

Q. How much?—A. Amounting to about \$80,000.

Q. How much in tons or pounds?—A. 1,900 tons.

Q. How much steel did it take to construct the ship?—A. Between 2,100 and 2,200 tons.

Q. Then, the very large proportion of the steel was ordered?—A. Yes, sir.

*By Hon. Mr. Reid:*

Q. Did I understand you to say that 2,100 tons were used in construction?—A. Yes, from 2,100 to 2,200 tons.

*By Mr. Carvell:*

Q. One thousand nine hundred tons of this steel was under contract before the war broke out in August. Did you have some other contracts? You surely must have had contracts?—A. Ordered for this ship?

Q. For this ship?—A. Not before August, Mr. Carvell, nothing at all.

Q. What about your machinery?—A. The machinery contract was placed with Vickers, at Barrow; designs, plans, everything was prepared in Barrow and supplied to us as a complete unit to be put into the ship.

Q. Did you have some arrangements with Vickers, Limited, in Barrow, about the machinery for this ship before you tendered?—A. No, sir—beyond this, that we had arranged that the machinery would have to be made in England. But so far as I recollect we have no formal contract in Barrow for the machinery.

Q. I quite understand that, because it is practically one and the same concern?—A. Exactly.

Q. So you would not require a formal contract. Do you know what Vickers, Limited, in Barrow, have charged you for this machinery?—A. The account up to date, sir, is about \$360,000.

Q. Well, we might as well get it correctly?—A. Somewhere approximately that.

Q. I see from your record here, as pointed out to me by your book-keeper, that the charge was \$338,123.74?—A. The price, if I remember rightly, is £69,000, and that provided for the boilers, engines, and a certain amount of auxiliary machinery. The figures inserted in the cost at Montreal are the contract figures.

Q. As to what date are these figures made up?—A. The figures that you are looking up, Mr. Carvell?

Q. Yes?—A. These are the cost account records which were made up—

Q. No, I am speaking now about the machinery. This is a very large amount of money, \$338,000 seems to be a large amount of money on a million dollar ship?—A. The machinery for that ship has undoubtedly cost \$150,000 more than that.

Q. Well, I am asking you of what date is this amount of \$338,000 made up as between the two companies?—A. It is settled when the contract is signed between the two companies, and as the machinery comes out we credit them with the instalment they have earned on that machinery.

Q. When was the contract signed?—A. For the machinery?

Q. Yes?—A. From memory, I cannot say, but it would be sometime in the fall of 1914.

Q. It would be very shortly after the outbreak of the war?—A. Yes, it would (consults naval architect)—no, just before the outbreak of the war.

Q. Well, that would not be affected by war prices?—A. The machinery was made largely in the end of 1915 and the beginning of 1916.

Q. But, about the contract: your contract would not be affected by the fact of the war having broken out?—A. I am afraid our contract is affected by that.

Q. That is what I am afraid of, too?—A. For this reason, Mr. Carvell: our contract with the Canadian Government specified that we were bound to complete that