevy, and figured out $131,267; Larkin, Connolly & Co.'s tender under their own name figured out $138,845, being ten thousand dollars higher than that of Askwith.

On the 10th of July the Harbour Commissioners required of Fradet & Miller a deposit of $10,000, to be made before three o'clock on the 12th of the same month. These contractors were also notified that they would have to begin the work on the 1st of August then next, and finish it by the 1st of November, 1883. Fradet & Miller protested against this new condition and the short time given them—about 24 hours—and had to give up the undertaking.

The Resident Engineer, Pilkington, reported to the Harbour Commissioners that their tender was too low, and that as a matter of prudence and expediency it should be rejected.

On the 12th of July Beaucage withdrew his tender. On the 18th of July Askwith made his deposit of $10,000, and asked to be given two weeks after ratification of the contract to get the necessary plant on ground. In a postscript to this letter he also asked for a delay of a week before binding himself, that is, before signing the contract, as he had just been informed that the lake dredges could not be adjusted for the tidal work. On 20th July the Commissioners answered that they gave him 24 hours to decide, and that if they received no answer within that time they would return his cheque.

Being unable to get all his plant for the first of the month Askwith withdrew his tender on the 24th of July. All lower tenders thus being disposed of, that of Larkin, Connlly & Co. was accepted, and the contract for this work was entered into with them on 25th September, 1882. As a matter of fact, they had no dredges or plant with which to begin work, nor were they required to begin until the spring of the following year. The conditions as to time which were exacted from Askwith were relaxed as to them. On 27th July the Harbour Commissioners transmitted the tenders and their acceptance of that of Larkin, Connolly & Co. to the Minister of Public Works for approval of the Governor in Council, and on the 31st of that month the Minister personally wrote the Secretary of the Commissioners, desiring to know whether they "had reason to believe that the tenders received, which were lower than the one they preferred, had been made in good faith, and that there had not been any collusion with respect to their withdrawal," to which the Commissioners replied "that they did not consider it necessary to defend themselves against a suspicion of a knowledge on their part of collusion between the tenderers." Finally, on the 21st of August the contract was ratified by the Governor in Council on the advice of the Minister. This contract, which was to terminate on the 1st day of November, 1884, was nevertheless continued until the end of the season of 1886. The quantities mentioned in the contract to be excavated amounted to 423,500 yards; the contractors have been paid for 1,877,859 yards.

In the summer of 1885 the money voted by Parliament being exhausted the Harbour Commissioners notified the contractors and the Minister of Public Works of that fact, and on the 21st of August (page 974) the Minister of Public Works wrote to the Commissioners that an understanding had been arrived at between Mr. Thomas McGreevy and himself, and that he consented to the expenditure of $50,000 on condition that the contractors did not call for payment until Parliament voted the money. The work was, after this letter, continued at the rates and on the conditions of the contract of 1882.

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

himself and who were under the control of the Department of Public Works. The contractors wanted changes in the contracts, and unfortunately they appear to have been able after the change of the engineers, to obtain anything they desired. It would seem that their principal object was to have these engineers out of the way in works to come. The Cross-wall was shortly to be competed for.

Mr. Valin swears in the clearest terms that Mr. McGreevy told him that it was necessary that Kinipple and Morris be removed; that the Minister of Public Works would give to the Harbour Commissioners the services of Mr. Perley; that it would cost less, &c.

Messrs. Perley and Boyd, both engineers in the Public Works Department, replaced Kinipple, Morris and Pilkington, whom the Commissioners paid in settlement of accounts a sum of $15,000 while retaining their services as consulting engineers for three years at a salary of $1,000 per year. Messrs. Kinipple and Morris received the full payment for their plans for the Cross-wall, although the work had not even been commenced, namely, $5,195.83 (page 1171).

Since the removal of Kinipple, Morris and Pilkington the following sums were paid:

To H. F. Perley	$ 7,250 00
John E. Boyd	6,125 00
St. George Boswell	18,374 90
	$31,749 90

These sums do not cover the salaries of Charles McGreevy and Laforce Langevin, appointed assistant engineers, the former for the Cross-wall and the latter for the South-wall.

However, the question of salaries is of a minor importance. For the true reason of the removal of Kinniple, Morris and Pilkington one must look at its results in the contracts for the Cross-wall in 1883, for the Graving Dock at Lévis in 1884, for the dredging in 1887, and for the Graving Dock at Esquimalt.

Boyd, a former employé of Mr. McGreevy, was recommended for the position of engineer to the Harbour Commissioners by Perley on the 28th of June, 1883, a few weeks after the passing of the Cross-wall contract and the fraudulent manœuvres which preceded it.

Before forming any judgment on the removal of Kinipple and Morris, it is necessary to read the explanations of the Harbour Commissioners with respect to their action, together with the reply of Kinniple and Morris to the notification of dismissal from the Commissioners in 1883. The Commissioners dispensed with their services without asking them for any explanation or giving them an opportunity to answer the charges made against them, one of the principal ones being that they were unacquainted with the climatic conditions of the country. They had been for ten years the engineers of the Quebec Harbour Commissioners. (*See* Exhibit "T1.") If it be true that they had made some mistakes, at least no charge of fraud had been brought against them.

Looking at the statements on both sides, it might he hard to condemn the action of the Commissioners were it not for the frauds perpetrated on the public subsequent to their dismissal.

No. 2.

CONTRACT FOR DREDGING OF WET BASIN AT 35 CENTS PER YARD, 23rd MAY, 1887.

The charges made by Mr. Tarte relating to the letting and carrying out of this contract have been analyzed by the counsel for the Department of Public Works in their Brief submitted to us, and as this analysis appears fair, we adopt it. It is as follows :—

(*a.*) "That in the winter of 1886–87 the said Thomas McGreevy proposed to, and made with Larkin, Connolly & Co., arrangement whereby the firm undertook to pay him $25,000, on condition that he would obtain for them the sum of thirty five cents per yard for the dredging of 800,000 cubic yards in the Wet Basin of the Quebec Harbour works, the said Thomas McGreevy knowing that dredging of the same kind and even more difficult dredging had, up to that time, been executed for twenty-seven cents per yard, and for even less, in the same works.

(*b.*) "That the said Thomas McGreevy used his influence, as a member of Parliament, with the Department of Public Works, and in particular with Henry F. Perley, to induce him to report to the Quebec Harbour Commission in favour of the payment of the said sum of thirty-five cents per yard, and that before the Quebec Harbour Commissioners were consulted a written correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co. took place, at the suggestion of the said Thomas McGreevy, with his knowledge and participation, was conducted in such a manner as to conceal from Parliament and the public the corrupt nature of the contract.

(*c.*) "That Larkin, Connolly & Co. paid to the said Thomas McGreevy $20,000 on account of this arrangement, and at his request $5,000 was left in the hands of one of the firm, to be used in the then approaching Dominion elections, at which the said Thomas McGreevy was a candidate.

(*d.*) "That in pursuance of the arrangement above set out, and through the intervention, effort and influence of the said Thomas McGreevy, and without any public tender being called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co. for all the necessary dredging and removal of material in the Wet Basin at the rate of thirty-five cents per cubic yard."

38. That during the winter of 1886-87 the said Thomas McGreevy proposed to, and made with the firm of Larkin, Connolly & Co., through certain members of the said firm, an arrangement whereby the said firm undertook to pay to him the sum of $25,000, on condition that he would obtain for the firm the sum of 35 cents per cubic yard for the dredging of 800,000 cubic yards in the area of the Wet Basin in the Harbour of Quebec.

39. That dredging of the same kind, and even more difficult, had previously, and up to that time, and to the knowledge of the said Thomas McGreevy, been executed for the sum of 27 cents per cubic yard, and even less in the same works.

40. That the said Thomas McGreevy used his influence as a member of this House with the Department of Public Works, and in particular with Henry F. Perley, Esq., to induce him to report to the Quebec Harbour Commissioners in favour of the payment of the said sum of 35 cents per cubic yard.

41. That the correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co., before the Quebec Harbour Commissioners were consulted, took place at the suggestion of the said Thomas McGreevy, and was conducted with his knowledge and participation, in such a manner as to conceal from the eyes of Parliament and of the public the corrupt character of the contract, in connection with which he received the sum of $27,000.

42. That Larkin, Connolly & Co. paid in money to the said Thomas McGreevy the sum of $20,000 in fulfilment of the arrangement above mentioned, and that at his own request a sum of $5,000 was left, to secure the election of the said Thomas McGreevy to the House of Commons at the general election of 1887, in the hands of one of the members of the firm, who, finding that sum insufficient, had to add thereto the sum of $2,000.

43. That on the 23rd of May, 1887, in fulfilment of the arrangement above mentioned, and through the effort, the influence and the intervention of the said Thomas McGreevy, and without any public tender having been called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co., for all the necessary dredging and removal of material in the Wet Basin of the Quebec Harbour works.

Your Committee have had no difficulty in reaching the conclusion that these charges have all been substantially proved. From the evidence it is established that in December, 1886, or January, 1887, Thomas McGreevy, wanting money for the Dominion elections, then about to take place, agreed with Murphy, representing Larkin, Connolly & Co., that if the firm would pay him $25,000 for the elections he would procure then a new dredging contract of 800,000 yards in the Wet Basin of Quebec Harbour works, at a price of 35 cents a yard. This agreement was afterwards communicated to the firm, and at Robert McGreevy's request Michael Connolly, one of the firm, in the presence and with the consent of Nicholas K. Connolly

and Owen E. Murphy, who were present, drew up and signed a memo. embodying the agreement, and also other agreements of a kindred nature relating to the works being carried on at Lévis and Esquimault. The memo. is as follows:

(Exhibit "M5.")

"If contract is entered into with Harbour Commissioners, and approved of by the Minister of Public Works, for eight hundred thousand yards of dredging at thirty five cents, to be dumped in river, or if in more difficult place to be paid extra, we give 25,000. All over 200,000 at Levis Dock. Extras British Columbia about 73,000, of which we give, 23,000.

"LARKIN, CONNOLLY & CO."

This memo. was handed to Robert McGreevy, or O. E. Murphy, and they both swore that it was taken by them and submitted to Thomas McGreevy, who said it was all right.

The figures 25,000 in the memo. were proved to mean $25,000.

Subsequently Larkin was requested to go to Quebec to see his partners on important business. He reached there on the 1st of February. The agreement was communicated to him and consented to by him at a meeting of all the partners except Michael Connolly, who had then left for British Columbia, and was consented to by him.

Mr. Larkin at the time made a memorandum of the transaction, which in his evidence he read and explained as follows:

(Exhibit "B15.")

"Quebec, February 1st, 1887.—Memo. of meeting this afternoon at the residence of N. K. Connolly, between N. K. C., O. E. Murphy, R. H. McGreevy and P. Larkin, and agreed that "twenty-five," "it does not go any further, but I know that that "twenty-five" means $25,000. The memo. goes on, "and agreed that 'twenty five should be given and charged to dredging contract if obtained. If not obtained, to be charged to B. C. and Q. H. I., and that a former proposal, a memo. of which was taken by M. Connolly, should be cancelled."

Mr. Larkin swore that the words "twenty-five," meant twenty-five thousand dollars, and of that there could be no doubt.

The evidence showed conclusively that while contemplating the possibility of their not getting the contract the firm was quite willing to take the risk, deeming it, as one of the witnesses expressed it, that they had good security for it in the fact "that they had given Robert an interest in the work."

$20,000 of the $25,000 were almost immediately paid to Thomas McGreevy. The money was drawn by means of four cheques made by Larkin, Connolly & Co. to the order of Nicholas K. Connolly and endorsed by him. As to the payment of the $20,000 there is no substantial dispute. The remaining $5,000 were, according to Murphy's statement, to be retained in his hands, and paid out to promote Thomas McGreevy's election. He swears to the disbursement of the $5,000 for this purpose and of $2,000 additional. This $2,000 was, after a good deal of disputing, allowed to Murphy by the firm of Larkin, Connolly & Co. and charged to expense account, in the same manner as the $25,000. As to whether the whole of this $7,000 was disbursed by Murphy for Thomas McGreevy's election a good deal of evidence was given, but the matter is quite unimportant, so far as the public is concerned, and we give no finding upon it.

In April following, and after the elections were over, Thomas McGreevy having been again returned as a member for Quebec West, was in Ottawa attending Parliament. He then and there appears to have carried out his part of the compact and secured for the firm the dredging contract. The history of his dealings may be gathered from his letters to his brother, written at this time. On the 16th April, 1887, he writes, (Exhibit "E2"):

"My Dear Robert,—I have just seen Perley about dredging. I have arranged to meet him on Monday to discuss his dredging report before he sends it to the Harbour Commissioners, also other matters about Graving Dock, &c."

On the 26th of April, 1887, he writes :—

" My Dear Robert,—I have just seen Perley on dredging. I think he will report on 35 cents and put in some conditions which will amount to nothing. He will report when I will be there."

On the 27th April, Mr. Perley wrote to Larkin, Connolly & Co. as follows :

" Ottawa, 27th April, 1887.

" Gentlemen,—There remains a large quantity of materials in the Wet Basin, Quebec Harbour works, a portion of which it is desirable should be removed during the ensuing summer, and the propriety of proceeding therewith I desire to bring to the notice of the Commissioners. Before I can do this I wish to obtain the price per cubic yard, measured in the same manner as was the dredging previously done by you, at which you will do what is required.

" I want only one price, which must cover the dredging to any depths required, which may not exceed fifteen feet below low water spring tides, and the conveyance to a place of deposit, whether in the embankment or in the river. An early answer will oblige.

" Yours obediently,
" HENRY F. PERLEY,
" *Chief Engineer.*"

On the 28th of April Larkin, Connolly & Co. replied as follows:

" Quebec, 28th April, 1887.

Sir,—Your favour of the 27th inst. is at hand. In reply, we would beg to say that we are prepared to do what dredging is required, as mentioned in your letter, for the average price of our previous dredging, viz., thirty-five (35) cents, although the difficulties are greater than we have had to contend with during the progress of our previous dredging, inasmuch as the passage is narrow, the currents stronger, and the distance to the place of deposit further.

" We are, Sir, your obedient servants,
" LARKIN, CONNOLLY & CO."

On the 6th May following Perley communicates these letters to the Harbour Commissioners and recommends " the offer of Larkin, Connolly & Co. for consideration," stating " he considered the price fair and reasonable," and suggesting " that the expenditure be limited to $100,000 during the year."

On the 10th May the Harbour Commissioners meet and agree to give Larkin, Connolly & Co. a contract agreeably with their tender, on the condition that the dredge material should be placed and levelled on the Louise Embankment, or in such locality as might belong to the Harbour Commissioners, and that the actual contract should be confined to work done during the summer of 1887, and limited to $100,000.

The contract was entered into on the 23rd of May, 1887.

It provided (1) That contractors should place and level the dredge materials on the Louise Embankment, or on such other locality belonging to the Quebec Harbour Commissioners, or that may be hereafter acquired, the balance to be dumped into the river; (2) That the dredging should be to any depth which shall not exceed 15 feet below low water spring tides, and was to be paid for at the rate of 35 cents per cubic yard; and (3) That the expenditure during the summer of 1887 was not to exceed $100,000.—*See* contract, p. 14 of the Blue Book (Exhibit " N 5.")

It will be observed that by the contract of 1882 Larkin, Connolly & Co. were to receive for dredging to a depth of 15 feet below low water 27 cents per cubic yard, and that they had continued dredging at that rate during the subsequent years, 1883-4-5-6, making handsome profits each year. No pretense of calling for tenders appears to have been resorted to, but this contract of 1887 increased their price 8 cents a yard, which, on the quantity proposed to be excavated of 800,000 yards, would give an extra profit over and above that made on their contract of 1882 of $64,000.

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

have raised a difficulty about it; but it was taking it out of the bank and throwing it into the river—taking what we had been protesting against for years, and allowing it to be thrown into the river.

"*By Mr. Edgar:*

"Q. If you had been aware they were going to be paid 45 cents a yard for the portion of this excavation which they put into the Cross-wall would you not have thought that 45 cents in place of 35 cents was somewhat of a high figure?—A. I should not have approved of it.

"Q. If you had known—as a matter of fact, I think I can tell; I have been informed it will be proved here that out of the dredging under that contract, which was paid for at the rate of 35 cents a yard, these contractors filled in all the Cross-wall, and were paid over $79,620 for it—how would you have characterized such a thing?—A. I leave it to every gentleman present to know.

"Q. But you were a party to giving the 35-cent contract, and you were unaware that they were going to be paid during that contract 45 cents a yard for part of this stuff they were taking out at the rate of 35 cents?—A. I stated distinctly the Cross-wall section we had nothing to do with, but I should say, with everyone here, if we were paying 70 or 80 cents for what ought to be done at 35 cents we were paying too much.

"Q. They only got 27 cents, before that, for the 15 feet dredging?—A. Yes; but the deeper you go the more expensive it would be.

"Q. But, do you not remember this 35-cent contract was not to exceed a depth of 15 feet below the low water line?—A. Yes."

And with respect to Sir Hector Langevin's knowledge and acquaintance with the details of this and other contracts of the Quebec Harbour Commissioners, Mr. Dobell also testified as follows (p. 771):

"Q. From your acquaintance with Sir Hector during all this time you have been on the Harbour Commission, you consider that he was very careful about details, and looking after all the matters himself, giving personal attention to them?—A. I never knew a man that seemed to be able to take in every detail as completely as Sir Hector has been in these works, and he did not seem to neglect it. He seemed to be familiar with them all.

"Q. He was perfectly *au fait* with all the details of the contract?—With everything.

"*By Mr. Amyot:*

"Q. So he must have known the dredging was paid at the rate of thirty-five cents and then forty-five cents?—A. I should say he must have known."

Mr. Valin, who for the last 12 years, and up to the Dominion election in March last was Chairman of the Harbour Commission, was also examined with respect to Sir Hector's relations with Mr. Thomas McGreevy, and this 35 cents dredging contract. His evidence, p. 492, is as follows:

"Q. Well, Mr. Valin, did Mr. McGreevy take a prominent position in the Harbour Commission? Did he appear to lead it?—A. Yes, sir; he appeared to have an idea of doing everything, for when I was first Chairman of the Commission I saw that Mr. McGreevy took the lead in a great many things. I remarked this to him, and he said: I must tell you that I am Mr. Langevin's confidential man; he requires a confidential man, and it may as well be me as another.

"Q. Did you have any conversations with Sir Hector Langevin upon this subject—on the subject of the position taken by Mr. McGreevy in the Commission?—A. Yes, sir; I had several interviews with Sir Hector on this subject.

"Q. Will you relate or explain to the Committee what the nature of those interviews was?—A. I told Sir Hector that Mr. McGreevy took this attitude in everything, and that he had told me he was in communication with the Minister. I asked him what his views were regarding that question, upon certain votes we had to give in the Commission—for instance, with reference to the South-wall. I told the

Minister that the names of Gallagher and Murphy might cause trouble with the firm of Larkin, Connolly & Co., because he was one of its members, and that he did not, from that, seem to me to be a different firm, and that it might cause trouble. He said: 'I have spoken to Mr. McGreevy about that; vote for that, and follow Mr. McGreevy, and I tell you everything will be all right.' He said to me finally: 'Whenever you come across anything like that, just follow Mr. McGreevy. You know that we meet frequently and that we consult together.' Therefore, I have always considered that I had the opinion of Mr. Langevin in the chair occupied by Mr. McGreevy beside me, and whenever an important vote was to be given I have always consulted Mr. McGreevy, because I believed such were the views of Mr. Langevin.

"Q. This was after all the conversations that you held?—A. It was very nearly always the same thing repeated. I had several conversations with the Minister. Every time anything important came up I consulted him, and always had very nearly the same answer.

"Q. Well, you say you consulted him. Did you consult him specially about the South Wall contract?—A. Yes, sir; because I believed that that would entail difficulties such as I have just now told you of; because I saw that one of the firm had separated himself from the others, and then he told me not to be troubled about the matter for everything was all right.

"Q. Did you consult him on other matters besides that of the South-wall?—A. Yes, sir; I consulted him on other matters very often.

"Q. Had you an occasion to consult him, to confer with the Minister with reference to the contract for dredging in 1887?—A. Yes, sir; I spoke to him about that. He told me that from information he had received he believed the change was desirable, and that he had spoken of it, he said, to Mr. McGreevy, and that he believed it was the best thing to do.

"*By the Chairman:*

"Q. You said that you consulted the Minister about the dredging?—A. Yes; explained the matter of the dredging to him.

"Q. Did you give him your advice?—A. Yes; I gave him my opinion.

"Q. But there was a difference of opinion between you and Mr. McGreevy?—A. Well, it was merely with reference to the right of giving information. I wanted to speak to the Minister to know whether he approved of the matter.

"Q. Did you give any information contrary to Mr. McGreevy's?—A. No; I wanted to know whether it was his advice, because I would not do anything until the Commission were informed, because it was money voted by Parliament."

Again, on cross-examination, page 498:

"Q. You were appointed Chairman of the Harbour Commission by the Government yourself?—A. Yes; that is to say, I was elected by the votes of the Commission.

"Q. But it was understood that it was the Government that appointed you?—A. Yes.

Q. Now, when you were appointed chairman of the Harbour Commission, were you put there as a safeguard to the interests of the Commission, or to do as Mr. McGreevy would tell you to do?—A. That is what I told at my examination-in-chief. When I saw that Mr. McGreevy wanted to take the control, then I asked the Minister whether I did well in following his advice or not.

"Q Then, when Mr. McGreevy proposed anything before the Commission you considered you had nothing to do except accepting his propositions?—A. Not always, since on various occasions I consulted the Minister of Public Works. If you want to know a little more, Mr. Fitzpatrick, I will tell you. On one occasion Mr. Langevin said to me: If the Commission does not act properly I shall dissolve it.

"Q. Will you tell us what the different points were upon which you consulted with Sir Hector, and with respect to which you considered that the Committee was not doing its duty—in other words, did you ever complain to Sir Hector Langevin that Mr. McGreevy was doing something in the Harbour Commission that he ought

not to have done?—A. I never complained particularly by saying that some one was doing wrong in the Commission; I simply said what I have told in my examination-in-chief, namely, that Mr. McGreevy had the air of taking the control of matters, and always made use of Sir Hector's name, and I wanted to assure myself, by private conversation with Sir Hector as well as by private conversation with Mr. McGreevy, whether such was really the case. Then, I said certain things to Sir Hector, which were afterwards repeated to me, particularly the last words that I have just told: 'that if the Commission did not do well he would dissolve the Commission.' These words were repeated and reported to me by Mr. McGreevy, and that proved that communications were made between Mr. McGreevy and Sir Hector."

Again, at page 499:

"*By Mr. Amyot:*

"Q. If it was not according to what you considered right to be done at the time, why did you not speak of it before the Harbour Commission, and why did you not speak about it to Sir Hector Langevin?—A. I did not speak to Sir Hector Langevin about it because I had his words I have told you, namely: that I should act and not make any mistake; to follow Mr. McGreevy and I could not make a mistake, for that he was our mutual friend, a trusty man— and then I followed him. I did not speak about it to the Harbour Commission, because it was Mr. McGreevy's wish that it would not be spoken about.

"*By Mr. Curran:*

"Q. So that it is with regard to his position as Minister of Public Works that you had relation with Sir Hector?—A. Always with Sir Hector.

"*By Mr. Amyot:*

"Q. Of how many members was the Harbour Commission composed?—A. We were nine.

"Q. Five were appointed by the Government?—A. Yes; five by the Government.

