

what would be the extra amount, if any, due to the war in the item?—A. I would put the extra cost, due to the rise of labour, and the necessity for a considerable increase of overtime, due to the shortage of men, at about \$190,000 for labour.

By Mr. Carvell:

Q. How much?—A. \$190,000 over what we would have to pay in peace time under the contract with the Canadian Government.

By the Chairman:

Q. That is, you consider the war cost of this ship for which you say you would have made a claim against the Dominion Government, if you have not made it, you could have made it, if the Russian Government had not taken over the ship?—A. And there is to be added to that the increased cost of the overhead.

Q. How much would that be?—A. I should put that down at about \$200,000, but I would have to go over the figures.

Q. That would make it \$500,000?—A. Approximately.

Q. Have you any other contract with the Canadian Government?—A. We have one now, for a dredge.

Q. Was that contract taken before the war?—A. It was taken just after the war broke out, at the end of 1914.

Q. And under that contract are you going to make any claim against the Canadian Government for the extra war cost?—A. Well, gentlemen, that is a matter I have been turning over in my mind for several months, and I have no doubt if we do not put in a claim we will certainly lose money the same as we would have done with the ice breaker.

Q. That contract was signed just after the declaration of war?—A. Just after.

By Mr. Devlin:

Q. Does the credit for that ship go to the Canadian Vickers or to the parent company?—A. It will ultimately come to us.

Q. At present?—A. When the money is paid.

Q. It will come to you?—A. Yes.

Q. The total amount contracted for with the Canadian Government?—A. The total amount will come to us, and we will have to pay our Barrow works for making the machinery, and will also have to pay a certain amount for fittings, machinery for pumps, etc., but the contract price of the ship will be paid to us at Montreal.

Q. That is, the contract price under the Canadian contract, or the contract with the Russian Government?—A. With the Russian Government, absolutely.

Q. And you have no agreement by which you refund any part of that to the parent company?—A. None, whatever.

Q. So that it all comes to Canada?—A. Yes.

Q. The increase over the amount stipulated in the Canadian contract to that stipulated in the contract between the parent company and the Russian Government comes to Canada as well?—A. That is correct, sir, and you can put that in another way; you can turn it around that if we were compelled, through some reason or other, to sell our ship to the Russians at cost price it would be forcing an absolute loss of about half a million dollars on the Canadian Vickers, and a like loss on the Dominion of Canada; and with the present position that the ship-building industry is in here, requiring the co-operation of both sides, I cannot believe for a minute that Parliament would endorse any such action as enforcing a compulsory loss on the young ship-building industry of Canada.

Q. But at the present moment, you do not figure this out as a loss, according to your own figures; allowing the \$110,000 you spoke of a moment ago, you still have a margin of \$400,000.