

The CHAIRMAN: But you have overlooked the overhead charges.

Mr. BOYS: But he does not know what that is?—A. According to the statement of the auditor, it amounts to about 60 per cent.

*By Mr. Devlin:*

Q. By the parent company in London making a contract with the Russian Government, you have brought into your hands an amount of half a million dollars more than you would have obtained from the Canadian Government under the old contract?—A. That is correct.

*By Mr. Boys:*

Q. I was asking you, when I was interrupted, about the emergency powers in connection with British war contracts. I think you stated there was some legislation along that line in Great Britain. Are you familiar with the terms of that legislation?—A. I have not seen a copy of the Act.

Q. But, generally speaking, you have been advised of some such legislation?—A. The first place I saw it was in one of the Montreal papers, the *Star*, I think, which quoted the actual provisions.

Q. Let me read quotations which I have here, and you might tell me if this is the same legislation to which you refer. I am referring now to an extract from the Financial Times of the 23rd February, 1917, on "pre-war contracts", which purports to give the text of the bills to amend the Courts (Emergency powers) Acts, 1914 to 1916, and the increase of rent and mortgage interest (war restrictions) Act, 1915 and the grant relief in connection with the present war from liabilities and disqualification arising out of certain contracts. One of the principal clauses is:—

"(1) Where, upon an application by any party to a contract for the construction of any building or work entered into before the fourth day of August, 1914, the Court is satisfied that, owing to the prevention or restriction of, or the delay in, the supply or delivery of materials, or to the diversion or insufficiency of labour, occasioned by the present war, the contract cannot be enforced according to its terms without serious hardship, the Court may, after considering all the circumstances of the case, and the position of all the parties to the contract and any offer which may have been made by any party for a variation of the contract, suspend or annul the contract on such conditions (if any) as the Court may think fit. (2) This section shall be construed as (1) with the Courts (Emergency powers) Act, 1914."

A. That sounds very much like it.

Q. That, of course, only applies to Great Britain, as far as you know?—A. I believe so.

Q. And your contention is that had you been forced to deal with the Parliament of Canada some such consideration as that would have been shown to your company in connection with the construction of this vessel?—A. That is my opinion.

Q. In addition to that do you contend that the clause to which you have referred in your contract would entitle you to make any such claim?—A. I think it would entitle us to do so, sir.

Q. Now, when Mr. Carvell was questioning you as to the delay, I think your answer was that the six months' delay in connection with the submarines, had nothing to do with this contract, because you had come to a mutual understanding with the department to suspend the work on that vessel?—A. That is right.

Q. Was that suspension for any definite period?—A. Not that I am aware of, because we started immediately the submarines were finished.