

*By Mr. Carvell:*

Q. Did you ever tender to the Russian Government an assignment of your contract?—A. No, but we told them that we were prepared to transfer the contract to them.

Q. I want an answer to my question?—A. I have no hesitation whatever in letting the documents speak for themselves. They are a better answer than I can give you.

Q. What do you say?—A. I say that the Colonial Office were asked to advise the Russian Government that the contract was available to them.

Q. What do you say?—A. I stated that the Colonial office were advised.

Q. Now, Mr. Johnston—A. The Colonial Office were asked to advise the Russian Government that the contract was available for them.

Q. Did you ever tender it to the Russian Government?—A. We never communicated with the Russian Government direct, and for obvious reasons.

*By the Chairman:*

Q. The question has been put to you for the purpose of ascertaining whether or not the Russian Government could have availed themselves of the transfer of this contract?—A. Yes.

Q. In reply to that, I read from the telegram of the Department dated 26th February, as follows: "My advisers will agree to transfer of this vessel to Russian Government and they will give every possible assistance to insure delivery by middle of October as requested."—A. Yes.

Q. That was sent to the Colonial Secretary, who was doing all the negotiations on behalf of the Russian Government?—A. Absolutely.

Q. So that the Russian Government would be aware from the British Government that they could take advantage of the transfer of this vessel if they desired to do so?—A. We assumed so from the very first. There was no other idea in the mind of anybody connected with it.

Q. Could you compel the Russian Government to take a transfer if they did not want it?—A. We never gave that matter consideration.

Mr. CARVELL: The time for adjournment has come, and I would like, Mr. Chairman, if you would have Mr. Johnston at our call on Friday if we need him. I would also like to know if some of the members on this side could have the opportunity of examining that file.

The WITNESS: I think the discussion having arisen in connection with the offer made to the Russian Government, the cablegram of the 2nd September might well be communicated to the Committee.

Mr. CARVELL: We are willing to have it.

Cable of 2nd September read by witness.

*By Mr. Carvell:*

Q. That is your cablegram?—A. That is the Governor General's cablegram to the Colonial Secretary.

Q. From this Government to the British Government?—A. Yes.

Hon. Mr. REID: It is plain from that cablegram that, as far as this Government is concerned, we took every precaution to see that the Russian Government had every advantage.

Mr. CARVELL: I am glad of that. Is there any further correspondence?

Hon. Mr. REID: We are willing to show it.

*By Mr. Davidson:*

Q. Was that correspondence in the file that the Auditor General examined in your office?—A. No, this communication was subsequent.