

the Russian Government that the Canadian Government was prepared to turn the ship over to them, and we were acting on the belief that the Russian Government had taken the necessary steps, as between themselves and the Colonial Office, to protect their own interests.

Q. But you were not definitely advised?—A. We were not definitely advised; there was nothing else ever occurred. I am satisfied that nothing else occurred to anybody else in connection with the department.

*By Mr. Carvell:*

Q. Just speak for yourself now.—A. Nothing else ever occurred to me. We were advised on the 28th July that Lt.-Col. Behrens was appointed to inspect the ice-breaker and would shortly leave Petrograd for Montreal for that purpose. That was from the Colonial Office. Things drifted along in this way until our attention was called to the matter by the Auditor-General.

Q. That is as far as your department is concerned?—A. That is as far as our department is concerned.

Q. And after the Auditor-General wrote you that letter then the Order in Council which has now been put in evidence was passed by this Government?—A. Yes.

*By the Chairman:*

Q. Did the Auditor-General go over the file with that information in it which you have given us now?—A. Yes.

Q. And he had that information before him before the Auditor-General's report was made up?—A. He had my reply to him.

Q. Why did you mark your reply private?—A. Because it was on this confidential file, and all the documents on this file are marked confidential.

Q. What do you mean by that—that it is Colonial Office correspondence?—A. Yes, and the clerk who typed the letter, in accordance with the usual practice, marked the reply confidential on the corner of the letter. I did not observe it at the time. I think if I had, I should have seen to it that the letter was not so marked.

Q. Will you please go through the file and see if you have a copy of the contract?—A. I am satisfied now that we have not. I know there was a reference of some kind to it, but I find that it is not a copy of the contract.

*By Hon. Mr. Reid:*

Q. The fact of the contract being made between the Russian Government and the Vickers Limited of England makes it a matter between the Russian Government and the Colonial Office. The arrangements were made by them, and all they asked us to do was to release them from the contract?—A. That is all they asked. We set the terms upon which the ship was to be delivered to the Russian Government, and in that we followed the practice adopted on two former occasions, when we had made similar transfers. We had given them the *Earl Grey* in the first instance.

*By Mr. Carvell:*

Q. That was a completed ship?—A. Yes, and the splendid service rendered by the *Earl Grey* led us to give them the *Minto* the following year.

Q. That was also a finished ship?—A. Notwithstanding the fact that our own service was being crippled by the transfer.

*By Mr. Kyte:*

Q. That was a direct sale to the Russian Government without the intervention of a third party?—A. There was no third party as far as we are concerned in this transaction.