"Q. And it was the majority of the nine who appointed the chairman?—A. Yes, sir.

"Q. Had you cognizance whether a contract was made for 35 cents a yard for the deepening of the Basin?—A. There were two contracts.

"Q. The second contract?—A. Yes, sir.

"Q. You only ratified the instructions that came from Ottawa?—A. Yes through the medium of Mr. McGreevy, who spoke in the name of Mr. Langevin, and I believe I spoke about this to the Minister, as I said when I was examined before.

"Q. You said that the contract for dredging at 35 cents was given by the orders and directions given by Mr. McGreevy, as representing Sir Hector Langevin at the Harbour Commission?—A. I said that I saw by that, after having been informed by Mr. McGreevy that it was all correct, that the matter had been decided by all the Commission as it is entered in the minutes.

"Q. Is it not true that this contract for 35 cents, of which you have just spoken as having been given because Mr. McGreevy had requested that it should be so done in the name of the Department, was given at a meeting of the Commission held on the 10th of May, 1887, and that this was on the authority of a letter written by Mr. Perley?—A. I do not tell you that a letter did not come from Mr. Perley; I am not speaking to you about that at all; but I tell you that I had the idea from Mr. McGreevy telling me that it must be done, that it was the best thing to do and that we must do it."

In the evidence of Sir Hector Langevin, and which was presented in the form of a carefully-prepared written statement, Sir Hector makes no allusion to Mr. Dobell's statement above given nor does he question the accuracy of Mr. Valin's statements with respect to this and other contracts of the Quebec Harbour Commission, excepting one. Sir Hector says:

"Mr. Valin states in his evidence that I told him to follow always Mr. Thomas McGreevy at the Quebec Harbour Board, and that he always did so, convinced as he was that it was my wish and desire. This I must positively deny. Mr. Valin evidently is quite mistaken."

The entire statement made by Sir Hector on this contract is as follows:

"CONTRACT 5—1886-87.

"*Dredging of the Wet Dock.*

"Mr. Tarte contends that by the influence which Mr. Thomas McGreevy had in the Department of Public Works the Chief Engineer made a report for the purpose of obtaining for Messrs. Larkin, Connolly & Co. the dredging at exorbitant prices. I had nothing to do with the contract of this work. The Commissioners have themselves given the contract, as the Statute authorized to do, without being bound to obtain the approval of the Government to their draft contract or the dredging work. I had no other duty but to recommend the payments at the request of the Commissioners, backed by the advice of the Chief Engineer of my Department.

"I have never attempted to influence the Harbour Commissioners, and I have not been subjected to any undue influence in connection with the payments which I have recommended in their favour."

As the evidence of Mr. Valin and Mr. Dobell had been, for a long time, in Sir Hector's hands before he made his statement, and as he has neither denied nor explained them except as above, we feel bound to accept them as true.

FINDINGS.

We find that Mr. Tarte's charges with respect to this contract are proven.

That the letting of the contract was the result of a corrupt bargain made between McGreevy and members of the firm of Larkin, Connolly & Co., by virtue of which $25,000 were paid to and for McGreevy for his influence.

That McGreevy successfully used his influence to procure the contract for them without calling for any tenders.

That under the contract enormous sums of public moneys were paid to Larkin, Connolly & Co., beyond what the work was worth, and beyond the actual quantities dredged by them.

That contrary to the terms of the contract, they were paid $22,500 and upwards for the portion of the material dumped in the Cross-wall.

That Mr. Perley had received from the contractors jewellry and diamonds on the 9th of January, 1887, to the value of $1,885, which were intended as a bribe to improperly influence his conduct as Chief Engineer of the Department of Public Works, and as Engineer of the Quebec Harbour Commission, and that the facts connected with the letting of the contract and its subsequent execution were known to Sir Hector Langevin, the Minister of Public Works, and that the frauds were perpetrated at least with his passive connivance.

No. 3

CONTRACT FOR THE COMPLETION OF THE LEVIS GRAVING DOCK, 23RD JUNE, 1884.

"That in the year 1884 the said Thomas McGreevy agreed with members of the firm of Larkin, Connolly & Co. to secure for them a contract for the completion of the Graving Dock at Lévis, on condition that he should receive from them any excess over the sum of $50,000 of the contract price, and that accordingly the said Thomas McGreevy afterwards received from the said firm the sum of $22,000."

23. That in 1884 Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission, by appointment of the Government, agreed with the firm of Larkin, Connolly & Co., and certain members thereof individually, to secure for them a contract for the completion of the Graving Dock of Lévis, one of the conditions of the agreement being that he, Thomas McGreevy, should receive any excess over the sum of $50,000 in the contract price.

24. That to the detriment of the public interest, a contract was signed in or about the month of June, 1884, for the performance of the said works, and that subsequently the said Thomas McGreevy received the price stipulated in the corrupt arrangement above mentioned, namely, $22,000.

In order to arrive at an intelligent judgment on this charge, it is necessary to review the facts connected with the letting of the original contract, the manner in which that contract had been carried out up to the time when the supplemental contract was entered into, the entering into that supplemental contract, and the payments which have been made to the contractors from time to time.

The original contract was entered into the 17th of August, 1878, between the Harbour Commissioners of Quebec and Larkin, Connolly & Co.

It provided that for the consideration of $330,953.89 the contractors should build and finish a Graving Dock at Lévis 500 feet long and 100 feet wide, and hand the same over to the Commissioners completed in accordance with drawings and specifications on or before the 1st of June, 1882.

Most effective provisions were inserted securing the Harbour Commissioners from any claims for extras or damages, and holding the contractors responsible not only for failures and delays in the execution of the contract, but also for the stability of the work itself, and all its plant when built.

Special clauses were inserted throwing the risks and responsibilities upon the contractors with respect to the foundations on which any of the works were to be erected, or with regard to the materials to be excavated.

We mention these clauses in passing, because they seem afterwards to have been ignored, when entering into the supplemental contract with the contractors, and in the settlement of their claims.

Difficulties arose with regard to the foundations of the outer walls of the Dock shortly after the contract was entered into, but little evidence was given to us respecting the nature or cause of these difficulties.

In June, 1884, the contract was still far from completion, and up to that time it was shown that the contractors had presented a bill for extras of $40,659.74, and had been paid an additional sum of $141,326.80 for alleged expenditure on an auxiliary dam constructed by them in an effort to obtain a foundation for the walls of the Dock at the outer end.

This work had been done by day's work, and the Government charged with the material used, but the profits, it is alleged, were not large.

In the spring of 1884 a corrupt agreement was entered into between Thomas McGreevy and Murphy, whereby McGreevy undertook to get the Dock shortened some 55 feet, and to pay the contractors a large sum of money, and Murphy undertook, on the part of Larkin, Connolly & Co., that if the Dock was so shortened and a lump sum of money paid to them to complete it by the end of the season of 1884 the firm would pay to McGreevy all they received over $50,000. At the same time Murphy submitted to McGreevy an estimate in pencil made by the engineer of the firm, one Hume, showing that it would cost $43,980 to complete the Dock. This estimate was produced before us, and put in evidence. In addition to this $43,980 there was a caisson to cost $10,000, making in all $53,980, or $54,000 in round figures.

Some little discrepancy existed in the evidence as to whether the sum agreed to be paid to Mr. McGreevy amounted to $14,000 or $22,000, but there seemed to be little doubt that he was to get all that the contractors received over $50,000.

Shortly afterwards Robert McGreevy, who was not interested personally in the contract, was in Ottawa, and on the 13th March, 1884, wrote to Murphy. (Exhibit "U12"): "I will get my brother to interview Perley with Valin, before I leave, on Graving Dock."

On the 17th either of April or May, he again writes Murphy:

(Exhibit "V12.") "OTTAWA, 17th 1884.

"MY DEAR SIR,—The result of the interview between Mr. Perley and my brother was that he, Perley, will write you to ascertain the rate at which you will complete the Dock, giving a guarantee of completion within this year or the season of naviga-

tion. I will be down in a few days to see you. In the meantime, do not reply until you see me. The question of some diminution in the value of the Dock being shorter than contract came up. Perley says it is thirty-one feet shorter. I think that they can be convinced that only bulk some contract will ensure completion this coming season.

"Yours,

"R. H. McGREEVY."

On the 16th May, as promised in Robert McGreevy's letter, Perley writes to Larkin, Connolly & Co., asking them "for an offer for which they will complete the Dock during 1884 for a bulk sum," also a sum for the erection of a caisson. It would appear from this letter that the question of paying the contractors a lump sum to induce them to finish the Dock had been discussed between Perley and the contractors some months previously. On the 19th May Larkin, Connolly & Co. reply, offering to do the work for $64,080 and $10,000 for the erection of caisson chamber.

The original draft of the reply, in the handwriting of Robert McGreevy, was produced and put in evidence. It was sworn by Robert McGreevy and O. E. Murphy to have been submitted to and revised by Thomas McGreevy.

On the 24th May Perley writes two lengthy letters to the Harbour Commissioners, one stating that he had determined to shorten the Dock 55 feet and the other that he had received an offer from Larkin, Connolly & Co. to complete the shortened Dock for the bulk sum of $64,080 and $10,000 for a caisson, and recommending that the offer be accepted.

On the 29th May the Harbour Commissioners met and accepted these recommendations, subject to the approval of the Minister of Public Works, and on the 5th June Sir Hector Langevin reports to Council recommending that the action of the Harbour Commissioners be approved, "on condition that the caisson be completed by the 1st of November then next, that all risks and responsibilities be assumed by the contractors, and that they, the contractors, should make no claim for extras for the future."

The conditions attached to this recommendation of the Minister shows he must have carefully considered the subject, but in our opinion he must have known that in agreeing to pay $74,000 to Larkin, Connolly & Co. for work they were already bound, by their previous contract, to do, he was acting in a totally unjustifiable manner.

After the Governor in Council had approved of the Minister's report, the contract was, on the 25th day of June, 1884, duly entered into.

On the 2nd June, immediately after the Harbour Commissioners had accepted Perley's recommendations, notes were drawn up by Larkin, Connolly & Co. for the amount of $22,000 to be paid Thomas McGreevy.

Murphy says (p. 112): "There was one of $2,000 made to the order of Michael Connolly for two months. There was one of $5,000 made to my own order for three months. There was one made to Nicholas Connolly of $5,000 for four months. There was one made to Michael Connolly of $4,000 for five months. There was one made to Patrick Larkin for $6,000 for six months. The $6,000 note Mr. Robert McGreevy afterwards gave to me, and told me, his brother wanted smaller notes. I paid him $2,000 in cash and gave him two notes to the order of Michael Connolly for $2,000 each."

These notes were handed by Murphy to Robert McGreevy, who swears that he handed three of them direct to his brother the day he received them, and paid him the $8,000, being the proceeds of the other notes, later on. Thomas McGreevy says he does not recollect receiving the notes from his brother. The amount of $22,000 paid in retiring these notes appears, by the report of our Accountants, to have been charged in the books of Larkin, Connolly & Co., 30th April, 1885, under the head of "incidental expenses," and we have no hesitation in finding that it was so paid by Larkin, Connolly & Co., and that the whole or greater part of it was received by Thomas McGreevy.

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 Dececember, 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 employés, together with interest on $90,000 at 7 per cent. and the cost of maintainence 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.

The contractors seeing their right to claim damages admitted, and only the amount questioned, refused to accept the $30,900, and suggested an arbitration. The suggestion was adopted, and arbitrators named.

On the 8th of March, 1888, Thomas McGreevy writes to his brother:
(Exhibit "B13.") ("Second letter to-day.")

"HOUSE OF COMMONS, CANADA.
"8th March, 1888.

"MY DEAR ROBERT,—Tell Murphy I have seen Perley, and he will report to arbitrators or Commission of the amount to be submitted to them, which will be on their total claim of $814,000. At the last meeting they wanted to make it out that the amount to be submitted was the balance of $110,000 for damages; that would be about $80,000, instead of $274,000, so that matter is settled. I seen Lavelle this morning; he has gone off satisfied. Foley and Leonard are here on business; I have seen and trying to do what I can for them, and will get all the information on the Sault Canal before long. The Connollys have not come yet.

"Your truly,
"THOMAS."

On the 19th March, 1888, Perley writes that the contractors should furnish the claim they intend making before arbitration. A few days afterwards they answer that their account will be the statement presented previously to the estimate of 24th January, 1887, amounting to $814,000.

On 26th March they ask to change their arbitrator, which Perley, agreeing as he says, with Sir Hector, declines to recommend, and on the 1st of May Perley again writes, agreeing, without any arbitration, to pay them $35,000 in addition to the $30,900, or in all $65,900 on their claim of $110,000, an offer which the contractors at once accepted.

The entire cost of the Dock appears in the statement Exhibit "W17," produced by the Harbour Commissioners, and which we here reproduce, to have been $726,901.65.

(Exhibit "W17.")

SETTLEMENT OF 13TH OCTOBER, 1888.

GRAVING DOCK, LEVIS, IN ACCOUNT WITH LARKIN, CONNOLLY & CO.

	Dr.		$ cts.
	To amount paid per Engineer's certificates 1 to 38, inclusive..		521,539 26
1883.			
Oct 31.—To paid them acct. vote, 24 for work done.....	$ 2,900 00		
Nov. 5.—To balance of note	13,976 96		
			15,976 96
1885.			
Feb. 17—To paid Union Bank on acct. 10 per cent. drawback			25,000 00
1887.			
Sept. 16.—To Bank of B. N. America part of final certificate			77,887 18
Paid accounts as follows:—			
1887.			
Oct. 1.—Additions to engine-house.....	$ 4,285 76		
1888.			
April 17.—Dredging during Sept., 1887.....	7,167 70		
April 7.—Labour for booms	799 20		
April 7.—Electric light apparatus.....	2,500 00		
June 30.—Pontoon	2,750 00		
			17,502 66
May 29—To paid acct. sett'nt	$ 12,000 00		
June 27.— do	35,000 00		
June 30.— do	10,000 00		
			57,000 00

1889.		
Sept. 25.—Paid balance of Graving Dock funds in the hands of Commissioners		3,466 88
July, 1.—To balance due L. C. & Co. this date, and for which a letter of recognizance has been given, bearing interest at 6 per cent. per annum		8,528 71
		$726,901 65

(Pencil figures in margin.)

$57,000 00
3,466 88
8,528 71

$68,995 59
3,095 59 (less interest).

$65,900 00

Cr.

By total amount of main and supplementary contracts claimed at $841,241.98 and settled at	$706,303 40	
By accounts not included in this settlement	17,502 66	
Interest on final certificate of $30,900 from 24th Jan., 1887	2,579 03	
By 9 months' interest on $11,479.03, balance due, Oct., 1888, to July, 1889, at 6 per cent.	516 56	
		$726,901 65

(Signed) "J. A. S. WOODS,
"*Acting Sec.-Treas.*"

When it is considered that the original contract was $330,000, and that the Dock as then contracted for was 55 feet longer than the one actually built, some idea can be formed of the amounts improperly paid these contractors.

Before January, 1887, Larkin, Connolly & Co. had rendered their account of $814,241.98, to be found at page 1171 of the Evidence. On this they had been paid, as appears by Perley's estimate, $562,516.22, leaving a sum of $251,726 claimed by them as due. This account and the balance claimed by them serves to explain the meaning of the memo. drawn up by Micheal Connolly, and to be found at page 114, in which the firm agreed to give all over $200,000 due on Lévis Dock to their friends by way of donation.

Findings.

We find that Mr. Tarte's charges with respect to this work were true, and that Thomas McGreevy did agree with the members of the firm of Larkin, Connolly & Co. to secure for them a contract for the completion of the Graving Dock at Lévis on condition that he should receive from them any excess over the sum of $50,000 of the contract price, and that he was successful in procuring such contract for them, and did receive from them, in pursuance of the corrupt agreement, the sum of $22,000.

The Accountants' report to us, and we find accordingly that the firm of Larkin, Connolly & Co. realized as profits out of this contract the sum of $80,895.96. We also find that, in addition to these profits, there was corruptly paid by Larkin, Connolly & Co., out of the receipts from this contract, the sum of $45,035.28, of which Thomas McGreevy received $22,000.

We find that the supplementary contract for $74,000, except that part which related to the building of the caisson for $10,000, was entered into without any

justification, and that the contractors received this money without giving any consideration therefor, being bound by their original contract to do the work. And we find that all the facts were known to Sir Hector Langevin and his engineer, Perley, and that their conduct in assenting to the giving of this contract was highly censurable and a violation of public trust.

We further find that the payment of $65,900 to these contractors as alleged damages was illegal and unjustifiable. That the conduct of Perley in recommending it, and of the Minister in sanctioning it, was a violation of public trust.

That the express condition on which Sir Hector recommended the Governor in Council to agree to the supplementary contract, viz., "that the contractors should make no claim for extras for the future," was deliberately violated, and claims for extras to the amount of $50,241.02 were made and allowed, and that in permitting and sanctioning these payments both Sir Hector and Perley, his engineer, were guilty of violations of public trust.

No. 4

CROSS-WALL CONTRACT, 26TH MAY, 1883.

"(*a.*) That in the year 1883 Larkin, Connolly & Co., amongst others, tendered for the Cross-wall in connection with the Quebec Harbour Works, and that before tendering, and in order to secure the influence of the said Thomas McGreevy, they took into partnership with them Robert H. McGreevy, a brother of the said Thomas McGreevy, giving him a 30 per cent. interest in the work, and that this was done with the knowledge and consent of the said Thomas McGreevy.

"(*b.*) That among the parties tendering were a contractor named George Beaucage and one John Gallagher. That Beaucage's tender was made at the instance of the said Thomas McGreevy, and that with the knowledge of the said Thomas McGreevy, the tenders of Larkin, Connolly & Co., of Beaucage and of Gallagher were prepared by members of the firm of Larkin, Connolly & Co.

"(*c.*) That while the tenders were being examined and quantities applied in the Department of Public Works the said Thomas McGreevy obtained from the Department and from officers thereof, information in relation to said tenders which he offered to communicate, and did communicate, to Larkin, Connolly & Co. before the result was officially known.

"(*d.*) That to the knowledge of the said Thomas McGreevy the tenders of Gallagher and Beaucage were lower than that of Larkin, Connolly & Co., but in consideration of the promise of $25,000 the said Thomas McGreevy agreed to secure the acceptance of the tender of Larkin, Connolly & Co. That to this end he suggested to members of that firm to so arrange and manipulate matters with Gallagher and Beaucage as to render the tenders of these two parties higher than that of the said firm. That certain arrangements and manipulations were carried out as so suggested, and were participated in by the said Thomas McGreevy, and in consequence the said contract was awarded to the said Larkin, Connolly & Co. That shortly thereafter $25,000 was paid to the said Thomas McGreevy in fulfilment of the corrupt arrangement above stated, and about the same time a sum of $1,000 was paid by Larkin, Connolly & Co. towards "The Langevin Testimonial Fund.

"(*e.*) That in the course of the carrying out of the works the said Thomas McGreevy caused changes, against the public interest, to be made in the said contract."

10. That in the same year, 1883, tenders were called for a Cross-wall and lock in connection with the harbour works at Quebec, in accordance with plans and specifications prepared in the Department of Public Works under the direction of Henry F. Perley, Esq.

11. That several tenders were made, and amongst others who tendered were Messrs. Larkin, Connolly & Co.

12. That before tendering, and in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Board by appointment of the Government, Larkin, Connolly & Co. took into partnership with themselves, Robert H. McGreevy, a brother of the said Hon. Thomas McGreevy, giving him a 30 per cent. interest in the firm, and this with the knowledge and consent of the said Hon. Thomas McGreevy.

13. That among the parties tendering were a contractor named George Beaucage, and one John Gallagher.

14. That it was on the suggestion of the said Hon. Thomas McGreevy that Beaucage consented to make a tender.

15. That with the knowledge of the said Thomas McGreevy, the three tenders of Larkin, Connolly & Co., of Beaucage, and of Gallagher, were prepared by the members of the firm of Larkin, Connolly & Co., Beaucage being throughout deceived by the said Hon. Thomas McGreevy as to his position in the matter, as he alleges in an action recently entered by him against the said Thomas McGreevy in relation to the said contract, in the Superior Court of Montreal.

16. That the said tenders were transmitted to the Department of Public Works of Canada for examination and extension.

17. That while all the tenders were being examined and the quantities applied in the Department of Public Works of Canada, the said Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, promised to obtain and did obtain from the Department of Public Works of Canada, and from officials of that Department, in relation to the said tenders, to figures in connection therewith, and to the amounts thereof, information which he offered to communicate before the result was officially known, and which he did communicate to the firm of Larkin, Connolly & Co., and to certain members of the said firm individually.

18. That to the knowledge of the said Thomas McGreevey, the tenders of Messrs. Gallagher and Beaucage were lower than those of Larkin, Connolly & Co., but that in consideration of the promise of the sum of $25,000 to be to him paid, he, the said Thomas McGreevy agreed to secure the acceptance of the tenders of Larkin, Connolly & Co., and that he suggested to that firm and to certain members thereof individually, to make arrangements in connection with the said Gallagher and Beaucage and to so manipulate matters as to render the tenders of those two parties higher than those of the said firm, or at all events to secure the contract for Larkin, Connolly & Co., and that said arrangements and manipulations were carried out as suggested by him.

19. That in consequence of the said arrangement and manipulations, wherein the said Thomas McGreevy directly participated, the contract for the Cross-wall and lock in connection with the Quebec Harbour Works, was awarded to Larkin, Connolly & Co., on a Report to Council made by the Hon. Minister of Public Works, under date of 26th May, 1883.

20. That a few days thereafter the sum of $25,000 was, in fulfilment of the corrupt arrangement above stated, paid to the said Thomas McGreevy in promissory notes signed by the firm of Larkin, Connolly & Co., which said notes were duly paid.

21. That about the same date, namely, the 4th June, 1883, a sum of $1,000 was paid by the firm of Larkin, Connolly & Co. towards "the Langevin Testimonial Fund"—a fund destined to be given to Sir Hector Langevin.

22. That in the course of the carrying out of the works, the said Thomas McGreevy caused changes, contrary to the public interest, to be made in the conditions of the said contract.

The work done under the contract of 26th May, 1883, for the construction of the Cross-wall in the Quebec Harbour cost the country $832,448.44. It was thus, by far, the largest work done under any of the contracts included in this investigation.

Robert H. McGreevy had already, in September, 1882, been taken into partnership with Larkin, Connolly & Co., in a dredging contract at Quebec, and he was also admitted to a 30 per cent. share in the profits of the Cross-wall contract. His brother, Thomas McGreevy, was, at the time, fully aware of these interests, and subsequently received large sums out of Robert's share in the profits of that firm.

Elsewhere the dismissal of Messrs. Kinipple & Morris, the original engineers of the Harbour Works, is referred to at length, but its significance is increased when it is found to have been almost contemporaneous with the letting of the Cross-wall contract, and when their position was filled by Messrs. Perley and Boyd, whose connection with that contract will be pointed out herein. Perley was recommended to his position by the Minister of Public Works, and Boyd was recommended as assistant engineer by Perley.

The statute of 1882 (43 Vic., c. 17) provides for the construction of the Cross-wall, and, by its enactments, places this work under the special control of the Dom-

inion Government. The plans are to be prepared by the Department, tenders are to be called for by the Department, and the contract is to be awarded by the Department.

CROSS-WALL.

The plans for the Cross-wall were duly prepared by the Engineer of the Public Works Department, and, on the report of the Minister of Public Works, were approved by the Governor in Council.

