

pany of New Jersey."

Commenting on this statement by the Chilean expert, the Seattle Times said:

"It is apparent however, that aside from the discovery that the two submarines lack the proper buoyancy to make certain their safety and efficiency, they are considerably out of date as to style and pattern. They were designed several years ago, and, it is known they do not compare with the type of submarines now building here and elsewhere for the United States Government. In fact, it is understood, were the two submarines satisfactory in point of safety and efficiency, they would scarcely measure up in standards of destructive power, speed and other requirements to the submarines recently built or on the ways in various ship yards of the country."

An Enormous Price Paid.

The contract price which the Chilean Government agreed to pay for these boats when completed, on or about August 1st, 1914, was \$818,000 as ascertained when Sir Charles Davidson investigated at Victoria the purchase of submarines. The Canadian Government stepped in and with the aid of Sir Richard McBride paid not the contract price \$818,000 for these boats, but \$1,150,000 or an increase of \$332,000, for a pair of "rejected," "out of date as to style and pattern" and "lacking buoyancy" submarines. The Government undertook to make no defence of this transaction, simply stating that Sir Richard McBride had acted in the matter and that he had to be reimbursed to the extent of \$1,150,000.

How was the money paid?

Before the Public Accounts Committee March 31st, 1915, the Auditor General swore that three drafts were drawn as follows:

No. 15862 on the Canadian Bank of Commerce, N.Y.....	\$500,000.00
No. 15883 on the Canadian Bank of Commerce, N.Y.....	399,437.00
No. 84894 on the Canadian Bank of Commerce, Seattle.....	249,961.00

Two of these drafts aggregating \$900,000, went to New York where the boats were built, and \$250,000 remained in Seattle. This \$250,000 was made payable to J. V. Patterson, the gentleman who negotiated the sale. Notwithstanding the fact that Sir Charles Davidson has exonerated the Government from any wrong-doing in this matter does it look reasonable that the whole of this \$250,000 should remain in Seattle?