

APPENDIX No. 1

to me he would rather I would come in after Christmas and I did. I went in—well, I do not know, it may have been a day or two days after Christmas.

Q. Yes?—A. And Mr. Ellis then told me that he was sorry but that he could not carry out the arrangement he had entered into, could not pay me the commission. I wanted to know why, and he said, 'Well, we are selling to other departments of the government at lower prices than we have charged the government in this contract.' He said, 'If the matter is investigated it won't look very well for the Barber & Ellis firm. You would not be known in the transaction at all; we would have to bear the brunt of it. Under the circumstances, after consulting with Mr. Barber, I have decided to return the commission, the amount of your commission.' He stated that he had done so a day or two before.

Q. That letter is in?—A. Yes.

Q. The 23rd of December that is, I may as well tell you. You are right about Christmas?—A. Yes.

Q. Well now, it comes down to this: You have made a bargain with the government, through Ogilvie, to deliver to the government 125,000—

Mr. MACDONALD (Pictou).—Would it not be as well to let Mr. O'Gorman finish this conversation with Mr. Ellis before you go on?

Mr. BARKER.—I think he has finished.

The WITNESS.—No, Mr. Barker. I protested against that. I said to Mr. Ellis I did not think that was a very business-like way of doing things. 'Well,' he said, 'the matter is done now; it is too late to make any kick about it.' Some words to that effect. I am not using probably the exact language, but using the substance.

Q. Using the effect?—A. Yes. It was too late to make any kick about it, and he said further, 'If this had been an ordinary commercial transaction there would not have been any trouble.' But he said, 'We have had one experience in investigating matters of this kind'—I do not know whether he meant in regard to the government or not, but I assumed at the time that he did—and he says, 'We do not want another.'

Q. Is that all that passed between you?—A. That is about the substance of what passed.

Q. Well, then, I was going on to say that the transaction up to this point is this: You agreed with the government to supply a certain quantity of envelopes, and they agreed to pay you a certain price for them. A bargain was made by you and is in writing?—A. Yes, exactly.

Q. You go to the person who is to do the work for you, and you make another bargain with him at lower prices, intending to treat the difference between the two sets of prices as your commission?—A. Exactly.

Q. Now, when you found that the Barber & Ellis Company had returned that \$87 and some cents, whatever it was, to the government I presume you wanted your \$87 still, did you not?—A. Well, I asked them for it at the time.

Q. Asked whom?—A. Mr. Ellis.

Q. Yes, but they had returned the \$87, which was equivalent to your commission, to the government. Now you had a bargain with Mr. Ogilvie, a valid bargain, for higher prices, what did you do about that?—A. Well, I made my bargain for my commission with Mr. Ellis, with nobody else, and I looked to him for it. I am still looking.

Q. You had a written bargain with the government for certain prices, the higher prices, to supply those envelopes. Why did you not get your \$87 from the party that owed you the money?—A. Well, I did not—

Mr. MACDONALD (Pictou) objects to the question.

By Mr. Barker:

Q. Will you tell me why you did not go to the government and get your \$87—A. Well, of course, I did not feel that the government owed it to me.