For some unexplained reason, the Minister of Public Works ignored the Statute of 1882, and did not call for tenders through his Department, but arranged for this important step to be taken by the Harbour Commissioners.

The advertisement calling for tenders for the Cross-wall was dated the 16th of April, and requires the tenders to be in by the 2nd of May, or in a period of two weeks.

It was not inserted in any newspaper outside of the cities of Quebec and Montreal.

On the 2nd of May five tenders were received and opened by the Harbour Commissioners, and forwarded by them, the same day, to the Public Works Department, at Ottawa, where they were received on the 3rd or 4th of May.

The tenderers were:

John Gallagher,
Larkin, Connolly & Co.,
George Beaucage,
Peters & Moore,
J. & A. Samson.

In the advertised notice to contractors, it is particularly stated that the "signatures of persons tendering must be in their respective handswriting." This was not complied with by Larkin, Connolly & Co., whose only signature was "Larkin, Connolly & Co., per O.E.M." No objection seems to have been made on this point by the Department.

Of these five tenders it is proved that three were put in by, or in the interest of, the firm of Larkin, Connolly & Co., in order that they might so manipulate them as to make sure of the contract. The order as to prices of these three tenders was, when first sent in, as follows:

Gallagher,—lowest,
Beaucage,—next,
Larkin, Connolly & Co.,—highest.

The contractors were prepared to have done the work at the lowest tender if necessary, and by reference to the schedule H to the Engineer's report, it will appear that Gallagher's original prices would have brought the work, as completed, $133,673 below the prices paid to Larkin, Connolly & Co.

Mr. Thomas McGreevy, as a member of the Harbour Commission, had opportunity to ascertain the prices of the different tenderers on the 2nd of May, and that Peters & Moore's prices would bring them below Larkin, Connolly & Co's.

The importance of getting a formal assignment from Beaucage, whose tender was lower than Larkin, Connolly & Co.'s, at once occurred to them. This they obtained on the 4th of May for a proposed consideration of $5,000, to be paid if the contract was awarded him.

Mr. Thomas McGreevy reached Ottawa about the same time as the tenders. He placed himself promptly in communication with the officials of the Public Works Department, and forwarded, from day to day, all the information he thus received to his brother for the benefit of the firm.

He admits that he had received figures from Boyd in the Public Works Department, but claimed that Boyd was under his control, as being an officer of the Harbour Commission. Whether that would have been a sufficient plea or not is needless to discuss, for Boyd was not appointed to any position under the Harbour Commission until some time afterwards.

Up to the 13th of May, it was known by Thomas McGreevy that Peters & Moore were below Larkin, Connolly & Co., and he advised that the firm should stick to Beaucage's tender. On the 13th, Thomas McGreevy gave his brother, in Montreal, Boyd's figures, which seem to have confirmed their previous information—that Peters & Moore were lower than Larkin, Connolly & Co. Shortly afterwards, Thomas McGreevy met Murphy, in Quebec, and again being showed Boyd's figures, and being asked to provide the $5,000 to secure Beaucage, Murphy then proposed to pay Thomas McGreevy $25,000 to secure the contract for the firm at their own figures, which were the fourth lowest.

This offer was accepted by Thomas McGreevy, and this sum was afterwards paid to Thomas McGreevy by the firm of Larkin, Connolly & Co.

Murphy says he had plenty of margin out of which to make this offer, and that he is correct is shown by reference to Schedule H, Engineers' report.

To carry out this corrupt agreement it was necessary to figure the tenders of Beaucage and Peters & Moore above that of Larkin, Connolly & Co.

On the 16th of May a letter was written to the Minister of Public Works by one of the firm in the name of Gallagher (who was one of their foremen, and whose deposit was supplied by the firm), asking leave to withdraw his tender on a false excuse. This was acceded to by the Minister on Perley's recommendation.

An intentional and uniform error in the three tenders of the firm had been made in the item of sheet-piling, whereby if they were allowed to correct their figures they could shift any of them up very largely.

An opportunity was created for this shifting by Perley sending a letter to the three tenderers on the 17th of May, inviting them, if they choose, to correct the irregularities.

On the 16th the schedule of tenders had been handed to the Minister. Perley also says that he discussed these errors with the Minister, and, if not by his direction, at least with his knowledge, wrote the letters of the 17th to the contractors.

Mr. T. McGreevy was still in Ottawa, and was also in the fullest confidence of the Public Works Department; for he on the same date writes his brother as follows:

(Exhibit "D2.") "HOUSE OF COMMONS, CANADA, 17th May.

"MY DEAR ROBERT,— * * * As I told you yesterday to try and get a good plan, and as quick as possible, in answer to the letter that Gallagher and Beaucage will receive about their tender to bring them over L. & C., so as their tender will then be the lowest. The contract will be awarded from Ottawa direct. I think I will go down on Saturday to be in Quebec Sunday morning."

On 19th May Gallagher answers, by a member of the firm, that he had asked to withdraw his tender on the 16th inst., and that his prices were per foot, board measure, which, when extended, would bring his tender above that of Larkin, Connolly & Co.

On the same day, 19th May, the latter firm wrote the Department that they were willing to perform the work at the prices mentioned in their tender.

On the 20th the firm caused Beaucage's tender to be amended so as to substitute in the piling:

$19 for 19 cents.
$17 for 17 cents.
$15 for 15 cents, &c.

By which his total figures were increased some $47,000, and his tender was brought over Larkin, Connolly & Co.

The original schedule of quantities prepared by Boyd was laid before the Minister. The letters of the 17th of May to the contractors were authorized by him, and the results of the changes which were written upon the schedule in red ink in Perley's handwriting were submitted to him.

The Engineers reported to us that by a comparison, based on quantities taken rom the plans, specifications, and other sources, the tender of Peters & Moore was

much the lowest. They also reported that they had examined Boyd's estimate book, made up in the spring of 1884, and that the same result was shown therein. False quantities, however, were put in the schedule, by means of which the tender of Larkin, Connolly & Co. was made to appear lower than that of Peters & Moore.

The following table shows the figures finally adopted by the Minister and Chief Engineer:

John Gallagher	$552,255 00
Larkin, Connolly & Co	634,340 00
G. Beaucage	640,808 50
Peters & Moore	643,071 16
J. & A. Samson	864,181 00

Several tests were made by the Engineers in order to arrive at a true estimate, as of May, 1883, of the quantities which should have been applied to the tenders. They had the specifications upon which the tenders were made, and also a fairly complete set of plans of the Cross-wall, which consist of a series of numbered plans produced by Harbour Commissioners. They were prepared in the Public Works Department, and were proved, beyond doubt, to have been the only and original plans.

The tests which the Engineers were directed to apply to the case showed that, even giving Boyd the benefit of a very doubtful point, he must have found, on applying the proper quantities, that Peters & Moore's tender was lower than Larkin, Connolly & Co.'s, and that it could only be made higher by falsifying the quantities.

Briefly, these results are reached:

The Public Works Engineers finally scheduled the tenders in Exhibit "X3," making:

Peters & Moore	$643,071 16
Larkin, Connolly & Co	634,340 00
Leaving Larkin, Connolly & Co. lowest by	$ 8,731 16

The Committee's Engineers, at the foot of page 1303 give a statement based upon quantities taken from original plans and specifications, so far as they can be used, and supplement them by quantities in Exhibit "X3," making:

Larkin, Connolly & Co	$753,371 70
Peters & Moore	736,243 50
Leaving Peters & Moore lowest by	$ 17,128 20
To this add difference above	8,731 16
Leaving amount of figuring up of Peters & Moore	$ 25,859 36

A more conclusive test is to apply the prices of the two tenders to the quantities of the completed work as shown in the final estimates. This has been done, and appears at page 1305, Engineers' First Report.

The work done and paid for to Larkin, Connolly & Co. for Cross-wall was	$832,448 44
The same work at Peters & Moore's tender prices would be	762,587 48
Showing a clear loss to the country of	$ 69,860 96

The report of Perley, of the 23rd of May, advised the allowance of Gallagher's withdrawal, and the acceptance of Larkin, Connolly & Co.'s as the lowest remaining tender.

FINDINGS.

We find that the charges made by Mr. Tarte, and contained in paragraph 10 to 22, inclusive, have been substantially proved. That the said Thomas McGreevy did make, while he was a member of Parliament and a Harbour Commissioner, a corrupt

agreement with the said Larkin, Connolly & Co., whereby, for the consideration of $25,000 to be paid to him, he agreed to secure the contract for the Cross-wall for the said firm, notwithstanding they were not the lowest tenderers.

We find also that the fact of Peters & Moore's tender being lower than that of Larkin, Connolly & Co. was well known to said Thomas McGreevy, and was communicated by him to the members of the firm of Larkin, Connolly & Co. before their tender was accepted, and that in pursuance of the corrupt arrangement made between said McGreevy and the firm of Larkin, Connolly & Co., he, McGreevy, so manipulated and arranged matters in the Department of Public Works that the tender of Larkin, Connolly & Co. was falsely made to appear lower than any of Peters & Moore, and was accepted.

We find also that the said McGreevy was paid by Larkin, Connolly & Co. the sum of $25,000.

We find that the loss to the public treasury arising from the acceptance of Larkin, Connolly & Co.'s tender, instead of that of Peters & Moore, amounted to, at least, the sum of $69,860.96, and that, in addition to this loss, there was improvidently paid to Larkin, Connolly & Co. a sum of $22,412 for placing certain material they dredged from the Wet Basin in the Cross-wall.

We find there must have been a conspiracy between McGreevy and some one, or more, of the engineers of the Department of Public Works to procure the contract for Larkin, Connolly & Co., and we find it difficult to absolve the Minister from a knowledge of the existence of that conspiracy.

We find the Minister to have been guilty of a breach of public trust in permitting the double payment to be made for the dredging material used in filling the Cross-wall.

No. 5.

CONTRACT FOR THE COMPLETION OF THE ESQUIMALT DOCK, 8TH NOVEMBER, 1884.

"(*a.*) That before Larkin, Connolly & Co. tendered for the completion of the Graving Dock at Esquimalt the said Thomas McGreevy agreed to help, and did help them, in divers ways, amongst others, by obtaining from the Department of Public Works information, figures and calculations in respect of the proposed work and communicating the same to them.

"(*b.*) That with the knowledge and consent of the said Thomas McGreevy Larkin, Connolly & Co. took into partnership with them his brother, Robert H. McGreevy, for the purpose of securing the influence of the said Thomas McGreevy, the said Robert H. McGreevy taking a 20 per cent. interest in the work.

"(*c.*) That during the execution of the contract the said Thomas McGreevy acted as a paid agent of Larkin, Connolly & Co. in dealing with the Department of Public Works, and that he obtained for them at their request important alterations in the works and more favourable conditions, which enabled them to realize very large profits.

"(*d.*) That large sums were paid by Larkin, Connolly & Co. to the said Thomas McGreevy, for his services in dealing with the Minister of Public Works, the officers of the Department, and generally for his influence as a member of Parliament, and that in consideration of these sums the said Thomas McGreevy furnished a great deal of information, and procured to be made, by the Department and the Minister of Public Works, alterations in the plans and in the works, which alterations have cost large sums of money to the public.

"(*e.*) That in consideration of offers of large sums of money by members of the firm of Larkin, Connolly & Co. the said Thomas McGreevy

took steps to induce certain members of Parliament to assist him to obtain alterations and additional works, and at his suggestion members of Parliament were approached to this end by members of the said firm.

"(*f.*) That the said Thomas McGreevy did, at the request of Larkin, Connolly & Co., corruptly endeavour to procure the dismissal from office of certain public officers employed in connection with the works in order to have them replaced by others who would suit Larkin, Connolly & Co., the former being objectionable to Larkin, Connolly & Co., because they compelled them to carry out the works and accept estimates therefor according to the terms of the contract."

25. That in 1883 and 1884, tenders were asked for by the Government of Canada for the completion of the Graving Dock of Esquimalt, B.C.

26. That the firm of Larkin, Connolly & Co. were among those who tendered, and that the contract was awarded to them in pursuance of a report to Council, dated 24th October, 1884, and signed by the Honourable Minister of Public Works.

27. That before tendering, the said Larkin, Connolly & Co. had with Thomas McGreevy, then and now a member of the Parliament of Canada, communications and interviews, wherein they secured his services to assist them in dealing with the Department of Public Works, in order to secure the said contract.

28. That he agreed to help them, and that he did in fact help them in divers ways, and amongst other, by obtaining from the Department of Public Works information, figures, and calculations which he communicated to them.

29. That to the knowledge and with the consent of the said Thomas McGreevy, and for the purpose of securing for themselves his influence, Larkin, Connolly & Co. took into partnership with themselves his brother, Robert H. McGreevy, giving him a 20 per cent. interest in their firm.

30. That during the execution of the said contract the said Thomas McGreevy was the agent, or one of the agents in the pay of Larkin, Connolly & Co. in dealing with the Department of Public Works; that he endeavoured to obtain, and did obtain for them, at their request, important alterations in the works, and more favourable conditions.

31. That the said favourable conditions and the said alterations enabled them to realize, to the detriment of the public interests, very large profits.

32. That during the execution of the works large sums were paid by Larkin, Connolly & Co. to Thomas McGreevy for his services in dealing with the Minister of Public Works, with the officers of the Department, and generally for his influence as a member of the Parliament of Canada.

33. That in consideration of the sums of money so received by him and of the promises to him made, the said Thomas McGreevy furnished to Larkin, Connolly & Co. a great deal of information; strove to procure and did procure to be made by the Department and the Honourable Minister of Public Works in the plans of the Graving Dock and the execution of the works alterations which have cost large sums of money to the public treasury.

34. That he himself took steps to induce certain members of the Parliament of Canada to assist him, the said Thomas McGreevy, in his efforts, in concert with Larkin, Connolly & Co., to obtain alterations and additional works, for which large sums of money were offered to him by the members of the firm.

35. That on his suggestion members of the Parliament of Canada were approached by members of the firm of Larkin, Connolly & Co.

36. That certain members of the said firm have declared that the said members of the Canadian Parliament, on being so approached, had asked for a certain sum of money for exercising their influence in favour of Larkin, Connolly & Co. with the Minister of Public Works, and that Larkin, Connolly & Co. had agreed to give them money for that purpose.

37. That Thomas McGreevy, acting in concert with Larkin, Connolly & Co., did, at their request, corruptly endeavour to procure the dismissal from office of certain public officers employed in connection with the works of the Graving Dock at Esquimalt, in order to have them replaced by others who would suit Larkin, Connolly & Co., the former having for a time incurred the ill-will of Larkin, Connolly & Co., because they then compelled them to carry out the works in conformity with the specifications and contract, and prepared their estimates according to the terms of the said contract.

As to the foregoing charges upon the subject of the Esquimalt Graving Dock your Committee Report as follows: Tenders were invited for the completion of the Dock which had been commenced by the Government of British Columbia and which they subsequently transferred to the Government of Canada.

The first tenders were called for by the Department of Public Works on 12th November, 1883. Two tenders were received and opened on 5th March, 1884. One was from Baskerville & Co., for $465,309.54; the other from Starrs & O'Hanly, for $315,240.58.

In this call, as well as in that which was subsequently made, it was expressly stipulated that the tenderers should take over certain plant, tools and materials, &c.

at the sum of $50,288.69, which plant, &c., had been purchased from the Government of British Columbia. The contract subsequently entered into with Larkin, Connolly & Co. also had this provision inserted in it.

Starrs & O'Hanly wrote shortly afterwards to the Department, stating they had made certain mistakes in their tender (which Perley estimated at $25,000), and requested permission to amend, or, in case this was refused, to withdraw their tender.

On 17th April Perley reported to the Minister that Baskerville & Co.'s tender "was greatly in excess of the actual value of the work to be done," whilst "that of Starrs & O'Hanly was as much too low, and that they could not possibly execute the work for the prices named; that they had asked to amend their tender, a course not usually pursued, and that he recommended that neither tender be accepted and that the cheques of the tenderers be returned."

The following day Starrs & O'Hanly applied for their cheque, and received it back.

On the 17th of April the Minister reported to Council Perley's recommendation, and his report was approved on the 19th.

From the evidence submitted to us, it appears that Baskerville & Co. continued negotiations with the Department.

Stewart, of the firm of Baskerville & Co., swears that Perley sent for them to see if their tender could not be reduced below the appropriation given for the Dock and made some suggestions about changes.

Baskerville swears that Perley claimed that they were too high in their tender; and that if it should be brought down, some changes being made to justify the reduction, they could get the contract.

Perley thereupon told Baskerville & Stewart that Sir Hector had come to the conclusion that if they would put the required changes in writing they could get the contract, and then dictated to Baskerville a letter which he (Baskerville) then wrote and signed, and which is as follows:

(Exhibit "H4.")

"OTTAWA, 8th May, 1884.

"The Honourable Sir HECTOR LANGEVIN,
Minister of Public Works, Ottawa.

"DEAR SIR,—We have some time since submitted a tender for the completion of a Graving Dock at Esquimault, B.C.

"If you will agree to the substitution of solid masonry and dispense with the use of concrete and brick backing we will consent to build the same for $16 per square yard, which will reduce the bulk sum about fifty-three thousand dollars ($53,000). Hoping this will meet with your approval.

"We remain, your obedient servants,
"BASKERVILLE & CO."

After writing this letter Baskerville says that Perley told them "to hold themselves in readiness to take the contract—that they would get it."

On the following day, 9th May, Perley reported in favour of the acceptance of Baskerville's amended tender, which amounted to $362,000, "as a fair value of the work to be done to complete the Dock."

The next morning Sir Hector appears to have gone to Quebec, and did not return to Ottawa for some weeks.

While in Quebec Murphy swears he called to see Sir Hector Langevin and had a talk with him about the work. He stated that he had heard there were two tenders in, one very high and one very low, and he thought it probably possible to get the contract between the two tenders. He states that he then made a proposition to Sir Hector Langevin "to give 25 per cent. interest or a certain amount of money to get it lower than the highest tender," but that Sir Hector said he did not see how he could do it. Murphy further says that he and Sir Hector talked the matter over, and Sir Hector thought it better that he should re-advertise, and directed him to call on Thomas McGreevy. (P. 171).

On or about the 8th August, 1884, new tenders were called for, and eight were received. The lowest was Starrs & O'Hanly, $338,945.19, the next, Larkin, Connolly & Co., $374,559.53.

On the 13th October the Minister reported these tenders to Council, representing hat the lowest tenderers, Starrs & O'Hanly, ($338,944.19,) had deposited an accepted security cheque for $7,500, and that his Chief Engineer, Perley, had reported that, after deducting $50,288.69 to be paid for plant, as per specification, the balance which would remain, $288,656.40, was too small for the completion of the work in a satisfactory manner. The Minister recommended that in view of the large amount, $17,000, which the Government would hold as security for the performance of the contract, that Starrs & O'Hanly's tender should be accepted.

On the 21st October Starrs received the following letter from the Department: (Exhibit "M4.")

Copy of letter sent, No. 28376.

"DEPARTMENT OF PUBLIC WORKS,
"OTTAWA, 21st October, 1884.

"MICHAEL STARRS, Esq.,
"Clarence Street, Ottawa.

"Will you be good enough to call at this Department at once *re* Esquimalt Graving Dock.

"F. H. ENNIS,
"*Secretary.*"

Starrs went to the Department, as requested, and there met Sir Hector. He says that Sir Hector told him that his tender was too low, and he called in Perley and the matter was talked over. He further said that Sir Hector told him that he (Starrs) knew himself that there was $50,000 to pay for plant, that he could expect no extras, that it was straight sailing, and that there would not be enough left to complete the work; to which Starrs says he replied: "Sir Hector, I believe our figures are enough to do the work, but I see that you do not feel inclined to give me the work, and, consequently, I will withdraw." (P. 1160.)

Mr. Starrs was subsequently recalled and questioned more fully as to this conversation. He repeated the substance of his testimony already given, stated that he handed Sir Hector a cheque for $9,450, and added, as his reason for withdrawing from the tender, that Sir Hector threw so many obstacles in his way, showing him the lowness of his tender and the difficulties that his firm had to contend with, no extras, and $50,000 to be paid for plant, that he asked Sir Hector what he was to do to get his deposit cheque back. The Minister replied: "Write a letter to the Department, officially to me, and I will get your cheque returned." He said that Sir Hector told him he could write a letter stating that he had made a mistake in his tender, and that it was too low; and he further said that it was the hostility of the Minister that induced him to withdraw.

After he had agreed to withdraw Starrs swears that the Minister handed him back the cheque for $9,450 and said: "Thank God; you have relieved yourself of a great burden." (P. 1191.)

Immediately after this conversation Starrs & O'Hanley wrote their letter of withdrawal of 24th October and received back their deposit cheque of $7,500.

On the same day, 24th October, the Minister reported to Council this letter of Starrs & O'Hanly, and recommended that they be permitted to withdraw, and that the contract be awarded the next lowest tenderers, Larkin, Connolly & Co., whose offer was $374,559.53.

After the call for tenders had been issued Mr. Thomas McGreevy wrote a private note to Perley with respect to the estimates, rates and quantities of the British Columbia Dock. This letter is not forthcoming, but on the 11th September Perley replied as follows:

"CHIEF ENGINEER'S OFFICE
(Exhibit "R6.") "DEPARTMENT OF PUBLIC WORKS
"OTTAWA, 11th September, 1884.

"(*Private.*)

"MY DEAR MR. MCGREEVY,—Your private note of the 9th to hand, and in reply I send you herewith a copy of the specification of the Graving Dock, British Columbia, two copies of tender, and sheets showing the quantities of work to be done to complete the work, these quantities having been computed by the Resident Engineer in British Columbia. I cannot send the rates supplied by myself, as I have never determined them. My estimate of the probable cost to finish was arrived at *en bloc*, and amounted to $390,000, or, deducting the $50,000 for plant and materials (see specification), $340,000 net. I send a photograph of the work as it stands, which may be of assistance to you, but an examination of the plans on exhibition here is desirable. I am told the best and most suitable quarry is 80 miles from Victoria, at or near Nanaimo. You will see by the lists of plant, &c., that cement cost the Department $25 per ton landed, but to this must be charged the expense of unloading, cartage to works, storing, &c. I expect to be in Quebec on Monday, and could see you between two and four, as I want to leave at five and be back here on Tuesday at mid-day.

"Yours faithfully,
"HENRY F. PERLEY.

"Hon. THOMAS MCGREEVY,
"Quebec."

This letter and the enclosures showing the quantities of work to be done and Perley's estimate of probable cost of the work was passed on by McGreevy to Murphy, who swears that he had that letter and the enclosures in his possession several days and used the information contained in them in preparing his tender. (P. 171.)

Before Larkin, Connolly & Co. signed the contract it was clear that they made efforts to get a clause introduced into it relieving them from the condition on which their tender was accepted, requiring them to take over the Government plant, materials, &c., at the price of $50,000.

Patrick Larkin, in his evidence, at page 798, says that he went to Sir Hector Langevin's office, and drew his attention to the amount of materials that they were called on to take over and pay $50,000 for, and told him that one half of the stuff was of no use to them; that in reading it over any man accustomed to contracts could see at a glance that the stuff represented there was good for nothing at all. That Sir Hector sent for Perley, who came in, and had some sharp words with the witness. That he, witness, wanted a clause added to the contract, that the contractors should only pay for what material they should use, but that Perley would not consent to any such clause, and that Sir Hector said he would look into the matter. He further stated that the reason he signed the contract was that he relied on Sir Hector's assurance that he would have the matter looked into, and that he took it for granted a reduction would be made, though Sir Hector did not say so.

