

*By Mr. Carvell:*

Q. 1915?—A. Yes.

Q. After that the money was returned and their deposit was released?—A. Yes.

Mr. BOYS: Not released, transferred.

Mr. CARVELL: Yes, transferred.

*By Mr. Blain:*

Q. Were all those payments made in the regular way and signed by the proper officer?—A. Yes.

*By the Chairman:*

Q. You do not know what took place after that, whether the boat was transferred to the Russian Government, or what the Vickers people got for the boat?—A. The Canadian Vickers—no, I do not know.

Q. Do you know whether or not they got a larger price from the Russian Government than they were to get from the Canadian Government?—A. I do not know what Canadian Vickers got.

Q. You do not really know whether or not the Canadian Vickers made the sum that you mentioned, or any sum, by the transfer of this ship?—A. I have reason to believe that they have.

Q. What reason have you to believe that? Have you anything official in the Department?—A. No.

*By Mr. Bennett (Simcoe):*

Q. Who informed you that the Government intended to release Vickers?—A. Nobody, I assumed that from the fact—

Q. Let me read this to you: "I understand that your Department intends asking for the release of Vickers Co. from their contract to enable them to sell the icebreaker to the Russian Government." What information had you received and from whom, that you arrived at that conclusion?—A. From the fact that the money was returned, the progress estimates returned, and they were asking for release of the contractors' security.

Q. That was an assumption?—A. An assumption on my part, yes.

Q. How was it that the letter from the Marine Department was not printed in the Auditor General's Report, because it makes a specific denial, saying that the Government had not released it? Would it not have been fairer to publish the other letter?—A. This letter was marked "confidential", I do not know why, at the time we prepared the report.

*By Mr. Boys:*

Q. Which letter was confidential?—A. The one from the Marine Department. And when they were preparing the report they handed me the correspondence to look over before putting it in. I saw it marked "confidential," and thought that there might have been some reason, war reasons, why it should not be published.

Q. You released the transfer of the security deposit, didn't you?—A. Well, I passed the entry for the release of it.

Q. Your letter said: "Before authorizing the transfer of the security deposit, I would like to know on what terms and conditions the sale is to be made to the Russian Government." I presume, before doing that, you did learn of the terms and conditions?—A. I had that letter from Mr. Johnston.

Q. That is all you had?—A. That is all.

Q. Did you release the transfer of the security deposit?—A. I passed—

Q. I think I am entitled to an answer?