

snemy and to see what is coming. But the safety of Canadian oldiers was secondary to the necessity of giving fat profits to political middlemen.

The P. W. Ellis Co. got their job as "supervisors" through Major General Sam Hughes, who boldly defended the whole affair, gloried in the fact that he had given them 10% on all binoculars purchased and even lamented on the witness stand that he was "sorry it was not 20%." There could be nothing wrong he declared because he "liked the Ellis boys—fine boys—I went to school with them."

And P. W. Ellis boldly testified that he had saved the Government \$12,000 by buying the binoculars. But he omitted to add that for this ostensible saving of \$12,000, he got \$9,000 commission for doing practically nothing, and all his expenses besides!

The evidence showed that Ellis never saw most of the glasses—that he knew nothing about them until they had been passed by Col. Hurdman for Birkett. And one witness swore that he was told that Colonel Hurdman was "figured in" at \$2 per glass.

The Public Accounts Committee, in reporting to Parliament on this particular deal, said:

"From the evidence it appears a number of binocular glasses were of poor quality, low range and inferior efficiency, but passed inspection and were paid for at excessive prices; and this was due to misrepresentation and inadequate inspection." The Committee recommended that the matter be turned over to the Department of Justice.

Submarines

The first action of the Borden Government in connection with the War was to purchase two submarines for the defence of our Pacific Coast.

COAST WAS UNPROTECTED.

The coast was entirely without protection because there was no Canadian Navy to protect it. It was known that there was a squadron of German cruisers in South American waters that might easily make a dash for Victoria, Vancouver and Prince Rupert before British or Japanese warships in the Pacific could head them off.

Thus, at the very outbreak of hostilities, actual war demonstrated to the Canadian people the need of a Canadian navy in Canadian waters, to protect Canadian coasts and Canadian shipping.

It was under these circumstances that the Borden Government undertook to make up for the lack of a Canadian Navy by going to Seattle where they purchased two submarines which had been built by the Electric Boat Company of New Jersey for the Chilean Government but were rejected by the Naval Commission of the Chilean Government, **as being unfit for service,**