The following letter, written by Robert H. McGreevy just before the contract was signed, was also put in evidence (p. 211.):

(Exhibit "V8.") "QUEBEC, SUNDAY, 2 p.m.

"(*Private.*)

"MY DEAR SIR,—The memo. of yesterday *re* British Columbia Dock is with the Minister. He says that those conditions cannot be embodied in the contract, as it will be the same one as submitted to O'Hanley & Starrs, and it would not do to make it different; but he says that all what's asked is so fair that there will be no trouble in obtaining them, especially the $50,000 material one—however, you are to urge them just as if nothing had transpired; of course, it's for you and partners to say if

you will sign without them being embodied. Politics changes ; so does Ministers. I will be back Tuesday. My address will be St. Lawrence Hall, Montreal.

" I remain yours,

" R. H. McGREEVY.

" O. E. MURPHY, Esq."

From this letter it appears there had been a memo. made out respecting certain conditions the contractors desired in the contract, and that this memo. had been handed to the Minister. It is clear from this letter that one of the conditions relates to a rebate of part of the $50,000 to be paid for plant materials, &c., and that the writer, at least, had been informed there would be no trouble, especially in obtaining that condition.

Subsequent events showed clearly how accurate Robert McGreevy's information was. The memo. in question was not produced, and we have no further evidence of its contents than the above letter, written at the time, and the following extract from a letter written by N. K. Connolly to Patrick Larkin :

(Exhibit "G16.")

" POINT LÉVIS, 29th October, 1884.

" (*Private and confidential.*)

" DEAR SIR,—You will see by the enclosed message that we are offered the Esquimalt Graving Dock. I cared nothing about tendering for the Dock and scarcely expected to get it, but now we are offered it, and under the circumstances, I think it would be best to accept it, with the proviso that the changes we suggest are made and have been partially agreed between parties. They say there will be no security (cash) required by us. Our friends propose to arrange this ; moreover, there is no money paid for securing contract." (P. 1105.)

The amounts improperly paid by way of donations and otherwise out of the "Esquimault Graving Dock" outside of the $48,000 paid to R. H. McGreevy amounted to about $35,000. A statement was produced (Exhibit "E7") showing the items, which had been made up and signed by M. P. Connolly, the book-keeper of Larkin Connolly & Co. It is as follows :

(Exhibit "E7.") "ESQUIMALT DOCK.

August, 1885	$ 4,000
February, 1886	3,000
April, 1886	1,000
June, 1886	3,000
March, 1887	17,000
do Three Rivers	5,000
March, 1888	2,000
	$35,000

" Certified correct,

" M. P. CONNOLLY,

" 26th April, 1889." " *Clerk.*

The Accountants' report on this subject is as follows (P. 1380) :

"EAQUIMALT BOOKS.

" *Espense Account.*

" This account amounts to $89,946.29, divisible into three parts, viz. :—

Business expenses	$ 6,665 48
Payments to R. H. McGreevy of a one-fifth interest in the profits treated in the balance sheet as	48,195 81
Donations and extraordinary payments	35,085 00

The Accountants further report respecting these donations as follows (p. 1282):

The donations and other extraordinary payments appearing in the Esquimault expense account are as follows:

Year.	——	Amount.
		$ cts.
1885.		
August	Three drafts of N.K.C., $1,000, $1,000 and $2,000	4,000 00
1886.		
Feb	M. Connolly from Q.H.I	3,000 00
March 1	Gratuity to D. Higgins	500 00
do	do J.W	50 00
April	do do	50 00
	(Recurring items in following months, each $50, are entered as "petty cash")	
June	From Q.H.I	3,000 00
1887.		
April 30	Donation to *Colonist*	150 00
	do *Times*	150 00
do 18	Gratuity	35 00
do 30	do	50 00
	Subscription to suffers by coliery explosion at Nanaimo mine	100 00
1887.		
January 24	Cheque to order of O.E.M., $3,000 one-third to be charged to himself	2,000 00
	Cheque on U.B., 20th Mar., 1886, charged to Q.H.I., expense now charged to Esquimalt Dock	5,000 00
March 28	Allowed to N K.C., for a sum disbursed from private funds	5,000 00
	U.B. cheque No. 148, dated 3rd Jan., charged Lévis Graving Dock, now transferred as agreed	5,000 00
1888.		
March 8	For amount agreed to be expended by firm paid by N.K.C. from private funds	2,000 00
		30,085 00
	Deduct double charge	3,000 00
		27,085 00

The apparent discrepancy between this $30,085.00 and the $35,085.00 shown under the memo. expense account above may be accounted for in the fact that the payments to R. H. McGreevy amount to just $5,000 more than his fifth share of the profits divided.

The $17,000 charged in March, 1887, in the book-keepers statement, were explained by R. H. McGreevy in his evidence (page 626) to comprise $5,000 paid by him to Thomas McGreevy in the previous January, $10,000 which witness and Murphy both swore Nicholas Connolly told them he had paid towards Sir Hector Langevin's election at Three Rivers, and $2,000 disbursed by Murphy for Perley's jewellery.

The $10,000 were originally paid out by Nicholas K. Connolly by cheque and charged to Q.H.I., but on Robert McGreevy, who had a 30 per cent. interest in these contracts, objecting, it was transferred to the Esquimalt Graving Dock, in which he had only a 20 per cent. interest.

In this connection we may say that Sir Hector Langevin denied having any knowledge of this $10,000 expenditure, and Laforce Langevin, through whose hands a part of it was alleged to have passed, also denied having handled any of it.

This donation account also included three drafts of Nicholas K. Connolly in August, 1885, for $1,000, $1,000 and $2,000 respectively, a sum of $5,000 allowed Nicholas K. Connolly on 28th March, 1887, for a sum disbursed from his private funds, a

further sum of $2.000, on 8th March, 1888, for amount agreed to be expended by the firm and paid by Nicholas K. Connollly from private funds, and a sum of $3,000, alleged to be paid by M. Connolly in February, 1886.

Nicholas K. Connolly, when examined, was found to have a mind quite blank on these, as on all other questionable payments. He could give no information respecting any of them, and when pressed, declared on oath he did not remember. With regard to this witness we may here record our conviction that he had resolved to disclose nothing that would reflect injuriously upon himself or those whose secrets he believed it to be his interests to conceal. The same remarks may fairly apply to Michael Connolly. As a consequence, no sure information could be obtained as to the destination of these special amounts paid by them, but Robert McGreevy swore (p. 632) that the item of $4,000 charged in August, 1885, was represented by Nicholas K. Connolly as having been paid by him to Thomas McGreevy.

CHANGES IN THE CONTRACT.

In May, 1885, the contractors desired to have certain changes made in their contract, and amongst them, to get the entrance at the head of the Dock changed to a circular head. They continued to urge this change even after Perley and the Minister had recommended it, and on the 18th May, 1885, Michael Connolly writes from British Columbia to Murphy:

"As soon as this reaches you make no delay in seeing the proper parties and get the double entrance at the head of the Dock changed to a circular head, the same as the dock at Levis."

On the 21st January Perley reported in favour of this change, stating the additional expense would amount to $35,000. The Minister reported to Council, adopting Perley's report 26th January, and the change was carried out.

On the 18th January, 1885, Perley reported that the caisson chamber had been built of stone instead of brick, at a difference of cost of $6,000, which he recommended should be paid, and of this the Minister approved.

Shortly after the contract was entered into the contractors desired to have a change made from sandstone to granite in the stone lining of the Dock.

On the 12th of December, 1884, Nicholas K. Connolly writes from British Columbia to Murphy. (P. 369):

"Dear Friend Murphy,—I think Mr. T. would like to have the Dock builte of grannet and hee said that it would not cost much over sixty thousand in adishin to our prise for sandstone and I also think that the folkes heer would lik to mak it a hundred feet longer. If corse thoes thinges are for our frend two work on But for the substutin of grannet would bee worth one hundred thousand moeur and the lengthing preporson if course Mr. T. would have two bee seen in the avent of aney chaing as hee is the Dominion agent heer and all pourfull as well as our folkes there. We will want changes mad in the sise of the stone and paid for all the stone we put in that is we want to incrase the thickens and the weth of bed and bee alouded for it at our prise and in that way we will make a good thing. The best way would bee to have them order hever corses as by that it would give us a chance of an extra as well as giving us our prise. You can tell our friend But I will write you more fully in a day or two."

On 19th December he again writes Murphy.—"There is a very strong feeling heer that the dock must be built of grannet and a hundred feet longer or a hundred and fifty which you to advocat for you now that when the Canadian Pacific Railway completed and they get the line to China and Japan you now it would be a very unfortunate thing two have the dock too short or built of perishable material like sandstone when good granet can be had at very little more expence, of course we don't want anything more than the additional expence of cutting and other things. Mr. Trutch sent for me to-day and asked me in a very frendley manner about the stuf that I was objecting too and after a long conversation and at which I made some good pointes hee Mr. Trutch said hee would bee glad if the Dominion Government would take my vew of it and he said that hee would lay the case befour

Sir Hector and that hee would not inger us on the contrary would help us all he could I told him if that was the case ther would bee now truble. But wee would sucseed. Sow you want two prepair the folkes ther for thees thknges wee want them all we want the corses of stone incrased in sise & alowed for sade increase, If now more at last the scedule of rait, if corse wee can get a long with the sandstone and build verey well with it but there is maney cole vainis in it and hard laired of iron that is verey bad and it scales off with the wether and the other kind that is heer is hard and full of iron and discolors verey much this is the kind the mintt is built of in Sanfrancisco But if wee have to use sandstone wee will get it about 40 miles from heer and softer than what the used for the mint the quarry that the got the stone for the mint out."

On 12th of January, 1885, Michael Connolly writes Murphy. (P. 189.):

"If you have a chance, see Mr. McGreevy and have him arrange to have the second entrance at head done away with, and a circular head, same as at Point Lévis, substituted."

On the 16th of January, 1885, Michael Connolly again writes. (P. 205):

"The people here are also very anxious to have granite substituted for sandstone in the lock, and I think Mr. Trutch will also bring this matter to the attention of the Hon. Minister of Public Works. If there is a change made we cannot afford to make the substitution for less than $75,000, in addition to the present sum, and if it was a hundred thousand it would be all the better, and we can then afford to devote more to charitable purposes."

Shortly afterwards they changed their mind, and on the 8th of February we find Michael Connolly writing Murphy as follows. (P. 191):

"Nick at first was very anxious to have the stone changed to granite, but I hope no such change shall be made, for the granite here is terribly hard and the quarry about 180 miles distant. If possible get them to extend the Dock 150 feet and do away with the double entrance, but put in a circular head, the same as at Lévis, and let sandstone go in as it is. Be sure and do what you can in this matter. Dispensing with the double entrance head is very important, as it is very difficult work."

On the 21st of February, 1885, Perley reported to the Minister strongly supporting this proposed change from sandstone to granite, and stating that the extra cost would be about $45,000.

Murphy says (page 176) he got letters from his partners urging to have the sandstone retained, and if they got the larger courses of stone and beds they would make up the loss, and that Robert McGreevy started immediately for Ottawa, and had the granite cancelled.

Larkin says (page 812) that Nicholas Connolly wired him from British Columbia to see that the changes to granite were not made, and he took some part in the negotiations.

Before Perley's recommendation was acted upon the news that the contractors had changed their minds reached their partners in Quebec.

Robert and Thomas McGreevy came to Ottawa and were successful in stopping the change.

How this came about is shown by the following letter, which was put in evidence (P. 190) as (Exhibit "L7"):

"(*Private.*)

"OTTAWA, 24th February.

"DEAR MURPHY,—The 2nd entrance has been done away with. and circular head substituted at an increase of $35,000. The granit substitution was just about being sent to Council, but happily my letter came in time to put it back to sandstone, where it is now; high courses and beds will be put—the additional length will be hereafter settled. I think this is what you want, but it was a close shave. The $1 foot was to be given.

"I remain, yours, &c.,

"ROBERT H. McGREEVY."

On the 26th February, on receipt of R. H. McGreevy's letter, Owen E. Murphy writes Larkin as follows. (P. 816) :

(Exhibit "C15.")

"QUEBEC HARBOUR IMPROVEMENTS,
"124 DALHOUSIE ST., 26th February, 1885.

"P. LARKIN, Esq.

"DEAR SIR,—Your letter just arrived, and in reply would say that our friends here are greatly disappointed in the way we have treated them both here and at Ottawa; after everything was done to suit us, then it has to be undone again. I cannot understand Nicholas; as you know, Mr. Trutch stated there would be a letter in Quebec giving a detailed statement of what we wanted in the way of changes and proposed costs of the same. However, there came none. Of course, when Michael's letter came to me I had our friend send despatch to Ottawa stopping the substitution of granite. You see the position this places our friends in there before the Council."

On the 23rd of March, after having heard from Murphy, Michael again writes from British Columbia, as follows. (P. 208):

(Exhibit "O8."

"ESQUIMAULT, B.C., 23rd March, 1885.

"FRIEND OWEN,—Yours of the 10th just received to-day * * * * * I agree with you; things were badly mixed up and too much confused in reference to the granite. This was owing to not getting proper data on which to base figures when writing or tendering to the Department of Public Works. Nick at first thought, and indeed so did I, that we could substitute granite for sandstone at a very moderate advance on the price of sandstone. I should be very sorry to have our friends think that the matter was done intentionally or with any view to placing them in a false position. The first letters were written without giving the matter due consideration, which, I am ready to admit, was our fault, but after due examination we came to the conclusion that it could not be done for the price; therefore, we are grateful to our friends for having our proposition rejected. I am sorry to hear our friends are annoyed" * * * * *

In view of the facts contained in these letters, Sir Hector, in his sworn statement, says:

"I have only to say a word on the projected substitution of granite for sandstone. When Mr. Perley, who was favourable to that change, consulted me, I was inclined to assent to it. For prudence sake I spoke of it to Council. Council was of opinion not to accept the change, and I informed Mr. Perley accordingly."

In our opinion, this explanation is quite irreconcilable with the conclusion which must be drawn from the above extracts from the letters of Nicholas K. Connolly, Michael Connolly, Owen E. Murphy and Robert McGreevy.

RE-COURSING.

With respect to the change made in the re-coursing of the Dock walls, we find that the contractors in December, 1884, wrote from British Columbia to their partners, urging that they be allowed to substitute larger stone than those provided by the contract, and that they should be paid for them.

On the 24th of February, 1885, Perley wrote to Trutch, Dominion Agent in British Columbia, that he approved of the suggestion that the masonry in the Dock be built in heavier courses than called for by specification, provided it would not entail any extra expense on the Crown.

In April, 1885, Trutch telegraphed Perley that these alterations would increase cost of work by additional price of dressing stone, resulting from necessarily increased width of bed proportionate to increased depth of courses, to which Perley replied on the 20th April as follows:

(Exhibit "T5.")

Copy—No. 13428, Esquimalt Graving Dock.

"20th April, 1885.

"SIR,—I write in confirmation of the following telegram sent you to-day:

"'As the alterations in depth of courses was requested by the contractors for their own convenience, and not ordered by the Department, there will not be any extra amount of dressed stone allowed beyond the scheduled quantities, which will be adhered to in making estimates.'

"What I wish to convey in the above is that as the contractors suggested the change in the dimensions of the stone, and were not ordered by the Department to make the change, they (the contractors) have no right to be paid for any extra stone supplied.

"If they are permitted to place two courses of stone instead of three, it follows that they save the dressing of the beds, the setting of one course and the saving of cement, besides the saving in handling a fewer number of stones.

"Again, the use of the thicker stones does not increase the thickness of the walls; therefore, there must a saving in backing, and if an allowance for a greater quantity of face stone were made a reduction in the quantity of backing would follow.

"Your obedient servant,

"HENRY F. PERLEY,

"*Chief Engineer.*

"Hon. J. W. TRUTCH, C.M.G.,

"Dominion Agent, Victoria, B.C."

On the 4th of May, in reply to a telegram of the 2nd from Mr. Trutch, Perley writes that the contractors had informally applied in Ottawa for permission to change the courses of stone and that it had been granted them, and that no extra payment would be made to them on account of the change.

In his evidence (page 145) Perley explained that this application was made to the Minister personally and not to him. On the 18th of May Mr. Trutch informed contractors that the Minister had decided to permit them to use stone of increased size, on the express condition that no extra payment should be made therefor.

Notwithstanding these reiterated statements that no extra payment was to be made, and in contradiction of his reasons for not allowing anything extra contained in his letter of the 20th of April, Perley on his return from a visit to British Columbia recommends that they be paid extra, and the Minister adopts his recommendation, and on the 28th of May, 1886, ordered that the contractors should be paid full measurement for all the stone the have placed in the Dock and that this order should specially apply to the increase in the size of the stones rendered necessary by the change made in recoursing the work, and that all special stones should be measured fairly and liberally, and their sizes were not to be affected by any nosing check or groove.

REBATE ON THE $50,000 PAYMENT FOR PLANT.

It will be remembered, with reference to this $50,000, that the specification on which the tenders were made expressly provided that the contractor should pay the Government $50,000 for the plant and materials at the Dock. The contract when executed contained a similar provision.

Mr. Starrs swears that when Sir Hector was pressing him to abandon the contract, which had been awarded him by Council, Sir Hector urged that the $50,000 had to be paid in any event.

Mr. Larkin swears that when the contract was offered to Larkin, Connolly & Co. he refused for a time to sign it, unless he had assurances that a rebate would be made on the $50,000, and that he eventually signed on the statement of Sir Hector that he would look into it.

Robert McGreevy's letter, on page 211, seems to show clearly that the contractors had secret assurances from the Minister before signing the contract that a rebate would be made on the $50,000, though no such provision was to be embodied in the contract.

On the 16th of April, 1885, Bennett reported that the contractors took over, without demur, the plant and material to the value of $38,038.28, but expressed themselves reluctant to receive the balance. On the same day Trutch writes to Sir Hector Langevin that the contractors, Larkin, Connolly & Co., were unwilling to take over the articles of plant to the aggregate value of $12,403.09, as per schedule, as they did not find them suitable for their purposes.

On the 12th of May, 1885, Perley writes to Trutch: "I am directed by the Honourable the Minister of Public Works to state that the specification is very clear, and that there is no option on the part of the contractors to take what plant, &c. they please, and to refuse what they do not want, and that they will have to take over all that is named in schedule."

In January, 1886, after paying a visit to British Columbia, Perley reported to the Department that he presumed the value of the plant, materials, &c., would become a question at a future date between the Department and the contractors.

No further evidence appears on the question of this rebate until 1887, when, in January of that year, Perley submitted his final estimates, and allowed the contractors a rebate of $19,873 on the plant, being about $6,000 more than they had asked to be allowed in April, 1885, when they accepted the plant.

Mr. Perley stated in his evidence that he took the responsibility for this deduction, without reference to the Minister, although this statement he subsequently modified by saying that it was probable his report on the subject was discussed with the Minister.

Sir Hector Langevin, in his evidence, denied that he had been consulted by Perley before he made this reduction.

PROPOSED CHANGE TO LENGTHEN DOCK 100 FEET.

At page 177 of the Evidence Murphy states that he was instructed by his partners to try and get the Dock lengthened 100 feet, and that he offered Thomas McGreevy $50,000 to have it done, and that Robert McGreevy was made aware of their desire to obtain that change.

The letters written to Murphy from the partners in British Columbia fully corroborate his statement of their strong desire to lengthen the Dock and their willingness to pay bribery money to obtain the change.

Michael Connolly writes under date of 15th of February, 1885, to Murphy: "If the two hundred and fifty thousand pass in the Budget we of course will have some work to tear down, &c., but if you can get a contract for extending at $250,000, we can give $50,000." And again on the 25th February: "I told you in a letter, lately, that if $250,000 were granted for extending the Dock we would give fifty of it for some charitable purpose."

Thomas McGreevy appears to have used his influence to effect this change, and in a letter to his brother of 1st of March, 1886, says that he thought it would be done, and that Sir Hector was going to put an $150,000 in the Estimates for it.

His belief was well founded, because we find that on the 18th November, 1889, Sir Hector reported to Council, advising that the Dock should be lengthened 100 feet, at a cost of, at least $100,000, and that an Imperial contribution should be applied for.

This recommendation was concurred in by Council on 21st November, and an application was made accordingly to the Imperial Government, who, however, declined incurring further expense in the matter, as the existing Dock was, in their opinion, large enough for all naval requirements.

No Imperial aid being therefore forthcoming, the extension was not carried out.

BENNETT'S DISMISSAL.

We find abundant evidence of the truth of the charge with reference to the corrupt endeavours made by Thomas McGreevy, at the request of Larkin, Connolly & Co., to procure the dismissal of Bennett, the engineer.

The contractors complained of his action towards them, and desired his removal, and Thomas McGreevy was requested to have that done. As one result of his influence, we find Perley, in his letter of 10th of April, 1885, complaining of Mr. Benntt's "too literal adherence to the plans, even where the contractors show him that the changes are for the benefit of the Dock."

This accusation Trutch resented, and in his reply to Perley's letter said he had not observed any indication of such a spirit on Bennett's part.

On the 2nd of May, 1885, Thomas McGreevy writes to his brother Robert:

"It is now understood that Bennett, the engineer at British Columbia, will not suit; so the Minister and Perley are prepared to change him. He asked if I could recommend one. Could you think of one that would suit, and I would have the Minister appoint him." And again in May:

"Perley went to see Page this morning to try and get an engineer to send out at once and dismiss Bennett. He that goes out will get his instructions before going out."

An engineer named Williams was offered the appointment by Perley, but in his examination he stated that after considering the matter he decided to decline, and that he both wrote to Sir Hector and saw him on the subject, and that Sir Hector approved of his reasons for refusing the appointment.

No other engineer was obtained, and Bennett remained until the work was completed.

The Dock appears to have been finished somewhere about the end of the year 1887, and the Accountants' report shows the cost to have been $581,841.43, being $207,168.27 more than the amount of their tender.

Our Accountants in their report state that the profits realized by the contractors out of this contract amounted to the sum of $240,979.05, in addition to $27,085 paid in "donations," &c.

This would leave the actual cost of the works at $313,777.38.

If from this is deducted the $53,897 reported by the Accountants' as paid to the contractors for extras, we find the actual cost of the works as originally contracted for to have been $259,880.38, or in round figures $50,000 more than the amount at which Starrs & O'Hanly tendered for the contract, and which the Chief Engineer reported was "too small for the completion of the work in a satisfactory manner."

Findings.

In concluding this branch of the inquiry, we find that all of Mr. Tarte's charges respecting the letting and construction of the Esquimalt Dock have been proved, excepting the one charging that Thomas McGreevy took steps to induce certain members of Parliament to assist him in obtaining alterations and additional works, and that members of Parliament were approached to this end by members of the firm.

That Thomas McGreevy corruptly agreed with Larkin, Connolly & Co., in consideration of large sums of money to be paid him by them, to use his influence with the Minister of Public Works, and the Department in the first instance, to obtain for them the contract for this Dock, and afterwards to procure changes and alterations in the contract for the interest of the contractors. That said Thomas McGreevy successfully used his influence for these purposes, and received large sums of money from the contractors, pursuant to this corrupt agreement.

That other large sums of money were paid out of the moneys received by the contractors for the construction of this Dock for corrupt purposes, but your Committee are unable, owing to the conflicting and uncertain evidence, to arrive at any definite conclusion as to the destination of these moneys.

