

I do not know that we received anything. I have absolutely no knowledge of the negotiations on that transaction whatever, absolutely none.

Q. You are a separate company, are you not?—A. Yes, Canadian incorporation.

Q. And are you the manager of the Canadian end of it?—A. Yes.

Q. Then it was the company of which you are the manager that leased this land to the Admiralty?—A. I do not know that they did.

The CHAIRMAN: As the witness has already said he is not making any claim with respect to the six months' delay on account of building the submarines, what right have we to delve into that matter at all? If he was claiming anything in respect to that time it would be different.

Mr. CARVELL: I think there is something in that contention.

Mr. CARVELL: Of course it would not be fair for me to state publicly the information that has come to me, but I would like to show you privately the grounds upon which I asked that question. I have before me a letter in which the most extravagant statements are made with regard to the construction of these submarines, but, in view of the answer the witness has given, I think it is only right that I should not ask any further questions about it.

By Mr. Carvell:

Q. You wanted to make some explanation some time ago about an Act that you say had been passed by the British Government—I do not know whether it is true, but I am willing to take your word for it. Your statement is that had this vessel not been sold by somebody to the Russian Government, you would have had the right to come back to the Canadian Government and say to them, "It is true we entered into a contract to build you an icebreaker for practically a million dollars, to be delivered in eighteen months, but war has broken out in the meantime, and that is an item which was beyond our control, therefore some extra money should be allowed us for the construction of the ship under those circumstances?"—A. It would be a reasonable thing.

Q. Is that your construction of the contract?—A. Put in somewhat blunt language, it is, but it is not what I would call a strict interpretation of the contract.

Q. It would be the contention you would make?—A. No, sir, it would be a submission, with a request that it be considered by the Canadian Government, to be granted or not granted by them, as they deemed fit.

Q. Then you are putting it in as a matter of right. You have referred twice now to a certain clause in the contract?—A. Yes.

Q. Under which you claim you are not responsible for delays caused by strikes and other matters over which you have no control?—A. That is correct.

Q. Do you contend that the outbreak of war is a matter coming within that category?—A. Absolutely.

Q. And coming within that category you would have the right to go back to the Canadian Government and ask for compensation?—A. Absolutely—certainly.

Q. That is all right, that is your contention?—A. Yes.

Mr. CARVELL: Mr. Chairman, that is all I have to ask.

By the Chairman:

Q. You stated that you considered your material had cost you \$120,000 more than your estimate. About what would be a fair amount for the extra cost of labour?—A. I have answered the question in reply to Mr. Carvell by saying, in an approximate way, what it was, and I can give the same answer to you. Let me say, though, I have no figures at all to which I can refer.

Q. You put it this way, that your material cost you \$677,000; and you say of that \$120,000 is the extra amount due to the war. Your labour cost you \$612,000;