

Q. If you have any official information during that hiatus I think we ought to have it?—A. What happened in the meantime—our story cannot be properly told without the production of these papers, and so far as I am concerned, I am quite anxious that they should be referred to.

Hon. Mr. REID: I suppose these are replies to the Governor General, I have not seen them at all. I was asking Mr. Johnston to tell his story to the committee.

Mr. CARVELL: Mr. Johnston speaks about correspondence being confidential. I do not want him to produce before this committee anything that he considers confidential or concerning Imperial affairs or the war, or anything that would give advantage to the enemy. But it seems to me that there can be nothing of that kind in this correspondence, because the ice breaker has been completed and at work for some time and the transaction was closed.

The WITNESS: It will be necessary in order that the story may be told in full, that the reasons which prompted the forwarding of certain correspondence should be placed on record. If I may be permitted to make this statement that on the 26th February, 1916, this reply, which has already been read, was sent:—

“Your telegram of yesterday, respecting ice breaker. My advisers will agree to transfer of this vessel to Russian Government, and they will give every possible assistance to ensure delivery by middle of October, as requested.”

A few days subsequent to this, just the number of days I could not say, copies of this correspondence reached the department, and the minister discussed with me, then, the matter of transferring this ice breaker, and he advised me that the question had been fully considered and that it was determined that the department should not ask or make any profit on the transaction, by reason of the fact that it was almost as much to our own interests to do this as it was to the interests of the Russian Government, and that the conditions of the transfer would be that the moneys paid to the contractors, the Vickers firm in Montreal, should be returned to the department. That was the condition upon which the transfer was to be made.

*By Hon. Mr. Reid:*

Q. And our contract be transferred to the Russian Government?—A. The ice breaker was to be transferred to the Russian Government. Nothing was ever contemplated; the correspondence will show that there was nothing contemplated at any time, as far as the department of the Canadian Government was concerned, but the transfer to the Russian Government of the ice breaker.

*By Mr. Carvell:*

Q. Did you ever transfer to the Russian Government?—A. No, we did not as a matter of fact. On the 26th February we were asked, as the cablegrams will show, to facilitate the work of finishing this ice breaker.

*By Hon. Mr. Reid:*

Q. Which you agreed to do?—A. Which we agreed to do. We gave assurance that we would give every possible assistance to ensure delivery by the middle of October as requested. We went on from time to time expecting every day that we would hear something from the Russian Government or from the Colonial office with further reference to this transaction. We were hearing nothing, and on several occasions I telephoned to Mr. Miller, who is in charge of the Canadian Vickers, at Montreal as to whether he had any definite instructions about it, and he informed me that he had not. Finally he advised me that he was in receipt of instructions to make certain changes and modifications in the construction of the ship; the vessel was being constructed under the supervision of Mr. Duguid, who is the naval inspector of