That before the contract was entered into Sir Hector Langevin had secretly assented to changes and modifications of the contract which were to be afterwards

made in the interests of the contractors, amongst which was a rebate of part of the $50,000 to be paid for plant.

That the change made in the re-coursing of the Dock was applied for by the contractors in their own interest, they having discovered a quarry within accessible distance, which furnished suitable stone for the proposed change, and was assented to by the Minister on the distinct understanding that it should not increase the cost of the work to the Crown; nor does it appear why it should have done so, inasmuch as Engineer Perley pointed out at the time the cost of the work to the contractors, in the use of the larger stone, would be lessened.

That notwithstanding these facts, the Minister subsequently improperly paid to the contractors for this change the sum of at least $32,839.

That the firm of Larkin, Connolly & Co., and Thomas McGreevy, also attempted corruptly to procure a change in the character of the stone from sandstone to granite, at an enormously increased cost, and that both Perley and the Minister were induced to assent and recommend this change to the Governor in Council.

That at or about the time this change was being submitted to the Governor in Council, the contractors again changed their minds, and desired to retain the sandstone, and were able, through the improper influence of Thomas McGreevy, used with the Minister, to induce him to have the change which the Minister and his engineer had strongly reported in favour of, abandoned.

That the contractors being desirous of increasing the length of the Dock 100 feet, corruptly proposed to pay a large sum of money, if the change could be secured.

That the Minister consented to the proposed extension, and both he and his engineer officially reported in its favour. In recommending this extension to Council, the Minister reported that the Imperial Government should be asked to share in the additional cost involved. His report was adopted by Council, but on the matter being submitted to the Imperial Government they declined assuming any part of the expense, and the proposed change was abandoned.

No. 6.

USE OF NAME OF THE HONOURABLE MINISTER OF PUBLIC WORKS.

"That the name of the Honourable Minister of Public Works was made use of by the said Thomas McGreevy in his dealings with Larkin, Connolly & Co., so as to give the impression that he had control over him; the said Thomas McGreevy undertaking to obtain his co-operation, or declaring he had secured it, and that in the name of the Minister of Public Works large sums of money were corruptly demanded by the said Thomas McGreevy from Larkin, Connolly & Co. That he used the Minister's name before the Harbour Commissioners, and that from 1882 to the present Session of Parliament he lived in the same house as the Minister, thereby giving the impression to Larkin, Connolly & Co. that he had absolute control over him and that he was acting as the Minister's representative in his corrupt transactions with them.

59. That the said Thomas McGreevy on several occasions demanded in the name of the Hon. Minister of Public Works and received from Larkin, Connolly & Co. sums of money.

60. That from 1882 to the present Session the said Thomas McGreevy has always lived in the same house as the Hon. Minister of Public Works, and he seems to have done so in order to put in the mind of Larkin, Connolly & Co. the impression that he had over said Hon. Minister an absolute control, and that he was acting as his representative in his corrupt transactions with them.

61. That in fact on many occasions he used the name of the Hon. Minister of Public Works in his dealings with them, undertaking to obtain his co-operation or declaring that he had secured it.

We find this charge substantially proved.

No. 7.

GENERAL: AS TO AGENCY, AND MONEYS RECEIVED FROM LARKIN, CONNOLLY & Co., AND ROBERT H. McGREEVY.

"That from the years 1883 to 1890, both inclusive, the said Thomas McGreevy received from Larkin, Connolly & Co., and from his brother, Robert H. McGreevy, for the considerations above indicated, a sum of about $200,000, and that during the period aforesaid he was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Board of Commissioners, in Parliament, and in connection with the Department of Public Works."

55. That from the year 1883 to 1890, both inclusive, the said Thomas McGreevy received from Larkin, Connolly & Co., and from his brother, R. H. McGreevy, for the considerations above indicated, a sum of about $200,000.

56. That during the period aforesaid he was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Board of Commissioners, in Parliament, and in connection with the Department of Public Works.

We find with respect to these charges that Thomas McGreevy, from the years 1883 to 1889, inclusive, corruptly received from Larkin, Connolly & Co., and from his brother, Robert H. McGreevy, out of his share of the profits of those contracts of Larkin, Connolly & Co., in which he had interest, very large sums of money, and that during this period he was the paid agent and representative of Larkin, Connolly & Co. on the Quebec Harbour improvement, in Parliament, and in his dealings with the Department of Public Works.

As to the actual amount received by him, the evidence is conflicting. Robert McGreevy, in a letter sent to Thomas McGreevy in January, 1889, says that he paid Thomas out of the profits received by him $58,000, besides $117,000 paid directly to him from Larkin, Connolly & Co. When on oath Robert repeated this statement, which would show a total receipt of $175,000 by Thomas. When Thomas was examined, however, he refused to admit having received more than $55,000.

As for obvious reasons entries were not made in his books by Thomas McGreevy of the receipt of these moneys, and as the memories of the witnesses differed so widely it is impossible for us to find with certainty the exact amount he did receive. It certainly must, in our opinion, have exceeded $130,000, but with greater certainty we cannot speak.

No. 8.

RECEIPT OF MONEY OUT OF BAIE DES CHALEURS RAILWAY SUBSIDIES.

"That the said Thomas McGreevy exacted and received out of the subsidies voted by Parliament for the construction of the Baie des Chaleurs Railway a sum of over $40,000."

57. That the said Thomas McGreevy exacted and received out of the subsidies voted by Parliament for the construction of the Baie des Chaleurs Railway a sum of over $40,000.

The facts connected with this railway and the payment of the Government subsidies voted towards its construction appear to be that on or about the year 1882 Thomas McGreevy, Théodore Robitaille, and others, became incorporated under the name of The Baie des Chaleurs Company, with a capital of $3,000,000, divided into 60,000 shares of $50 each, whereof 6,000 shares were subscribed for, amounting to $300,000, and were held by the following parties: Thomas McGreevy, 1,000 shares; Louis Robitaille, 1,500 shares; Robert H. McGreevy, 500 shares; L. J. Riopel, 1,500 shares; Joseph Giroux, 10 shares; Louis Robitaille, 1,490 shares.

That each of these shareholders gave their notes for 10 per cent. of the amount of their shares, and that these notes were subsequently paid out of the subsidies received from the Government, and that no one of the shareholders ever paid any money on his shares or towards the payment of the notes so given.

That in 1882, when said Robitaille was president of the company and Thomas McGreevy and L. J. Riopel were members of the House of Commons, a subsidy was voted by Parliament to the railway of $3,200 for 100 miles; and again, in 1884, McGreevy and Riopel still being members of the Commons, another subsidy was voted of $3,200 per mile for the first 100 miles, making in all $640,000 of Dominion subsidies.

The exact amount of these subsidies paid was not sworn to, but it was sworn to be over $500,000. In addition to the Dominion subsidies, the company had secured subsidies from the Local Government of Quebec, and bonuses securing a free right of way from the municipalities through which the road ran.

These, with the right to bond the road and so raise money, constituted the only financial basis the company had for carrying on the work.

In the year 1886 Thomas and Robert McGreevy agreed with one C. N. Armstrong, who represented a syndicate, which had bought out the charter of the company, to transfer to him their stock and all their interest in the company for $75,000, $50,000 to be paid in cash and $25,000 in bonds, Robitaille and Riopel becoming parties to the agreement to guarantee its being carried out.

$10,000 was paid in cash and the balance, $40,000, was agreed to be paid in five payments of $8,000 each out of the Dominion subsidies as they were received.

Four of the instalments of $8,000 were subsequently paid out of this subsidy, making, with the original cash payment, $42,000, and all of it Robert McGreevy swears was paid to or for Thomas McGreevy.

FINDINGS.

We find therefore that Mr. Tarte's charge in this respect has been proved, and that the said Thomas McGreevy, while a member of Parliament, did exact, and receive out the subsidies voted by Parliament for the construction of this railway, the sum of $42,000, and that he never paid any moneys whatever for his stock or other interest in such road.

No. 9.

CONTRACT FOR SOUTH-WALL, 16TH FEBRUARY, 1887.

"(*a.*) That in the year 1886 the said Thomas McGreevy procured from public officers the tenders sent in to the Quebec Harbour Commissioners for the construction of the work called the 'South-Wall,' and showed them to Messrs. O. E. Murphy, Connolly, and Robert H. McGreevy, in order to give them an undue advantage over their competitors, and the said Murphy, Connolly, and Robert H. McGreevy had said tenders in their possession during several hours, after which they were delivered to Henry F. Perley, who was then in Quebec, and that the contract was awarded to John Gallagher, a mere figurehead for the said Murphy, Connolly, and Robert H. McGreevy, who did the work for their own profit and advantage.

"(*b.*) That through the intervention and influence of the said Thomas McGreevy changes detrimental to the public interest, but of a nature to secure great profits to contractors, were made in the plans and works and in the conditions and securities set out and provided for in the contract."

50. That in 1886 tenders were asked for by the Quebec Harbour Commissioners for the construction of a work called the "South Wall" or "Retaining Wall."

51. That Mr. McGreevy procured, from public officials, the tenders received and showed them to Messrs. O. E. Murphy, Connolly, and R. H. McGreevy, for whom he was acting, in order to give them an undue advantage over their competitors.

52. That they had the said tenders in their possession during several hours, after which they were returned to Henry F. Perley, then in Quebec, by the said Thomas McGreevy.

53. That the contract was awarded to one John Gallagher, a mere figurehead for the said Murphy, Connolly, and R. H. McGreevy, who did the work for their own profit and advantage.

54. That changes detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans and the carrying out of the works and in the conditions and securities set out in the contract, through the influence and intervention of the said Thomas McGreevy.

FINDINGS.

We find, with respect to this contract, that Thomas McGreevy did procure from Perley the tenders for the South-wall contract and did show them to O. E. Murphy and R. H. McGreevy, in order to give Larkin, Connolly & Co. an undue advantage over their competitors, and that these parties had these tenders in their possession (Thomas McGreevy being present) for several hours, after which they were handed back to Perley, and that the contract was awarded to Gallagher, a mere figurehead for Larkin, Connolly & Co., who did the work for their own profit.

We do not find that the changes made in the plans and works of this contract were detrimental to the public interest, though they doubtless added to the profits of the contractors.

No. 10.

SUBSIDIES TO STEAMER "ADMIRAL."

"That on the 10th of May, 1888, the Government of Canada decided to pay to Mr. Julien Chabot, as owner, a sum of $12,500 yearly for five years as a subsidy to the steamer "Admiral" for plying between Dalhousie and Gaspé, and that the said subsidy has since been paid accordingly; but that the said Julien Chabot was merely a screen for the benefit of the said Thomas McGreevy, who was then and continued for a long time thereafter the real owner of the said steamer, in whole or in great part, and that previous to the said 10th May, 1888, to wit, since 1883 or 1884, the said amount of subsidy was yearly paid for the said steamer, the title thereto being held by persons for the benefit of the said Thomas McGreevy, and that the said Thomas McGreevy received altogether from such subsidies about $120,000."

45. That by an Order in Council, dated 10th May, 1888, the Government of Canada decided to pay a sum of $12,500 yearly during five years to Mr. Julien Chabot, on the condition of his causing the steamer "Admiral" to ply between Dalhousie and Gaspé, forming connection with the Intercolonial Railway.

46. That the said sum of twelve thousand five hundred dollars ($12,500) has since been paid in the manner prescribed in the Order in Council and the contract made thereunder.

47. That the said Julien Chabot was merely a screen for the benefit of the said Thomas McGreevy, who then was, and continued to be, for a long time thereafter, the proprietor of the "Admiral" in whole, or at least in great part.

48. That previous to the 10th of May, 1888, to wit, since 1883 or 1884, the same subsidy of $12,500 was paid for the said steamer "Admiral," then also owned by men representing the said Thomas McGreevy.

49. That the said Thomas McGreevy received in that connection a sum of about $120,000 while being a member of the Parliament of Canada.

The principal witness in reference to the charges made in respect to the subsidies for the services of the steamer "Admiral" was Julien Chabot. The facts established by his evidence are that in the year 1883, when the steamer "Admiral" was purchased, he and Thomas McGreevy were members of the St. Lawrence Steam Navigation Company.

That McGreevy asked him to look out a steamer for the company suitable for the Baie des Chaleurs route. He said the company had at the time no money, and he objected on this ground to make the purchase; but Thomas McGreevy told him to do so, and he would advance the money. He went to New York and found the steamer "Admiral" could be obtained, and McGreevy said she would be a suitable boat to acquire for their service. She was accordingly purchased for the sum of $20,000. Thomas McGreevy advanced $2,000 at the time the boat was bought, and he agreed to pay the remaining $18,000 within thirty days. When the "Admiral" was brought to Quebec she was registered as the property of Chabot, but Chabot swears that he had paid nothing.

That Thomas McGreevy asked that she might be registered in his (Chabot's) name, and she so continued until she became the property of Nicholas K. Connolly in February last. The steamer "Admiral" Thomas McGreevy says was purchased *bona fide* for the St. Lawrence Steam Navigation Company, but as the company were

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 throughly 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

several partners. The bank books also showed that these two sums of money were drawn on the days the cheques were respectively dated, but the figures of the Teller of the Bank of British North America on the back of the cheque dated 21st November showed that the $5,000 was drawn out of that bank on the cheque in notes of the following denominations:

10 x $100	$1,000
6 x $500	3,000
1 x $1,000	1,000
	$5,000

Sir Hector Langevin in his sworn statement refers to this charge as follows:—

"1st. In answer to the charge made by Mr. O. E. Murphy that he gave me, in my house in Quebec, on two different occasions, the sum of $5,000, making in all $10,000, I have to say that O. E. Murphy was only once in my house, when he came to complain that one of the assistant engineers of the Quebec Harbour Commission was too hard with the contractors for the works. My answer was, that those officers not being Government officers, the complaint of the contractors should be made to the Quebec Harbour Board and not to me. I add that Mr. O. E. Murphy did not speak to me about money, gift, or loan; that he did not offer, loan or pay me any sum of money; and I swear positively that he never paid me the above-mentioned two sums of five thousand dollars each, and I never asked him for money."

After the charges had been preferred in the House by Mr. Tarte, Sir Hector read a reply, in which, referring to this particular charge, he said "directly or indirectly I never asked the contractors, named in the motion, for money, cheques, or notes, nor did I receive any such money, cheques or notes from them for my use, profit or advantage."

Both Nicholas K. Connolly and Patrick Larkin when examined denied any knowledge of these payments having been made to Sir Hector, and further denied that Murphy had ever told them he had made the payments, but as regards Nicholas K. Connolly's denial his evidence was of such a character that no reliance can be placed on his statements respecting any of the improper payments made by the firm.

We cannot pass from this subject without calling attention to the fact that while each of these payments of $5,000 on November 2nd and November 21st, 1887, were entered in the books of Larkin, Connolly & Co. on these respective dates as "donations" chargeable to Lévis Graving Dock, and while each of the cheques was endorsed by Nicholas K. Connolly personally, both he and Larkin professed themselves unable to give any information as to the person to whom or object for which these large sums of money were paid or intended to be paid.

Findings.

We find that the $10,000 was drawn by Murphy from the bank on the respective dates of the cheques, November 2nd and November 21st, 1887, and that each of the cheques was endorsed in the handwriting of Nicholas K. Connolly, but in view of the statement on oath made by Sir Hector that Murphy "did not offer, loan, or pay him any sum of money," which we assume he intended as a denial of his having received any moneys whether as gift, loan or payment, we are unable after much doubt to come to the conclusion that we would be justified in finding this charge proved.

CONCLUSION.

In concluding their report your Committee would observe that the manner in which the several contracts were obtained by Larkin, Connolly & Co. from the Public Works Department and the Quebec Harbour Commissioners, the modifications subsequently made in these contracts in the interests of the firm, the enormous

sums of money paid and allowed to them out of the public funds for extras and for damages, indicate without any reasonable doubt that this firm had gained a controlling influence over the Minister and Department of Public Works.

That influence we believe to have been largely exercised through Mr. Thomas McGreevy.

It was suggested that the frauds might have been perpetrated upon the Department through improper influences used upon Perley and Boyd, the engineers, but the closest examination of the books and the witnesses failed to disclose evidence of any improper payments having been made to Boyd, while the only one made to Perley was that in 1887 of the jewelry and diamonds—a time long after many of the contracts had been improperly awarded and moneys improperly paid.

Except the desire to please and obey the Minister at the head of the Department, we cannot discover any motives which would induce these engineers to assist in defrauding the public in order to put money in the pockets of Larkin, Connolly & Co.

It is true we find that Boyd is a party to the fraud connected with the awarding of the Cross-wall contract, and that Perley was a party to this and other frauds in the letting of the contracts and the payment of the moneys to Larkin, Connolly & Co., but the fruits of these frauds did not go into their pockets, but into the pockets of Thomas McGreevy, towards the support of the newspaper *Le Monde*, to which Sir Hector swore he himself financially contributed, so that he might have a controlling influence over it if and when required, and to the fund managed by Thomas McGreevy on behalf of the party in the District of Quebec in the political interest of Sir Hector Langevin.

All which is respectfully submitted.

Sir John Thompson moved that the Draft Report submitted by the Sub-Committee and marked "A" be adopted as the Report of the Committee.

Mr. Mills (Bothwell) moved in amendment, that the said motion be not concurred in, but that the Draft Report marked "B" be reported to the House as the Report of the Committee.

And the question being put on the amendment, it was negatived on the following division, viz.:—

YEAS: Amyot, Beausoleil, Choquette, Davies, Edgar, German, Langelier, Lister and Mills (Bothwell).—9.

NAYS: Adams, Baker, Chapleau, Coatsworth, Costigan, Curran, Desjardins (L'Islet), Ives, Kirkpatrick, Masson, McDonald (Victoria), McLeod, Moncrieff, Thompson (Sir John), Tupper and Wood (Brockville).—17.

And the question being put on the main motion, it was agreed to on the same division *reversed*.

Resolved, That the said Draft Report marked "A" be the Report of the Committee, and that the same be presented to the House with the minutes of proceedings and evidence attached thereto.

Attest,

WALTER TODD,
Clerk of the Committee.

(*For the evidence, etc., accompanying this Report, see Appendix No.* 1 *to the Journals.*)

Sir John Thompson moved, That the Bill No. 146, further to amend "The Dominion Elections Act," be now read the third time.

Mr. Barron moved in amendment thereto, That the said Bill be not now read the third time, but that it be referred back to a Committee of the Whole House to insert therein as an amendment to Chapter 8, Revised Statutes of Canada, after the word "fine" in the last line of the 100th section, the following: "And whensoever it shall be proved before a court of competent jurisdiction, that the ballot box or its contents has or have been tampered with during the time when such ballot box or

its contents was or were in the legal possession of the Returning Officer, Election Clerk or Deputy Returning Officer, then such Returning Officer, Election Clerk or Deputy Returning Officer shall be liable to the fines or penalties, or both, provided by law for offences under this section, unless such Returning Officer, Election Clerk or Deputy Returning Officer, as the case may be, proves to the satisfaction of such court that the offence with which he is charged was committed without his knowledge or consent, assistance or connivance."

And the question being put on the amendment; it was negatived on a division.

And the question being again proposed on the main motion;

Mr. Davies moved in amendment thereto, That the said Bill be not now read the third time, but that it be referred back to a Committee of the Whole House for the purpose of amending Section 64 of the said Act by adding to sub-section 6 the following: "The judge shall also, if necessary or required, review the decision of the returning officer in respect to the number of votes given for a candidate at any polling place where the ballot box used was not forthcoming when he made his decision or when the proper certificates or papers were not found therein; and for the purpose of arriving at the facts shall have all the powers of a returning officer in regard to the attendance and examination of witnesses;" which was agreed to.

The House accordingly went into Committee of the Whole on the said Bill and amended the same, which was reported with a further amendment; and considered as amended.

Sir John Thompson then moved, That the said Bill be now read the third time.

Mr. Landerkin moved in amendment thereto, That the Bill be not now read the third time, but that it be referred back to a Committee of the Whole House for the purpose of amending sub-section 2, of Section 6, by striking out the words "two weeks" in the last line, and substituting in lieu thereof the following: "One week, except in the Electoral Districts of Algoma, Gaspé and Ottawa, when the time may be extended if necessary to two weeks."

And the question being put on the amendment; it was negatived on a division.

And the question being again proposed on the main motion;

Mr. Mulock moved in amendment thereto, That the Bill be not now read the third time, but that it be referred back to a Committee of the Whole House for the purpose of amending Section 3 by striking out the words "initialed with the initials," and substituting therefor the words "marked with the signatures," and by inserting between the words "do and across" the following words: "by writing their signatures;" which was agreed to.

The House accordingly went again into Committee of the Whole on the said Bill and amended the same; which was reported with a further amendment; considered as amended, read the third time, and passed.

A Message was received from the Senate with the following Bill of their own, to which the concurrence of this House was desired, viz.:—

Bill No. 172, intituled: "An Act respecting Frauds upon the Government."

Also,—Agreeing to the Bill No. 82, respecting the Baie des Chaleurs Railway Company, with amendments, which are as follows:—

Page 1, line 40.—After "3" insert "Except as otherwise provided by this Act."

Page 2, line 1.—After "privileges" insert "and be subject to the same obligations and liabilities."

Page 2, line 5.—Leave out from "Canada" to the end of clause Three.

Page 2, line 12.—After "5" insert "Except as otherwise provided by this Act

Page 2, line 14.—Leave out from "Company" to the end of clause Five.

Page 2, line 16.—After clause Five insert clause "A."

"*Clause A.*"

"Whereas the Company have admitted that by a certain contract made on the "eighth day of June, A.D. 1888, by one Charles N. Armstrong with one Henry Mac-

"farlane, for the construction, equipment and completion of certain portions of the "railway of the Company, which contract was duly confirmed and ratified by the "Company on the fourteenth day of June, A.D. 1888, and for the fulfilment of which "the Company thereby obligated themselves jointly and severally with the said Charles "N. Armstrong, a possessory lien (*droit de rétention*) was constituted upon the said "portions, and upon all rolling stock and appurtenances of the said portions, as "security for the rights of the said Henry Macfarlane under the said contract, and "have also admitted that, under the said lien, the said Henry Macfarlane and the "Curators of his insolvent estate were and are entitled to the possession of the said "portions of the railway, and all rolling stock and appurtenances of the said por- "tions, until discharge of all claims by him or the said Curators in respect thereof, "and whereas the Company and the said Charles N. Armstrong, of the one part in "consideration of the relinquishment of such possession, and the said Macfarlane "and the Curators of his insolvent estate, of the other part, in consideration of such "rights, have agreed together and asked that by this Act such admissions shall be "declared and the following provisions of this section be made:

"The company shall, for the purpose of their undertaking, have full possession, "occupation, and enjoyment of all such portions of the railway and the rolling and "other stock and moveable plant used in the working thereof, as are subject to or "affected by the said lien; and, as further security for the preservation of the rights "now possessed by, or which may hereafter be possessed by the said Henry Mac- "farlane or his legal representative in virtue of such contract, and for payment by "the Company and the said Charles N. Armstrong, or either of them, for all work "done and rolling stock, materials and supplies furnished by the said Henry Mac- "farlane or his legal representatives, upon or in respect of the said portions of the "railway, he and they are hereby declared to have had, since the eighth day of June, "A.D. 1888, and shall have a first preferential claim and charge upon that part of "the railway of the Company, extending from its junction with the Intercolonial "Railway at or near Metapedia to the Cascapedia River, and upon all lands, works, "buildings, materials, rolling stock, and other property, moveable or immoveable, to "the said part of the railway, at the date of the passing of this Act, appurtenant or "belonging.

