

AND WHAT HAPPENED!

Sir Richard McBride immediately agreed to pay \$1,150,000, for these two rejected boats and wired the Borden Government here at Ottawa to confirm his purchase, which they did.

In the House of Commons on February 11th, Dr. Wm. Pugsley, M.P. for St. Johns brought this matter to the attention of the Government and in doing so stated,—

"I am informed on authority which I believe to be reliable that the original contract price was \$387,000 for each submarine. That made the original contract for the two submarines \$774,000. I am told that after contract was entered into an extra torpedo tube and some other extras were provided which brought the contract price up to \$900,000. My information is from the Pacific Coast."

WHAT DEFENCE DID THE GOVERNMENT MAKE?

Absolutely none, except to state that Sir Richard McBride had paid \$1,150,000, for the boats and that the Borden Government has reimbursed him to this extent.

WHY WERE THREE DRAFTS DRAWN FOR THIS AMOUNT?

On examination of the Auditor General before the Public Accounts Committee on March 31st, 1915, (page 401) it is shown that three drafts were drawn for amounts as follows, totalling \$1,150,000.

No. 15862 on the Canadian Bank of Commerce, N.Y.....	\$500,000.00
No. 15883 on the Canadian Bank of Commerce, N.Y.....	399,437.50
No. 84894 on the Canadian Bank of Commerce, Seattle.....	249,961.00

The endorsements on these cheques confirm what Dr. Pugsley had stated in the House, namely that \$900,000, (less commission), went to New York in payment of the submarines and that \$250,000 (less commission), went to Mr. J. V. Patterson of Seattle.

Now we will quote what the Auditor General stated in regard to these endorsements,—

"With regard to the two New York drafts which were drawn in favour of Mr. J. V. Patterson, they were endorsed "Pay to the order of the Electric Boat Company, signed J. V. Patterson, and the Electric Boat Company had endorsed them "A. R. Grant, Vice-President."