

## APPENDIX No. 1

yes, I do not know whether he did or not. I cannot recollect now whether I told him that, but I gave him the prices he was to charge.

Q. You gave him the price he was to invoice the goods at to Mr. Ogilvie?—A. Yes.

Q. And then you had arranged with him that he was actually to supply the goods at a lower figure than that?—A. Yes.

Q. And the difference between what he had arranged with you for and what he was to charge the government was \$87?—A. Well, it turned out to be that.

Q. But you knew at that time there was a difference?—A. Yes.

Q. \$87, or whatever it might be?—A. Yes.

Q. That the price he was to charge to Mr. Ogilvie was a higher price than he had arranged with you for?—A. Exactly.

Q. Then to whom was the payment to be made, as between Ellis and you?—A. To Barber & Ellis Company.

Q. What was he to do with the difference between the price he had arranged with you and the price you told him he was to charge to the government?—A. He was to hand it to me.

Q. Why did he not do that?—A. I have explained the reason why.

*By Mr. Northrup:*

Q. Referring to your interview with Mr. Ellis, did he give the reason why he would not charge the government the figure you told him to? When was that meeting?—A. He had already charged it, and then after he had charged at the government price the cheque had been returned. The reason that he gave me was that he had an investigation at one time, he did not mention whether it was a government investigation or what it was, but he said that they had a lot of trouble, and he didn't care to have an experience of that kind again, and that after discussing the matter with Mr. Barber he had decided to return the amount of the cheque.

Q. You told us before something about his supplying other departments of the government?—A. Yes, he said, you see, that he was supplying—

Q. Just repeat that explanation. I want to follow it up?—A. He said they had been selling to other departments of the government at lower prices, you see, than the prices he had invoiced these at.

Q. Was he objecting to having as high prices charged up?—A. Yes.

Q. He did not tell you that since that time at lower prices than that he had been selling direct to the government?—A. No, he did not say.

Q. The middleman did not get the lower price then?—A. He did not.

*By the Chairman:*

Q. You said when you first saw Ogilvie he showed you some envelopes on which were prices?—A. Yes.

Q. For that particular kind?—A. Exactly.

Q. Were the prices that Mr. Ellis sent in to the government with the envelopes that he supplied higher than those Mr. Ogilvie showed you?—A. No, they were the same figures.

Q. They were the same figures?—A. Yes, sir, exactly.

*By Mr. Reid (Grenville):*

Q. When did you receive this order from Mr. Ogilvie, about what time of the year?—A. Well, I would not be quite sure, but I think along about October sometime.

Q. It was in February, 1906?—A. No, I think not, sir. I think it was along in October, sometime.

Q. 1906?—A. In 1905.

Q. At the time which you received the order from Mr. Ogilvie it was but within two weeks afterwards that you saw Mr. Ellis and gave the order to him?—A. I think it was, yes.