"2. The said claim and charge has had and shall have priority over all mort- "gages, hypothecs, charges and encumbrances whatsoever, created by the Company, "before or after the passing of this Act, for any purpose whatsoever, upon the said "part of the railway, or upon the said lands, works, buildings, materials, rolling "stock or other property, moveable or immoveable, to the said part appurtenant; and "no registration in any manner whatsoever shall be necessary in order to preserve "such priority.

"3. If the Company deposit a sum of not less than one hundred and eighty "thousand dollars in any chartered bank in Canada, to the joint credit of the Gen- "eral Manager of the Ontario Bank and of the President of the Company and their "respective successors in office, in trust, as security for and to be applied towards "the payment of any sum which may, by any final judgment, agreement or arbitra- "tion between the said Henry Macfarlane or his legal representatives, and the Com- "pany or the said Charles N. Armstrong, be found to be due to the said Henry Mac- "farlane or his legal representatives in virtue of the said contract, or for work done, "or rolling stock, materials or supplies furnished by the said Henry Macfarlane or "his legal representatives, then, and so soon as such deposit has been made, the "said claim, charge and lien shall cease to exist.

"4. The Company shall, within ten days of making such deposit, fyle with the "Minister of Railways and Canals a deposit receipt or other sufficient certificate of "such deposit, and shall give notice of such fyling by advertisement in the '*Canada* "*Gazette*.'"

Page 2, line 30.—After "Act" insert "and of this Act."

Page 2, line 41.—After "board" insert clause "B."

"*Clause B.*"

"Notwithstanding the provisions of the next preceding section, the Governor "in Council may appoint two persons to be directors of the Company in addition to "the number already authorized by the Act of Incorporation and by this Act; such "directors shall not require to be qualified by the holding of any shares, and shall "have all the rights, powers and authority conferred upon directors of the Company "by '*The Railway Act.*' or by this Act.

"2. If the Governor in Council exercises the power of appointing two directors, "five directors shall constitute a quorum."

On motion of Sir John Thompson, the Bill No. 172, from the Senate, intituled: "An Act respecting Frauds upon the Government," was read the first time, and ordered for a second reading to-morrow.

Mr. Foster delivered a Message from His Excellency the Governor General, which was read by Mr. Speaker, as follows:—

STANLEY OF PRESTON.

The Governor General transmits to the House of Commons, Supplementary Estimates of sums required for the service of the Dominion for the year ending 30th June, 1892, and in accordance with the provisions of "The British North America Act, 1867," he recommends these Estimates to the House of Commons.

GOVERNMENT HOUSE,
OTTAWA, 16th September, 1891.

On motion of Mr. Foster, the said Message and Supplementary Estimates were referred to the Committee of Supply.

The Bill No. 169, further to amend the Act fifty-second Victoria, Chapter four, intituled: "An Act to authorize the granting of subsidies in land to certain Railway Companies," was read the third time, and passed.

The amendments made by the Senate to the Bill No. 138, to amend Chapter one hundred and thirty-five of the Revised Statutes, intituled: "An Act respecting the Supreme and Exchequer Courts," were taken into consideration.

The first and second amendment being read the second time, were agreed to.

The third amendment being read the second time,

Mr. Laurier moved, That the said amendment be amended by adding the following at the end thereof: "which by the law of the Province of Quebec are appealable to the Judicial Council of the Privy Council;" which was agreed to. The said amendment was then agreed to, as amended.

The fourth amendment being read the second time, was agreed to.

The fifth amendment being read the second time,

Mr. Laurier moved, That the said amendment be amended as follows:

Page 2, line 12.—Leave out the words "the next preceding" and insert the word "this," and

Page 2, line 16.—Strike out the words "the said Act as amended" and insert "this Act;" which was agreed to. The said amendment was then agreed to, as amended.

The sixth amendment being read the second time, was agreed to.

The House went again into Committee of the Whole to consider certain proposed Resolutions respecting subsidies in land to the Manitoba South-Western Colonization Railway Company, and the Canadian Pacific Railway Company, and progress having been made and reported; the Committee obtained leave to sit again to-morrow.

The House went again into Committee of the Whole on Bill No. 147, further to amend "The Dominion Controverted Elections Act," and progress having been made and reported; the Committee obtained leave to sit again to-morrow.

The House then adjourned.

PETER WHITE,
Speaker.

NOTICE OF MOTION.

Mr. *Amyot*—On Friday next—ENQUIRY OF MINISTRY—1. Did the Government get a pier constructed at Three Rivers, in 1890? Who was the lowest tenderer for that work? How many tenders were received? What tender was accepted, and what was the amount thereof? How much money was paid by the Government, for the construction of the said work, to the party whose tender was accepted? How much money in all have the Government paid for the said pier, to whom were the payments made, and how much to each person, that is to say, to the said tenderer and to any other person, and what are the names of such persons?

2. Do the Government intend to construct another pier at Three Rivers? Are tenders to be called for for that work, and when?

3. Is Mr. Thomas Berlinguet, of Three Rivers, in the employment of the Government? In what capacity is he so employed? What is his salary? How much has he received: (1) By way of salary, (2) as travelling expenses up to this date, and how much for the year ending 30th June, 1891?

4. What was the revenue yielded by the slides and booms on the River St. Maurice for the year ending 30th June, 1891? What is the amount expended for maintenance during that period, for the said slides and booms? What is the amount paid to keepers and for other expenses of management of the said works, for that period? What are the names of the keeper of the said slides and booms and of any other person to whom money has been paid in respect of the said works, and how much has been paid to each such person?

No. 91.

OTTAWA, WEDNESDAY, 16TH SEPTEMBER, 1891

1st Session, 7th Parliament, 54 Victoria, 1891.

VOTES AND PROCEEDINGS

OF THE

HOUSE OF COMMONS.

OTTAWA:
Printed by BROWN CHAMBERLIN,
Printer to the Queen's Most Excellent Majesty.
—
1891.

SELECT STANDING COMMITTEE ON PRIVILEGE AND ELECTIONS.

ANALYSIS OF CHARGES

Against the Honourable Thomas McGreevy, the Honourable Sir Hector Langevin and the Department of Public Works, for the Consideration of the Committee.

The Statements referred to the Committee are contained in sixty-three paragraphs, which, analysed, resolve themselves into sixteen distinct charges, now re-cast for convenience, as below.

Of these sixteen charges, the first ten are against the Honourable Thomas McGreevy, the next two are against the Honourable Sir Hector Langevin, and the last four are against the Department of Public Works.

Under each of the charges, as now re-cast, the original paragraphs of the Order of Reference, from which the charge is drawn, are printed in small type.

In the paragraphs of the Order of Reference which set out the charges against the Honourable Thomas McGreevy, there are statements involving the Honourable Sir Hector Langevin and the Department of Public Works. The paragraphs containing such statements are therefore printed in this analysis, not only under the charges against the Honourable Thomas McGreevy, but also under those against Sir Hector Langevin, or those against the Department of Public Works, or under both, as the case may be.

CHARGES AGAINST THE HONOURABLE THOMAS McGREEVY.

1.

DREDGING CONTRACT, 25TH SEPTEMBER, 1882.

a. That the Honourable Thomas McGreevy, being a member of the Parliament of Canada and a member of the Quebec Harbour Commission, entered into an agreement with Larkin, Connolly & Co., after they had tendered for the Dredging Contract of 1882, by which, in consideration of their taking his brother, Robert H. McGreevy, into partnership with them and giving him an interest to the extent of 30 per cent. in the work tendered for, he agreed to give, and did give them in an undue manner, his help and influence, in order to secure to them the said contract.

b. That to this end he, the said Thomas McGreevy, undertook to secure the dismissal of Messrs. Kinipple, Morris and Pilkington from their positions, and that they were so dismissed and replaced by Henry F. Perley and John F. Boyd.

1. In 1882 the sum of $375,000 having been voted by the Parliament of Canada to carry out the works of the Harbour of Quebec, the Quebec Harbour Commissioners called for tenders in dredging in connection with the said works.

2. That Messrs. Larkin, Connolly & Co. tendered and were awarded the contract for the said dredging.

3. That in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government of Canada, the firm of Larkin, Connolly & Co., with the knowledge of the said Thomas McGreevy, took as a partner Robert H. McGreevy, his brother, giving him an interest of 30 per cent. in the firm.

4. That the said Thomas McGreevy consented to his brother becoming a member of the firm, and stated that he had first consulted the Hon. Minister of Public Works, Sir Hector L. Langevin, and secured his consent.

5. That the said contract, signed on the 25th of September, 1882, stipulated that the works thereunder were to be finished by the 1st of November, 1884, but that the said Larkin, Connolly & Co. continued to perform the work of dredging under the scale of prices therein mentioned up to the close of the season of 1886.

6. That in order to help Larkin, Connolly & Co. to secure the said dredging contract, the said Hon. Thomas McGreevy agreed to give, and did give in an undue manner his help as Harbour Commissioner to Larkin, Connolly & Co.

7. That the said contract was approved and ratified by an Order in Council based on a report of the Hon. the Minister of Public Works.

8. That up to the year 1883 aforesaid Messrs. Kinipple and Morris, of London, England, had acted as Engineers to the Quebec Harbour Commission, and that their Resident Engineer for carrying out of the works was Mr. Woodford Pilkington.

9. That in concert with Larkin, Connolly & Co. the said Thomas McGreevy undertook to secure the removal of Messrs. Kinipple, Morris and Pilkington from their positions, and that they were in fact so removed in 1883, and replaced by Mr. Henry F. Perley and John Edward Boyd, with the consent of the Hon. Minister of Public Works.

2.

Cross-wall Contract, 26th May, 1883.

a. That in the year 1883 Larkin, Connolly & Co., amongst others, tendered for the Cross-wall in connection with the Quebec Harbour Works, and that before tendering, and in order to secure the influence of the said Thomas McGreevy, they took into partnership with them Robert H. McGreevy, a brother of the said Thomas McGreevy, giving him a 30 per cent. interest in the work, and that this was done with the knowledge and consent of the said Thomas McGreevy.

b. That among the parties tendering were a contractor named George Beaucage and one John Gallagher. That Beaucage's tender was made at the instance of the said Thomas McGreevy, and that with the knowledge of the said Thomas McGreevy, the tenders of Larkin, Connolly & Co., of Beaucage and of Gallagher were prepared by members of the firm of Larkin, Connolly & Co.

c. That while the tenders were being examined and quantities applied in the Department of Public Works the said Thomas McGreevy obtained from the Department and from officers thereof, information in relation to said tenders which he offered to communicate, and did communicate to Larkin, Connolly & Co. before the result was officially known.

d. That to the knowledge of the said Thomas McGreevy the tenders of Gallagher and Beaucage were lower than that of Larkin, Connolly & Co., but in consideration of the promise of $25,000 the said Thomas McGreevy agreed to secure the acceptance of the tender of Larkin, Connolly & Co. That to this end he suggested to members of that firm to so arrange and manipulate matters with Gallagher and Beaucage as to render the tenders of these two parties higher than that of the said firm. That certain arrangements and manipulations were carried out as so suggested, and were participated in by the said Thomas McGreevy, and in consequence the said contract was awarded to the said Larkin, Connolly & Co. That shortly thereafter $25,000 was paid to the said Thomas McGreevy in fulfilment of the corrupt arrangement above stated, and about the same time a sum of $1,000 was paid by Larkin, Connolly & Co. towards "The Langevin Testimonial Fund."

(*e.*) That in the course of the carrying out of the works the said Thomas McGreevy caused changes, against the public interest, to be made in the said contract.

10. That in the same year, 1883, tenders were called for a Cross-wall and lock in connection with the harbour works at Quebec, in accordance with plans and specifications prepared in the Department of Public Works under the direction of Henry F. Perley, Esq.

11. That several tenders were made, and amongst others who tendered were Messrs. Larkin, Connolly & Co.

12. That before tendering, and in order to secure the influence of the Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Board by appointment of the Government, Larkin, Connolly & Co. took into partnership with themselves Robert H. McGreevy, a brother of the said Hon. Thomas McGreevy, giving him a 30 per cent. interest in the firm, and this with the knowledge and consent of the said Hon. Thomas McGreevy.

13. That among the parties tendering were a contractor named George Beaucage, and one John Gallagher.

14. That it was on the suggestion of the said Hon. Thomas McGreevy that Beaucage consented to make a tender.

15. That with the knowledge of the said Thomas McGreevy, the three tenders of Larkin, Connolly & Co., of Beaucage, and of Gallagher, were prepared by the members of the firm of Larkin, Connolly & Co., Beaucage being throughout deceived by the said Hon. Thomas McGreevy as to his position in the matter, as he alleges in an action recently entered by him against the said Thomas McGreevy in relation to the said contract, in the Superior Court of Montreal.

16. That the said tenders were transmitted to the Department of Public Works of Canada for examination and extension.

17. That while all the tenders were being examined and the quantities applied in the Department of Public Works of Canada, the said Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, promised to obtain and did obtain from the Department of Public Works of Canada, and from officials of that Department, in relation to the said tenders, to figures in connection therewith, and to the amounts thereof, information which he offered to communicate before the result was officially known, and which he did communicate to the firm of Larkin, Connolly & Co., and to certain members of the said firm individually.

18. That to the knowledge of the said Thomas McGreevy, the tenders of Messrs. Gallagher and Beaucage were lower than those of Larkin, Connolly & Co., but that in consideration of the promise of the sum of $25,000 to be to him paid, he, the said Thomas McGreevy agreed to secure the acceptance of the tenders of Larkin, Connolly & Co., and that he suggested to that firm and to certain members thereof individually, to make arrangements in connection with the said Gallagher and Beaucage and to so manipulate matters as to render the tenders of those two parties higher than those of the said firm, or at all events to secure the contract for Larkin, Connolly & Co., and that said arrangements and manipulations were carried out as suggested by him.

19. That in consequence of the said arrangement and manipulations, wherein the said Thomas McGreevy directly participated, the contract for the Cross-wall and lock in connection with the Quebec Harbour Works, was awarded to Larkin, Connolly & Co., on a Report to Council made by the Hon. Minister of Public Works, under date 26th May, 1883.

20. That a few days thereafter the sum of $25,000 was, in fulfilment of the corrupt arrangement above stated, paid to the said Thomas McGreevy in promissory notes signed by the firm of Larkin, Connolly & Co., which said notes were duly paid.

21. That about the same date, namely, the 4th June, 1883, a sum of $1,000 was paid by the firm of Larkin, Connolly & Co. towards "the Langevin Testimonial Fund"—a fund destined to be given to Sir Hector Langevin.

22. That in the course of the carrying out of the works, the said Thomas McGreevy caused changes, contrary to the public interest, to be made in the conditions of the said contract.

3.

Contract for the Completion of the Levis Graving Dock.

23rd June, 1884.

That in the year 1884 the said Thomas McGreevy agreed with memberss of the firm of Larkin, Connolly & Co. to secure for them a contract for the completion of the Graving Dock at Levis, on condition that he should receive from them any excess over the sum of $50,000 of the contract price, and that accordingly the said Thomas McGreevy afterwards received from the said firm the sum of $22,000.

23. That in 1884, Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, agreed with the firm of Larkin, Connolly & Co., and certain members thereof individually, to secure for them a contract for the completion of the Graving Dock of Lèvis, one of the conditions of the agreement being that he, Thomas McGreevy, should receive any excess over the sum of $50,000 in the contract price.

24. That to the detriment of public interest, a contract was signed in, or about the month of June, 1884, for the performance of the said works, and that subsequently the said Thomas McGreevy received the price stipulated in the corrupt arrangement above mentioned, namely, $22,000.

4.

Contract for the Completion of the Esquimalt Dock, 8th November, 1884.

a. That before Larkin, Connolly & Co. tendered for the completion of the Graving Dock at Esquimalt, the said Thomas McGreevy agreed to help, and did help them, in divers ways, amongst others, by obtaining from the Department of Public Works information, figures and calculations in respect of the proposed work and communicating the same to them.

b. That with the knowledge and consent of the said Thomas McGreevy, Larkin, Connolly & Co., took into partnership with them his brother Robert H. McGreevy for the purpose of securing the influence of the said Thomas McGreevy, the said Robert H. McGreevy taking a 20 per cent. interest in the work.

c. That during the execution of the contract the said Thomas McGreevy acted as a paid agent of Larkin, Connolly & Co. in dealing with the Department of Public Works and that he obtained for them at their request important alterations in the works and more favourable conditions, which enabled them to realize very large profits.

d. That large sums were paid by Larkin, Connolly & Co., to the said Thomas McGreevy for his services in dealing with the Minister of Public

Works, the officers of the Department, and generally for his influence as a member of Parliament, and that in consideration of these sums the said Thomas McGreevy furnished a great deal of information, and procured to be made, by the Department and the Minister of Public Works, alterations in the plans and in the works, which alterations have cost large sums of money to the public.

e. That in consideration of offers of large sums of money by members of the firm of Larkin, Connolly & Co., the said Thomas McGreevy took steps to induce certain members of Parliament to assist him to obtain alterations and additional works, and at his suggestion, members of Parliament were approached to this end by members of the said firm.

f. That the said Thomas McGreevy, did, at the request of Larkin, Connolly & Co., corruptly endeavour to procure the dismissal from office of certain public officers employed in connection with the works in order to have them replaced by others who would suit Larkin, Connolly & Co., the former being objectionable to Larkin, Connolly & Co., because they compelled them to carry out the works and accept estimates therefor according to the terms of the contract.

25. That in 1883 and 1884, tenders were asked for by the Covernment of Canada for the completion of the Graving Dock of Esquimalt, B.C.

26. That the firm of Larkin, Connolly & Co. were among those who tendered and that the contract was awarded to them in pursuance of a Report to Council, dated 24th October, 1884, and signed by the Hon. Minister of Public Works.

27. That before tendering, the said Larkin, Connolly & Co. had with Thomas McGreevy, then and now a member of the Parliament of Canada, communications and interviews wherein they secured his services to assist them in dealing with the Department of Public Works in order to secure the said contract.

28. That he agreed to help them, and that he did in fact help them in divers ways, and, amongst others, by obtaining from the Department of Public Works information, figures, and calculations which he communicated to them.

29. That to the knowledge and with the consent of the said Thomas McGreevy, and for the purpose of securing for themselves his influence, Larkin, Connolly & Co. took into partnership with themselves his brother, Robert H. McGreevy, giving him a 20 per cent. interest in their firm.

30. That during the execution of the said contract, the said Thomas McGreevy was the agent or one of the agents in the pay of Larkin, Connolly & Co. in dealing with the Department of Public Works ; that he endeavoured to obtain, and did obtain for them, at their request, important alterations in the works and more favourable conditions.

31. That the said favourable conditions and the said alterations enabled them to realize, to the detriment of the public interests, very large profits.

32. That during the execution of the works large sums were paid by Larkin, Connolly & Co. to Thomas McGreevy for his services in dealing with the Minister of Public Works, with the officers of the Department, and generally for his influence as a member of the Parliament of Canada.

33. That in consideration of the sums of money so received by him and of the promises to him made, the said Thomas McGreevy furnished to Larkin, Connolly & Co. a great deal of information ; strove to procure and did procure to be made by the Department and the Hon. Minister of Public Works, in the plans of the Graving Dock and the execution of the works, alterations which have cost large sums of money to the public treasury.

34. That he himself took steps to induce certain members of the Parliament of Canada to assist him, the said Thomas McGreevy, in his efforts, in concert with Larkin, Connolly & Co., to obtain alterations and additional works, for which large sums of money were offered to him by the members of the firm.

35. That on his suggestion members of the Parliament of Canada were approached by members of the firm of Larkin, Connolly & Co.

36. That certain members of the said firm have declared that the said members of the Canadian Parliament, on being so approached, had asked for a certain sum of money for exerting their influence in favour of Larkin, Connolly & Co., with the Minister of Public Works, and that Larkin, Connolly & Co. had agreed to give them money for that purpose.

37. That Thomas McGreevy, acting in concert with Larkin, Connolly & Co., did, at their request, corruptly endeavour to procure the dismissal from office of certain public officers employed in connection with the works of the Graving Dock at Esquimalt, in order to have them replaced by others who would suit Larkin, Connolly & Co., the former having for a time incurred the ill-will of Larkin, Connolly & Co., because they then compelled them to carry out the works in conformity with the specifications and contract and prepared their estimates according to the terms of the said contract.

5.

Contract for Dredging of Wet Basin at thirty-five cents per yard, 23rd May, 1887.

a. That in the winter of 1886-87, the said Thomas McGreevy proposed to, and made with Larkin, Connolly & Co., arrangements whereby the firm undertook to pay him $25,000, on condition that he would obtain for them the sum of thirty-five cents per yard for the dredging of 800,000 cubic yards in the Wet Basin of the Quebec Harbour Works, the said Thomas McGreevy knowing that dredging of the same kind and even more difficult dredging, had up to that time been executed for twenty-seven cents per yard and for even less in the same works.

b. That the said Thomas McGreevy used his influence, as a member of Parliament, with the Department of Public Works, and in particular with Henry F. Perley, to induce him to report to the Quebec Harbour Commission in favour of the payment of the said sum of thirty-five cents per yard, and that before the Quebec Harbor Commissioners were consulted a written correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co. took place at the suggestion of the said Thomas McGreevy, and with his knowledge and participation, was conducted in such a manner as to conceal from Parliament and the public the corrupt nature of the contract.

c. That Larkin, Connolly & Co. paid to the said Thomas McGreevy $20,000 on account of this arrangement and at his request $5,000 was left in the hands of one of the firm to be used in the then approaching Dominion Election at which the said Thomas McGreevy was a candidate.

(*d.*) That in pursuance of the arrangement above set out, and through the intervention, effort and influence of the said Thomas McGreevy, and without any public tender being called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co. for all the necessary dredging and removal of material in the Wet Basin at the rate of 35 cents per cubic yard.

38. That during the winter of 1886-87 the said Thomas McGreevy proposed to, and made with the firm of Larkin, Connolly & Co., through certain members of the said firm, an arrangement whereby the said firm undertook to pay to him the sum of $25,000 on condition that he would obtain for the firm the sum of 35 cents per cubic yard for the dredging of 800,000 cubic yards in area of the Wet Basin in the Harbour of Quebec.

39. That dredging of the same kind, and even more difficult, had previously and up to that time, and to the knowledge of the said Thomas McGreevy, been executed for the sum of 27 cents per cubic yard, and even less, in the same works.

40. That the said Thomas McGreevy used his influence, as a member of this House, with the Department of Public Works, and, in particular, with Henry F. Perley, Esq., to induce him to report to the Quebec Harbour Commission in favour of the payment of the said sum of 35 cents per cubic yard.

41. That the correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co., before the Quebec Harbour Commissioners were consulted, took place at the suggestion of the said Thomas McGreevy, and was conducted with his knowledge and participation in such a manner as to conceal from the eyes of Parliament and of the Public the corrupt character of the contract, in connection with which he had received the sum of $27,000.

42. That Larkin, Connolly & Co. paid in money to the said Thomas McGreevy the sum of $20,000 in fulfilment of the arrangement above mentioned, and that at his own request a sum of $5,000 was left, to secure the election of the said Thomas McGreevy to the House of Commons at the general election of 1887, in the hands of one of the members of the firm, who, finding that sum insufficient, had to add thereto the sum of $2,000.

