

APPENDIX No. 1

Mr. JOHNSTON (to the Auditor General.)—The first intimation that the cheque was for a larger amount than Mr. Ellis desired was on the 23rd December. You had no intimation from Mr. Ellis that you had sent him too much money until you received his letter of 23rd December inclosing a cheque for \$87?

The AUDITOR GENERAL.—We had nothing to do with the issuance of the cheque at all. The first intimation I had of it was sometime afterwards in the examination of the account.

Mr. JOHNSTON.—To whom did Mr. Ellis return the money?

The AUDITOR GENERAL.—To the Transcontinental Railway Commission.

Mr. JOHNSTON.—And it was returned, as the record shows, on the 23rd December? It is a letter dated 23rd December?

The AUDITOR GENERAL.—Yes.

Mr. JOHNSTON.—Then Mr. Ellis was in possession of a cheque issued on the 5th December, and it was only on the 23rd December that he had decided he had been paid too much?

The AUDITOR GENERAL.—According to this letter of his.

By the Chairman:

Q. Mr. O'Gorman, if I understand you well, the resumé of your evidence would be about this: That you made a contract with the government through Mr. Ogilvie, you took that contract and turned it over to the Barber & Ellis Company, and you looked to that firm for your commission and to nobody else?—A. Exactly, sir.

Q. And if there are any difficulties whatever they are still standing?—A. I have them with Barber & Ellis.

Q. This is the whole resumé of your evidence?—A. Yes, sir.

By Mr. Maclean (Lunenburg):

Q. What is the rule as to how the wholesale houses treat the jobber as compared with the prices he will usually charge the public? In your commission business can you purchase as a jobber from wholesalers at cheaper prices than the consumer?—A. Yes, from manufacturers and some wholesalers.

Q. That is the practice in Canada?—A. Yes, that is the practice in Canada.

Q. And that was the practice of Barber & Ellis?—A. I think so.

Q. I want to ask you one question, if you can suggest any reason in Barber & Ellis returning that cheque. It seems like a dishonest transaction on their part, both nefarious and dishonest. Was there any motive that you know of, or can you offer the suggestion of any motive back of all this that you have ever thought of?—A. No, I do not know that I have; no, I could not say I did.

Q. They knowing that a certain price had been fixed upon with the government, or the Transcontinental Commission, do you think this was possibly a bid for business, a way of canvassing for business?—A. It may have been; they may have assumed that they would get the business.

Q. You do not know any other reason?—A. No, I cannot say that that was the reason now.

By Mr. Bennett:

Q. Is the formal partnership between you and Munroe registered?—A. Yes, sir.

Q. Where was it prepared?—A. In Toronto.

Q. By a firm of solicitors?—A. Yes, sir.

Q. What is the name of the firm?—A. Rowell, Reid, Wilkie & Co.

Q. What was about the date of that, can you recollect?—A. The partnership was entered into on the 1st of September, 1905, and the registration was some time the following February.

The CHAIRMAN.—If there are no other questions I will discharge the witness. (To the witness) You are discharged.