43. That on the 23rd of May, 1887, in fulfilment of the arrangement above mentioned, and through the effort, the influence and the intervention of the said Thomas McGreevy and without any public tender having been called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co. for all the necessary dredging and removal of material in the Wet Basin of the Quebec Harbour works.

6.

Subsidies to Steamer "Admiral."

That on the 10th May, 1888, the Government of Canada decided to pay to Mr. Julien Chabot, as owner, a sum of $12,500 yearly for five years as a subsidy to the steamer "Admiral" for plying between Dalhousie and Gaspé, and that the said subsidy has since been paid accordingly; but that the said Julien Chabot was merely a screen for the benefit of the said Thomas McGreevy, who was then and continued for a long time thereafter the real owner of the said steamer, in whole or in great part, and that previous to the said 10th May, 1888, to wit, since 1883 or 1884, the said amount of subsidy was yearly paid for the said steamer, the title thereto being held by persons for the benefit of the said Thomas McGreevy, and that the said Thomas McGreevy received altogether from such subsidies about $120,000.

45. That by an Order in Council dated 10th May, 1888, the Government of Canada decided to pay a sum of $12,500 yearly during five years to Mr Julien Chabot, on the condition of his causing the Steamer "Admiral" to ply between Dalhousie and Gaspé, forming a connection with the Intercolonial Railway.

46. That the said sum of twelve thousand five hundred dollars ($12,500) has since been paid in the manner prescribed in the Order in Council and the contract made thereunder.

47. That the said Julien Chabot was merely a screen for the benefit of the said Thomas McGreevy, who then was, and continued to be, for a long time thereafter, the proprietor of the "Admiral" in whole, or at least in great part.

48. That previous to the 10th of May, 1888, to wit, since 1883 or 1884, the same subsidy of $12,500 was paid for the said steamer "Admiral," then also owned by men representing the said Thomas McGreevy.

49. That the said Thomas McGreevy received in that connection a sum of about $120,000, while being a member of the Parliament of Canada.

7.

Contract for South-wall, 16th February, 1887.

a. That in the year 1886 the said Thomas McGreevy procured from Public Officers the tenders sent in to the Quebec Harbour Commissioners for the construction of the work called the "South Wall" and showed them to Messrs. O. E. Murphy, Connolly and Robert H. McGreevy, in order to give them an undue advantage over their competitors, and the said Murphy, Connolly and Robert H. McGreevy had said tenders in their possession during several hours, after which they were delivered to Henry F. Perley, who was then in Quebec, and that the contract was awarded to John Gallagher, a mere figure head for the said Murphy, Connolly and Robert H. McGreevy who did the work for their own profit and advantage.

b. That through the intervention and influence of the said Thomas McGreevy, changes detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans and works and in the conditions and securities set out and provided for in the contract.

50. That in 1886, tenders were asked for by the Quebec Harbour Commissioners for the construction of a work called the "South Wall" or "Retaining Wall."

51. That Mr. McGreevy procured from public officials the tenders received, and showed them to Messrs. O. E. Murphy, Connolly and R. H. McGreevy, for whom he was acting, in order to give them an undue advantage over their competitors.

52. That they had the said tenders in their possession during several hours, after which they were returned to Henry F. Perley, then in Quebec, by the said Thomas McGreevy.

53. That the contract was awarded to one John Gallagher, a mere figure head for the said Murphy, Connolly and R. H. McGreevy, who did the work for their own profit and advantage.

54. That changes detrimental to the public interest, but of a nature to secure great profits to the contractors were made in the plans and the carrying out of the works and in the conditions and securities set out in the contract, through the influence and intervention of the said Thomas McGreevy.

8.

General; as to agency, and monies received from Larkin, Connolly & Co. and Robert H. McGreevy.

That from the years 1883 to 1890, both inclusive, the said Thomas McGreevy received from Larkin, Connolly & Co. and from his brother, Robert H. McGreevy, for the considerations above indicated, a sum of about $200,000, and that during the period aforesaid he was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Board of Commissioners, in Parliament, and in connection with the Department of Public Works.

55. That from the year 1883 to 1890 both inclusive, the said Thomas McGreevy received from Larkin, Connolly & Co., and from his brother, R. H. McGreevy, for the considerations above indicated, a sum of about $200,000.

56. That during the period aforesaid he was the agent and paid representative of Larkin, Connolly & Co. on the Quebec Harbour Board of Commissioners, in Parliament, and in connection with the Department of Public Works.

9.

Receipt of Money out of Baie des Chaleurs Railway Subsidies.

That the said Thomas McGreevy exacted and received out of the subsidies voted by Parliament for the construction of the Baie des Chaleurs Railway a sum of over $40,000.

57. That the said Thomas McGreevy exacted and received out of the subsidies voted by Parliament for the construction of the Baie des Chaleurs Railway, a sum of over $40,000.

10.

Use of Name of the Honourable Minister of Public Works.

That the name of the Honourable Minister of Public Works was made use of by the said Thomas McGreevy in his dealings with Larkin, Connolly & Co. so as to give the impression that he had control over him; the said Thomas McGreevy undertaking to obtain his co-operation, or declaring he had secured it, and that in the name of the Minister of Public Works, large sums of money were corruptly demanded by the said Thomas McGreevy from Larkin

Connolly & Co. That he used the Minister's name before the Harbour Commissioners, and that from 1882 to the present Session of Parliament he lived in the same house as the Minister, thereby giving the impression to Larkin, Connolly & Co., that he had absolute control over him and that he was acting as the Minister's representative in his corrupt transactions with them.

59. That the said Thomas McGreevy on several occasions demanded in the name of the Hon. Minister of Public Works and received from Larkin, Connolly & Co. sums of money.

60. That from 1882 to the present Session the said Thomas McGreevy has always lived in the same house as the Hon. Minister of Public Works, and that he seems to have done so in order to put in the mind of Larkin, Connolly & Co. the impression that he had over said Hon. Minister an absolute control and that he was acting as his representative in his corrupt transactions with them.

61. That in fact on many occasions he used the name of the Hon. Minister of Public Works in his dealings with them, undertaking to obtain his co-operation or declaring that he had secured it.

CHARGES AGAINST
THE HONOURABLE THE MINISTER OF PUBLIC WORKS.

1.

PAYMENTS 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 that firm.

2.

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

That by improper manipulations and by information improperly obtained from officers of the Department of Public Works, the contract for the Cross-wall was, on a report to Council made by the Honourable the Minister of Public Works on 26th May, 1883, awarded to Larkin, Connolly & Co., who, about the same date, to wit, 4th June, 1883, paid the sum of $1,000 to the "Langevin Testimonial Fund," for the use of Sir Hector Langevin, then Minister.

19. That in consequence of the said arrangement and manipulations wherein the said Thomas McGreevy directly participated, the contract for the Cross-wall and lock in connection with the Quebec Harbour Works was awarded to Larkin, Connolly & Co., on a Report to Council made by the Hon. Minister of Public Works, under date 26th May, 1883.

21. That about the same date, namely, the 4th June, 1883, a sum of $1,000 was paid by the firm of Larkin, Connolly & Co. towards "Langevin Testimonial Fund"—a fund destined to be given to Sir Hector Langevin.

CHARGES AGAINST
THE DEPARTMENT OF PUBLIC WORKS.

1.

"Cross-wall" Contract, 26th May, 1883.

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 officicials 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.

17. That while all the tenders were being examined and the quantities applied in the Department of Public Works of Canada, the said Hon. Thomas McGreevy, then and now a member of the Parliament of Canada, and a member of the Quebec Harbour Commission by appointment of the Government, promised to obtain, and did obtain, from the Department of Public Works of Canada, and from officials of that Department, in relation to the said tenders, to figures in connection therewith, and to the amounts thereof, information which he offered to communicate before the result was officially known, and which he did communicate to the firm of Larkin, Connolly & Co., and to certain members of the said firm individully.
18. That to the knowledge of the said Thomas McGreevy, the tenders of Messrs. Gallagher and Beaucage were lower than those of Larkin, Connolly & Co., but that in consideration of the promise of the sum of $25,000 to be to him paid, he, the said Thomas McGreevy, agreed to secure the acceptance of the tenders of Larkin, Connolly & Co., and that he suggested to that firm and to certain members thereof individually, to make arrangements in connection with the said Gallagher and Beaucage, and to so manipulate matters as to render the tenders of those two parties higher than those of the said firm, or, at all events, to secure the contract for Larkin, Connolly & Co., and that said arrangements and manipulations were carried out as suggested by him.
19. That in consequence of the said arrangement and manipulations, wherein the said Thomas McGreevy directly participated, the contract for the Cross-wall and lock in connection with the Quebec Harbour Works was awarded to Larkin, Connolly & Co. on a report to Council made by the Hon. Minister of Public Works, under date 26th May, 1883.

2.

Contract for the completion of the Esquimalt Dock, 8th November, 1884.

That after tenders were asked for by the Government for the completion of the Esquimalt Dock and before Larkin, Connolly & Co. tendered for that work, Thomas McGreevy obtained from the Department of Public Works, information, figures and calculations which he communicated to Larkin, Connolly & Co., and that during the execution of the contract, the said Thomas McGreevy, acting as agent of Larkin, Connolly & Co., obtained from the Department important alterations in the plans and works and more favourable conditions enabling the Contractors to realize to the detriment of the public interest very large sums of money.

27. That before tendering, the said Larkin, Connolly & Co. had with Thomos McGreevy, then and now a member of the Parliament of Canada, communications and interviews wherein they secured his services to assist them in dealing with the Department of Public Works in order to secure the said contract.
28. That he agreed to help them, and that he did in fact help them in divers ways, and, amongst others, by obtaining from the Department of Public Works information, figures, and calculations which he communicated to them.
30. That during the execution of the said contract, the said Thomas McGreevy was the agent or one of the agents in the pay of Larkin, Connolly & Co. in dealing with the Department of Public Works; that he endeavoured to obtain, and did obtain for them, at their request, important alterations in the works and more favourable conditions.
33. That in consideration of the sums of money so received by him and of the promises to him made, the said Thomas McGreevy furnished to Larkin, Connolly & Co., a great deal of information; strove to procure and did procure to be made by the Department and the Hon. Minister of Public Works, in the plans of the Graving Dock and the execution of the works, alterations which have cost large sums of money to the public treasury.

3.

" South-wall " Contract, 16th February, 1887.

a. That in the year 1886, the said Thomas McGreevy procured from public officials, the tenders sent in to the Quebec Harbour Commissioners for the construction of the South-wall of the Quebec Harbour Works and showed them to Messrs. O. E. Murphy, Connolly, and Robert H. McGreevy in order to give them an undue advantage over their competitors, and the said Murphy, Connolly and Robert McGreevy had said tenders in their possession during several hours, after which they were delivered to Henry F. Perley, who was thenin Quebec; and that the contract was awarded to John Gallagher, a mere figure head for the said Murphy, Connolly and Robert H. McGreevy, who did the work for their own profit and advantage.

b. That through the intervention and influence of the said Thomas McGreevy, changes, detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans and the works, and in the conditions and securities set out and provided for in the contract.

51. That Mr. Thomas McGreevy procured from public officials the tenders received, and showed them to Messrs. O. E. Murphy, Connolly and R. H. McGreevy, for whom he was acting, in order to give them an undue advantage over their competitors.

52. That they had the said tenders in their possession during several hours, after which they were returned to Henry F. Perley, then in Quebec, by the said Thomas McGreevy.

53. That the contract was awarded to one John Gallagher, a mere figure-head for the said Murphy, Connolly and R. H. McGreevy, who did the work for their own profit and advantage.

54. That changes detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans, and the carrying out of the works, and in the conditions and securities set out in the contract, through the influence and intervention of the said Thomas McGreevy.

4.

Contract for Dredging Wet Basin at 35 Cents per Yard, 23rd May, 1887.

(*a.*) That the Honourable Thomas McGreevy, having made a corrupt arrangement with Larkin, Connolly & Co., providing for a contract for the dredging of 800,000 cubic yards in the Wet Basin of the Quebec Harbour Works, used his influence as a Member of Parliament with the Department of Public Works, and in particular with Henry F. Perley, and induced him to report to the Quebec Harbour Commission in favour of the payment of the said sum of thirty-five cents per yard; and that a correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co. took place at the suggestion of the said Thomas McGreevy before the Quebec Harbour Commissioners were consulted, and was conducted in such a manner as to conceal the corrupt character of the contract.

(*b.*) That through the intervention, effort and influence of the said Thomas McGreevy, and without any public tender having been called for, a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co. for the above-mentioned work.

(*c.*) That in the execution of the works of the above contract extensive frauds were perpetrated, to the detriment of the public treasury, and sums of money were paid corruptly to officers under the control and direction of Henry F. Perley and appointed by the Quebec Harbour Commission.

40. That the said Thomas McGreevy used his influence as a Member of this House with the Department of Public Works, and in particular with Henry F. Perley, Esq., to induce him to report to the Quebec Harbour Commission in favour of the payment of the said sum of 35 cents per cubic yard.

41. That the correspondence on this subject between Henry F. Perley and Larkin, Connolly & Co., before the Quebec Harbour Commissioners were consulted, took place at the suggestion of the said Thomas McGreevy, and was conducted with his knowledge and participation in such a manner as to conceal from the eyes of Parliament and of the public the corrupt character of the contract, in connection with which he had received $27,000.

43. That on the 23rd May, 1887, in fulfilment of the arrangement above mentioned, and through the effort, the influence and the intervention of the said Thomas McGreevy and without any public tender having been called for a contract was made between the Quebec Harbour Commissioners and Larkin, Connolly & Co., for all the necessary dredging and removal of material in the Wet Basin of the Quebec Harbour works.

44. That in the execution of the works of this contract extensive frauds were perpetrated, to the detriment of the public treasury, and sums of money were paid corruptly to officials under the control and direction of Henry F. Perley and appointed by the Quebec Harbour Commission.

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44. That in the execution of the works of this contract extensive frauds were perpetrated, to the detriment of the public treasury, and sums of money were paid corruptly to officials under the control and direction of Henry F. Perley and appointed by the Quebec Harbour Commission.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

ORDER OF REFERENCE

OF

11th MAY, 1891.

ANALYSIS OF CHARGES.

SELECT STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS.

In the matter of the Order of Reference of the 11th May, 1891, to the Select Standing Committee on Privileges and Elections.

BRIEF OF COUNSEL FOR DEPARTMENT OF PUBLIC WORKS.

THE RELATION OF THE DEPARTMENT OF PUBLIC WORKS TO THE QUEBEC HARBOUR WORKS.

An abstract of the material portions of the Acts bearing on this question is given below :—

1873—36 Victoria, chapter 62.—Quebec Harbour Commissioners reconstituted and given control of Quebec Harbour (section 15), and charged with the duty of making all necessary improvements (section 17). Section 17 also authorizes the Governor in Council to raise $1,200,000, part to be used for redeeming old debentures, and the balance to be advanced from time to time to the Corporation to meet payments on account of improvements in Quebec Harbour, such improvements to be previously sanctioned by the Governor in Council on the joint report of the Ministers of Marine and Fisheries and Public Works.

1875—38 Victoria, chapter 56.—Governor in Council authorized to raise $500,000 for the completion of the Graving Dock in Quebec Harbour (section 2). The size and dimensions, plans and specifications, and draft contract to be approved by the Governor in Council on recommendation of the Ministers of Marine and Fisheries and Public Works.

1880—43 Victoria, chapter 17.—Governor in Council authorized to raise $250,000 to be advanced to the Harbour Commissioners to enable them to complete the Tidal Dock, which had been begun under the authority of the Act of 1873.

1882—43 Victoria, chapter 47.—Governor in Council authorized to raise $375,000 to be advanced to the Harbour Commissioners to enable them to construct the Cross-wall and Lock. This Act is special, in that it provides that the plans of the works are to be prepared by the Engineers of the Department of Public Works, and that they are to be submitted to the approval of the Governor in Council, and that public tenders shall be called for, and that the contract shall be awarded by the Governor in Council.

1883- 46 Victoria, chapter 40 ; 1884—47 Victoria, chapter 10.—Two additional sums of $100,000 and $150,000 voted, to enable the Harbour Commissioners to complete the Graving Dock, which was being constructed under the Act of 1875, above referred to.

1884.—47 Victoria, chapter 9—An advance of $200,000, authorized to be advanced to the Harbour Commissioners to enable them to complete the Tidal Dock.

1886—49 Victoria, chapter 19.—Governor in Council authorized to advance $750,000 to the Harbour Commissioners to enable them to complete the Tidal Dock and Wet Basin.

1887—50 and 51 Victoria, chapter 41.—Governor in Council authorized to raise $160,000 to be advanced to the Harbour Commissioners to enable them to complete the Graving Dock, and $1,100,000 to be advanced to enable them to complete the other works.

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 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.

After approval of the plans by the Governor in Council (6th April, 1883) tenders were called for by the Harbour Commissioners and were received and opened by them at Quebec on the 2nd of May, and were then transmitted to the Department of Public Works in Ottawa, where they arrived on Saturday the 4th of May. This is shown by Thomas McGreevy's letter to Robert, dated 5th May (page 20), in which he says: "The tenders for the Cross-wall only arrived here yesterday and are locked up until Monday."

Three of these tenders, namely, those of Gallagher, Beaucage and Larkin, Connolly & Co., were prepared by, and made in the interest of, that firm (evidence of Murphy, pages 39 and 40) and these tenders themselves contain strong evidence of their common origin, in the fact that a somewhat peculiar so-called error in respect of the price of sheet-piling is found in them all. Before they were examined in Ottawa, Thomas McGreevy was aware of the then relative values of these tenders when he wrote his letter of the 5th May, above referred to in which he says: "I told him (Larkin) that it would be useless to get Peters out of the way, as it would be tantamount to giving the contract to the highest tender, that you would have to stick to Beaucage's contract as it was fair."

On the 17th of May the Chief Engineer, having discovered these apparent errors as to prices of sheet-piling in all three tenders, wrote to the tenderers, calling attention to the same, and enquiring whether or not they had really made an error in this respect. *See* page 43, where the letter to Beaucage, whose tender contained a further so-called mistake as to pile-driving, is printed.

On the 19th of May replies are sent by Larkin, Connolly & Co., and John Gallagher, the former adhering to their tender as made, and the latter stating that his prices were 25 cents, 20 cents and 18 cents per foot, b.m., respectively, for the items in question (page 48).

In the meantime, however, Gallagher had, on the 16th of May, written to the Department, requesting, for certain reasons, to be allowed to withdraw his tender (page 88.)

Beaucage replied 21st May, correcting the error in his tender, so as to make it read $19, $17, $15.75 and $15 for sheet-piling per lineal foot in line of work (page 48.)

Between the date of the receipt of the tenders in Ottawa and the 17th of May, when Mr. Perley wrote Gallagher, Beaucage and Larkin, Connolly & Co., as above, he seems to have arrived at the value of each tender as actually made, with the result that they stood in the following order, beginning with the lowest and ending with the highest:—

Gallagher	$552,255
Beaucage	593,463
Larkin, Connolly & Co.	634,340
Peters & Moore	643,071
Samson & Samson	864,181

See Exhibit "X3" and report of the engineers appointed by the Committee (page 9 of report).

On the receipt of the replies from Gallagher, Beaucage and Larkin, Connolly & Co., the rates for sheet-piling were amended in the case of Beaucage, in compliance with his letter, and the position of the tenderers was accordingly changed as follows:—

Gallagher	$552,255
Larkin, Connolly & Co.	634,340
Beaucage	640,808
Peters & Moore	643,071
Samson & Samson	864,181

The result of which was that Gallagher having been allowed to withdraw his tender, the contract was awarded to Larkin, Connolly & Co.

As to the first branch of the charge under discussion, namely, that information was improperly given to Thomas McGreevy, it is based exclusively upon certain statements in his letters to his brother Robert in connection with portions of the testimony of Murphy and R. H. McGreevy as to conversations with Thomas McGreevy.

While none of this can be treated as legal evidence against individual officers of the Department of Public Works, it must be conceded that an examination of the letters in question shows clearly that in addition to the knowledge which he previously had, Thomas McGreevy became possessed of information as to these tenders while they were being dealt with in the Department.

There are four letters containing statements on this subject. They are dated 5th, 7th, 8th and 17th of May respectively (pages 20, 21 and 604) The passages referring to the Cross-wall are printed here for convenience.

The letter of the 5th May contains the following :—

"The tenders for the Cross-wall only arrived here yesterday and are locked up until Monday, when he will commence his calculations. I will write you Tuesday, and let you know the result. Larkin was here yesterday. I told him that it would be useless to get Peters out of the way as it would be tantamount to giving the contract to the highest tender, that you would have to stick to Beaucage's tender as it was fair."

The letter of the 7th May contains the following :—

"I hope to let you know to-morrow about the result of the Cross-wall tenders. Have your arrangements right with Beaucage before result is known. I will give you timely notice."

The letter of the 8th May contains the following :—

"I seen Boyd this morning. He has not finished Cross-wall yet. I will meet him this afternoon about it and know the result."

The letter of the 17th May contains the following :—

"As I told you yesterday to try and get a good plan and as quick as possible, in answer to the letter that Gallagher and Beaucage will receive about their tenders, to bring them over Larkin, Connolly & Co., so that their tender will be the lowest. The contract will be awarded from Ottawa direct"

This is the same day on which Mr. Perley wrote letters to Gallagher, Beaucage and Larkin, Connolly & Co., calling attention to the supposed errors in their tenders (pages 1076-1077), and it therefore appears that Thomas McGreevy became aware at that time of the fact that these letters were being sent.

The evidence of Thomas McGreevy (page 897) shows what is in itself not improbable, that he got this, as he appears to have got other information, from Mr. Boyd, resident engineer of the Quebec Harbour Works who was then engaged in Ottawa applying the quantities to the tenders and making the necessary calculations. Thomas McGreevy was in Ottawa at this time attending to his parliamentary duties. It was natural and seemingly proper that being an active member of the Board of Harbour Commissioners, who, as such, had already examined these very tenders at Quebec, and it not being known that he had any other interest in the work, he should be afforded whatever information he might ask for in this connection.

Unfortunately on account of Mr. Perley's state of health, it was found impossible to take his evidence except upon comparatively few of the subjects of enquiry. His testimony, however, at page 150 bears, on this point. He says, "with reference to this statement of Mr. McGreevy (in the letter to Robert McGreevy, printed at page 24) 'I have had a long interview with Perley on Harbour Works.' I have no doubt that Mr. McGreevy had. Mr. McGreevy was a Commissioner of the Harbour at Quebec and I was his servant and therefore had a right to discuss with him anything connected with the Harbour Works at Quebec."

So it appears that bearing in mind the relations of Messrs. Perley, Boyd and Thomas McGreevy to each other in connection with the Quebec Harbour Works at this time, all the information which Thomas McGreevy seems to have obtained might be given him by the other two without any breach of duty on their part.

These considerations lead to the conclusion that the charge that information in respect to the Cross-wall tenders was improperly given to Thomas McGreevy, is not made out.

The questions arising from the alleged improper use of this information by Thomas McGreevy do not concern this part of the enquiry, but must be dealt with by his Counsel.

As regards the other branch of this charge, namely, that by improper manipulations in the Department of Public Works, the contract was awarded

to Larkin, Connolly & Co., it is necessary to refer to the report of the Engineers appointed by the Committee. The suggestion was that for the purpose of apparently justifying the awarding of the contract to Larkin, Connolly & Co., quantities other than the true quantities were applied to certain of the items in the schedule, and conversely that if the proper quantities had been applied the tender of Peters & Moore would have been found to be the lowest. The result of the comparison made by the Committee's Engineers of the quantities shown by the plans and specifications with the quantities applied by Mr. Boyd, is as follows :—

RESULT of comparison based on quantities of crib work, concrete, stone ballast, sheet-piling and earth-filling taken from the plans and specifications produced :

Peters & Moore	$281,009 00
Larkin, Connolly & Co	369,971 70
Beaucage	389,871 00
Gallagher	405,346 32
Samson & Samson	552,812 00

RESULT of above comparison carried out with the addition thereto of the items in schedule of quantities not obtainable from the plans and specifications :

Peters & Moore	$ 736,243 50
Larkin, Connolly & Co	753,371 70
Gallagher	762,378 32
Beaucage	765,510 50
Samson & Samson	1,032,011 20

(Engineer's Report, page 9.)

Considering the very serious nature of the charge, that the quantities applied were wilfully false, it is submitted that only the most cogent evidence should prevail to induce a conclusion that such a course was adopted.

Particular attention is directed to the portions of the report of the Engineers, which show that no such conclusion can be safely arrived at (pages 8, 9 and 11 of Engineers' report).

It is to be remarked that although every effort has been made by the Engineers and by Counsel for the Department to obtain the original plans, from which it is supposed that Mr. Boyd obtained the quantities which he applied, such plans have not been found ; that the quantities ascertained by the Engineers' report are the result of measurements from the working plans prepared at a subsequent date, and that it is impossible to impugn Mr. Boyd's honesty in the absence of the originals, however severely the conduct of officials may be criticized on account of the absence of these essential documents.

Finally, as regards this point, it may be mentioned that while the gentlemen, who framed and signed this report, were not charged with the judicial task of expressing an opinion as to the conduct of the persons involved, and while they have properly refrained from so doing, it is clear that for reasons which appear on the pages above referred to, they do not consider that this branch of the case has been established.

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2.

CONTRACT FOR THE COMPLETION OF THE ESQUIMALT DOCK, 8TH NOVEMBER, 1884.

The charge is as follows :—

> That after tenders were asked for by the Government for the completion of the Esquimalt Dock and before Larkin, Connolly & Co. tendered for that work, Thomas McGreevy obtained from the Department of Public Works. information, figures and calculations which he communicated to Larkin, Connolly & Co., and that during the execution of the contract, the said Thomas McGreevy, acting as agent of Larkin, Connolly & Co., obtained from the Department important alterations in the plans and works and more favourable conditions enabling the Contractors to realize to the detriment of the public interest very large sums of money.

The contract with Larkin, Connolly & Co., bearing date 8th November, 1884, under which this work was executed, was not a lump sum contract, as might be inferred from some of the questions put to Mr. Perley, but was a contract at a schedule of rates applied to estimated quantities for the completion of the work reported by Mr. Trutch to the Department and based upon figures furnished by Mr. Bennett who had been in charge of the work under Messrs. Kinipple and Morris from the beginning.

The final estimates were based on Mr. Bennett's measurement of quantities executed applied to the schedule of rates contained in the contract with the result that the total cost amounted to $581,527 instead of the moneyed out tender of Larkin, Connolly & Co. for $374,559 which was arrived at by applying the schedule of rates to Bennett's estimate of quantities furnished to the Department.

This increase of $206,968 over the supposed cost at the date of the acceptance of the tender was made up as follows :

Cost of changes made in plans and changes made in the execution of the work as per Engineers' second report	$53,897
Total extras allowed	23,015
Money value of the difference in quantities as given by Mr. Trutch's report prior to contract (*see* pages 164, 169) and the quantities actually executed in the work as per Bennett's measurement (*see* Perley's evidence at pages 163, 164, where some items causing increase are suggested)	$130,076

This latter item is not complained of in the charges and there is no suggestion or foundation for any suggestion that Mr. Bennett erred in any way in the final measurements made, but his measurement of the work still remaining to be done at the date of the assumption of the work by the Dominion does not seem to have been very accurate.

The charges involving the Department in connection with this work deal :

First, with the information said to be improperly obtained by Larkin, Connolly & Co. through Thomas McGreevy, prior to the contract being awarded.

Secondly, the procuring by the agency of Thomas McGreevy alterations in the plans, in the execution of the works and in conditions, thus enabling the contractors to realize improperly large sums of money.

On the first head the evidence may be sumarized as follows :—

The second tenders for the work, in which alone Larkin, Connolly & Co. were concerned, were returnable at Ottawa on the 20th September, 1884. On the 9th of the same month Thomas McGreevy wrote a private note (not produced) to Mr. Perley, Chief Engineer. To this Mr. Perley replies by a letters of 11th September, 1884. (Exhibit "R6," printed at page 141.)

Does this letter give information which ought not to have been given? It is submitted that if the Department had been calling for lump sum tenders the information contained in this letter would have been highly improper, but the tenders asked being by schedule of rates, the information as to probable cost of finishing the work would be no guide to a contractor in making up his

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CONTRACT FOR THE COMPLETION OF THE ESQUIMALT DOCK, 8TH NOVEMBER, 1884.

The charge is as follows :—

> That after tenders were asked for by the Government for the completion of the Esquimalt Dock and before Larkin, Connolly & Co. tendered for that work, Thomas McGreevy obtained from the Department of Public Works. information, figures and calculations which he communicated to Larkin, Connolly & Co., and that during the execution of the contract, the said Thomas McGreevy, acting as agent of Larkin, Connolly & Co., obtained from the Department important alterations in the plans and works and more favourable conditions enabling the Contractors to realize to the detriment of the public interest very large sums of money.

The contract with Larkin, Connolly & Co., bearing date 8th November, 1884, under which this work was executed, was not a lump sum contract, as might be inferred from some of the questions put to Mr. Perley, but was a contract at a schedule of rates applied to estimated quantities for the completion of the work reported by Mr. Trutch to the Department and based upon figures furnished by Mr. Bennett who had been in charge of the work under Messrs. Kinipple and Morris from the beginning.

The final estimates were based on Mr. Bennett's measurement of quantities executed applied to the schedule of rates contained in the contract with the result that the total cost amounted to $581,527 instead of the moneyed out tender of Larkin, Connolly & Co. for $374,559 which was arrived at by applying the schedule of rates to Bennett's estimate of quantities furnished to the Department.

This increase of $206,968 over the supposed cost at the date of the acceptance of the tender was made up as follows :

Cost of changes made in plans and changes made in the execution of the work as per Engineers' second report	$53,897
Total extras allowed	23,015
Money value of the difference in quantities as given by Mr. Trutch's report prior to contract (*see* pages 164, 169) and the quantities actually executed in the work as per Bennett's measurement (*see* Perley's evidence at pages 163, 164, where some items causing increase are suggested)	$130,076

This latter item is not complained of in the charges and there is no suggestion or foundation for any suggestion that Mr. Bennett erred in any way in the final measurements made, but his measurement of the work still remaining to be done at the date of the assumption of the work by the Dominion does not seem to have been very accurate.

The charges involving the Department in connection with this work deal :

First, with the information said to be improperly obtained by Larkin, Connolly & Co. through Thomas McGreevy, prior to the contract being awarded.

Secondly, the procuring by the agency of Thomas McGreevy alterations in the plans, in the execution of the works and in conditions, thus enabling the contractors to realize improperly large sums of money.

On the first head the evidence may be sumarized as follows :—

The second tenders for the work, in which alone Larkin, Connolly & Co. were concerned, were returnable at Ottawa on the 20th September, 1884. On the 9th of the same month Thomas McGreevy wrote a private note (not produced) to Mr. Perley, Chief Engineer. To this Mr. Perley replies by a letters of 11th September, 1884. (Exhibit "R6," printed at page 141.)

Does this letter give information which ought not to have been given? It is submitted that if the Department had been calling for lump sum tenders the information contained in this letter would have been highly improper, but the tenders asked being by schedule of rates, the information as to probable cost of finishing the work would be no guide to a contractor in making up his

cost of finishing the work would be no guide to a contractor in making up his

tender. As to the rates, Mr. Perley says: "I cannot send the rates supplied by myself, as I have never determined them." Again, it must be considered that Mr. Perley was writing to a member of the House of Commons who was disqualified from tendering and whom he knew to be interested, as Harbour Commissioner, in a similar work at Quebec. Mr. McGreevy was also interested as a director of the Union Bank in getting information on which his bank could act in making advances to their customers, Messrs. Larkin, Connolly & Co., in carrying on the works, and it is suggested that any bank asked to advance to a contractor for a large public work might well obtain information from the Chief Engineer, which, in a general way, would guide them in considering the amount of advances prudent to make. Mr. Perley states in his evidence (bottom of page 161) that he had been in the habit of giving such information. "I have always done so and will continue to do so."

The only other evidence on this point is to be found in the statement by the witness Baskerville that he was approached by the witness Heney with an offer to procure Baskerville the contract on payment of $10,000, but upon this point no argument can be seriously urged by the prosecution and no further reference need be made to it, and Thomas McGreevy has not been connected in any way with the offer.

As to the second head, the improper agency of Thomas McGreevy in procuring alterations, &c.

The agency of Thomas McGreevy is made out by the evidence of Robert McGreevy, if accepted. He states positively that Thomas McGreevy was to have a share of his profits, not only so, but that he accounted to him for half the profits received both in the contracts at Quebec and that now in review.

But, presuming partnership or agency of Thomas McGreevy, there is nothing to show that the Department knew of it, or that undue influence was used by him in procuring the alterations in question. The exhibits supporting the contention of the prosecution are: "G2," page 22; "H2," page 23; "I2," "J2" and "K2," page 24; and "R2," page 28. In connection with these exhibits, which are all letters written by Thomas McGreevy, *see* Perley's Evidence, at pages 150, 151–156 and 158.

The attempted discharge of Bennett is given in evidence, not in support of any charge made against the Department, but simply as cogent evidence as to the agency of Thomas McGreevy, as is also the transaction connected with the suggested change to granite, which, though recommended by the Chief Engineer and approved by the Minister, was not carried out as is suggested by the prosecution, by reason of the subsequent request of Thomas McGreevy made to the Department, though it must be borne in mind that this is denied by Thomas McGreevy. The Minister of Public Works explains very clearly how this proposed change was dealt with (page 1066).

In this connection it would be well to consider the changes made and the result shown in detail by the second report of the Engineers printed in the Appendix. Four changes were made. The alteration in the drip of the dock floor, and the difference in cost of the caisson chamber may be passed as insignificant, and as proper changes to be allowed by the Engineer. The change involved by the adoption of a circular head, admittedly, was most beneficial, giving an increase in the length of the dock of fifty feet at a total increased cost of $17,025, the work being paid for at the contract schedule rates (*see* plan in the Appendix showing the change). The only other change was that to large courses in the stone-work, and this was undoubtedly beneficial (*see* coloured cross-section plan in the Engineers' appendix). There could have been no undue influence in procuring this change, for it was allowed only on the distinct understanding that it should not cost the Department any more than the work as originally designed. *See* Exhibits "Q5," page 126; "R5," "S5," page 127; "T5," page 128; "X5," "Y5," and "Z5," page 129.

The serious question to be considered arises from the fact that after the work was executed on this distinct understanding, a sum of $32,879 was allowed for it by the Department.

The Department, or Mr. Perley, seems to have thought that the country had got a very considerable benefit from the change, and that it was only fair and reasonable that the contractors should be paid for the extra stone put in at the price for stone, namely, $27 a cubic yard, instead of the price for concrete, $8.50.

The remaining point to be considered is the deduction by Mr. Perley of $19,873 from the price of the plant taken over by the contractors from the Government as part of the consideration of their contract at $50,288. A claim for the reduction on the value of this plant was made by the contractors in the spring of 1885, when the matter was referred to Mr. Bennett, who reported a shortage of $10.45. The claim then made by the contractors was for an allowance of $12,400 (*see* page 144).

Mr. Perley states that upon the occasion of his visit in the fall of 1885 he examined this plant very carefully. At page 164 he says that he made a particular examination, and at page 144 is to be found his letter to the Secretary of the Department in which he reports having made a careful examination of the plant, &c., mentioned in the contract. In this letter he states that it was to be regretted that a very large portion of it was accepted at any price from the Provincial Government, it was old, unserviceable, of no use and of very little value, and he concluded by presuming that the value of this article would become a question at a future day between the Department and the contractors. He does not state in that letter that he had arrived at any specific reduction nor is anything produced by him to show how the amount of the reduction ultimately made might be arrived at. No definite action was taken by the Department as the result of this report of the 18th January, 1886. The only action taken was by Mr. Perley himself when he was making up and deciding upon the final estimate. No Order in Council was made upon the subject nor was the matter brought before the Minister (*see* foot of page 145 and foot of page 146) where Mr. Perley takes the whole responsibility of this reduction (*see* also top of page 147). There seems to have been no authority for this reduction. The application for a lesser reduction, namely, $12,400 in 1885 was considered and rejected (*see* letter 29th April, 1885, Perley to Trutch, Exhibit "T6," page 145).

3

South Wall Contract, 16th February, 1887.

The charge is as follows :—

> (*a.*) That in the year 1886, the said Thomas McGreevy procured from public officials, the tenders sent in to the Quebec Harbour Commissioners for the construction of the South wall of the Quebec Harbour Works and showed them to Messrs. O. E. Murphy, Connolly and Robert H. McGreevy, in order to give them an undue advantage over their competitors, and the said Murphy, Connolly and Robert H. McGreevy had said tenders in their possession during several hours, after which they were delivered to Henry F. Perley, who was then in Quebec ; and that the contract was awarded to John Gallagher, a mere figurehead for the said Murphy, Connolly and Robert H. McGreevy, who did the work for their own profit and advantage.

There appears to be nothing in the charge itself nor in the evidence given under it which affects the Department of Public Works. Assuming Murphy's evidence on this point (pages 173–174) corroborated by Charles McGreevy's (pages 788–789), to be true, it shows that on the evening of the day on which the South Wall tenders were opened in Quebec, they were in the possession of Thomas McGreevy at his house, and that Murphy and Robert McGreevy had access to them and examined them for some time, and that afterwards they were enclosed in an envelope and carried by Charles McGreevy to Mr. Perley, who was then in Quebec at the St. Louis Hotel.

It is to be assumed, as a matter of course, from this evidence, that the tenders were obtained by Thomas McGreevy as a Harbour Commissioner at or after the meeting at which they were opened, and there is nothing to indicate that the impropriety of their being exhibited to Robert McGreevy and Murphy is directly or otherwise attributable to any official of the Department of Public Works, nor is there anything to indicate or suggest that Mr. Perley had seen them or had them in his possession before he received them from Charles McGreevy, as above mentioned.

On the above assumption, however, the conduct of Mr. Thomas McGreevy requires very serious consideration from his Counsel in meeting this charge, especially when it appears on an examination of the tenders that changes were made in the prices of some of the items. (*See* Exhibits "B," "D," "F," and "H.")

> (*b.*) That through the intervention and influence of the said Thomas McGreevy changes detrimental to the public interest, but of a nature to secure great profits to the contractors, were made in the plans and works, and in the conditions and securities set out and provided for in the contract.

The only changes made in the plans and works were two :

The raising of the sewer in connection with the wall, or rather adjoining the wall on the south ; and the substitution of stone for brick in its construction.

The level of the sewer was a matter which did not affect the Harbour Works or concern the Commissioners. It was a matter for the Engineer of the city of Quebec and he dealt with it and approved of the substituted level (Evidence of Baillairgé, pages 1042, 1043).

It appears, however, that the change of the level involved a considerable incidental advantage to the contractors in connection with excavation, and especially as regards excavation and construction affected by the tide. (See Evidence of Boswell, page 1086).

This, however, was an advantage to which contractors under all contracts of this description would be fairly and strictly entitled.

As to the substitution of stone for concrete and brick in the construction of the sewer the evidence shows that the contractors proposed the change, showing a plan of the same and stating that, according to calculations made by them, the cost of the plan proposed to be substituted would be about the same as the original design. To verify this Mr. Boswell made an approximate estimate of the difference in cost of the two designs, and found that according to the contract prices the work proposed to be substituted would involve an additional cost of $13,028, and he reported to the Chief Engineer accordingly.

The Chief Engineer replied that he would not agree that the cost of the work should be increased and refused to approve of the change, except on th condition that no additional cost should be involved.

Upon this the contractors agreed to do the work as proposed by them without extra cost, and it was executed and paid for accordingly.

It is shown, and it has never been questioned, that the change gave th Commissioners and the City of Quebec a better sewer. (Evidence of Murphy pages 223, 224 ; Evidence of Boswell, pages 1080, 1081.)

As regards the alleged change in respect to security for the performanc of the contract, it would appear to have reference to the substitution of a uncertified cheque of O. E. Murphy for $25,000, endorsed by N. K. Connoll for a certificate of deposit from the Union Bank for the same amount (*Se* evidence of Verret, page 480). There is a difference between Mr. Thoma McGreevy and Mr. Verret about this transaction, the former claiming that h intended the letter on which the latter gave up the certificate to show, as th one produced does show, that he objected to the substitution, the latter con tending that the letter now produced is not the one on which he acted, an which he most positively states contained the word "No," so that instead o reading "I see objection, &c.," it read "I see no objection, &c."

This dispute, however, has nothing to do with the Department of Publi Works. Murphy, Verret and Thomas McGreevy were the only parties t the transaction.

Here it may be once more pointed out that this South Wall contract wa awarded by the Commissioners themselves under the authority of the Statute and that the only relation of the Public Works Department to this work wa that it was the duty of the Minister of that Department to recommend th necessary advances as the work progressed (See abstract of Statutes above Statement of Sir Hector Langevin, page 1063).

Bearing this distinction in mind, it will be seen that none of the charge under this head affect the Department of Public Works.

4.

Contract for Dredging Wet Basin at 35 cents per Yard, 23rd May, 1887.

(*a.*) That the Honourable Thomas McGreevy, having made a corrupt arrangement with Larkin Connolly & Co., providing for a contract for the dredging of 800,000 cubic yards in the We Basin of the Quebec Harbour Works, used his influence as a member of Parliament with th Department of Public Works, and in particular with Henry F. Perley, and induced him t report to the Quebec Harbour Commission in favour of the payment of the said sum of thirty-fiv cents per yard ; and that a correspondence on this subject between Henry F. Perley and Larkin Connolly & Co. took place at the suggestion of the said Thomas McGreevy before the Quebe Harbour Commissioners were consulted, and was conducted in such a manner as to conceal th corrupt character of the contract.

(*b.*) That through the intervention, effort and influence of the said Thomas McGreevy, an without any public tender having been called for, a contract was made between the Quebe Harbour Commissioners and Larkin, Connolly & Co., for the above mentioned work.

The above charges have reference exclusively to the inception and making of the contract. The alleged frauds in connection with its execution are deal with under a subsequent head.

The following considerations are suggested :—

1. The contract was for dredging to the minimum depth provided for in the dredging contract of 1882, that is to say, 15 feet, the price for which under that contract, was 27 cents, at which price, according to the evidenc and calculations of Robert McGreevy (*see* pages 599, 600), large profits ha been made by the contractors in the preceding years.

2. No tenders were called for, but against this it is to be remembered tha the amount of dredging to be done for the season was limited to $100,000 and that for such an amount it would not be probable that at 35 cents per yar any other contractor would build or bring to Quebec the necessary plant.

Larkin, Connolly & Co., having the plant on hand, could execute th work at lower rates than other contractors, no capital for plant being neces sary on their part, and these considerations, so far as they go, would tend t justify the contract under the circumstances existing at that time.

On the other hand no attempt seems to have been made by Mr. Perley t reduce the price named by Larkin, Connolly & Co. in answer to his letter, an there seems to be no sufficient reason given why an increase over the price o former years should be allowed.

As regards the charge that no tenders were called for, it is to be born in mind that the Commissioners were not under any statutory obligation t call for tenders, the only Act providing for such a course being that of 188 in reference to the Cross-wall.

3. The Commissioners acted almost entirely upon Mr. Perley's letter, bu it appears that Mr. Giroux took some trouble to satisfy himself from report of the cost of dredging in Montreal Harbour that the price was fair. (Evi dence of Giroux, page 971.)

Larkin's evidence (page 884), as to prices for dredging in Port Dalhousi and Owen Sound should also be borne in mind.

On the other hand it must be observed that this contract was entered int subsequently to the receipt by Mr. Perley of the jewellery and plate, *se* Evidence, p 324, and that the evidence shows that this rate gave to th contractors large and unusual profits.

4. The conduct of Messrs. Perley and Thomas McGreevy in this matte must also be considered in the light thrown upon it by Exhibit "M5", page 118 signed by Michael Connolly, which is in these words: "If contract is entere into with Harbour Commissioners and approved of by the Minister of Publi Works for 8,000 yards of dredging at 35 cents to be dumped in river, or an more difficult place to be paid extra, we give $25,000." The contract give was not in the terms of this memorandum, but it seems clear from the evidenc that the $25,000 was actually paid by Larkin, Connolly & Co. and that par of it found its way into the hands of Thomas McGreevy. It is, however, bu fair to Mr. Perley to mention that there is no evidence of knowledge on h

part of the corrupt arrangement to which the Exhibit "M5" has reference, but subject to any argument presented by his Counsel a very strong inference is to be drawn against the conduct of Mr. Thomas McGreevy in the matter.

The correspondence referred to in this charge will be found at page 13 of Blue-book.

(c.) That in the execution of the works of the above contract extensive frauds were perpetrated to the detriment of the public treasury and sums of money were paid corruptly to officers under the control and direction of Henry F. Perley and appointed by the Quebec Harbour Commissioners.

While the contract was limited to $100,000 and would, therefore, roughly speaking, at the price named cover only 280,000 yards, yet dredging to the extent of 731,000 yards was done under its provisions and terms, and was paid for during the seasons of 1887, 1888 and 1889, and the contractors seem, without any particular authority or direction, to have dredged in some places to a depth of 26 feet. Of this total number of yards a very large quantity was dumped in the river and 49,804 yards were used for filling and paid for as such under the Cross-wall contract, making a total of 80 cents per yard for this latter work. (Evidence of Boswell, page 876.)

In the carrying out this contract it appears clear that the inspectors, Brunelle, Pelletier and Germain, received from time to time payments from the contractors, which according to the evidence of Martin P. Connolly (pages 539, 540, 541, 542, especially foot of 541 and top of 542), had relation to quantities of material improperly certified to by them. *See* also evidence of Murphy, page 124, and of Robert McGreevy, foot of page 620.

This charge seems to be conclusively proved in so far as it has relation to corrupt payments to inspectors and employees of the Quebec Harbour Commissioners.

Lévis Graving Dock.

While there is evidence of corrupt and improper bargaining by Thomas McGreevy, by which he received $22,000 for procuring this lump sum contract, there is no suggestion made that the Department of Public Works, either through the Minister or the Chief Engineer, was aware of the improper understanding alleged.

The wisdom of the change from an item contract to one for a lump sum is not attacked and seems to have been reasonable under the circumstances detailed in evidence. The charge so far as it affects Mr. Thomas McGreevy is left to be answered by his Counsel.

B. B. OSLER,
H. McD. HENRY.

SELECT STANDING COMMITTEE

ON

PRIVILEGES AND ELECTIONS.

IN THE MATTER OF

THE

ORDER OF REFERENCE

OF

11th MAY, 1891.

BRIEF OF COUNSEL

FOR

DEPARTMENT OF PUBLIC WORKS.