

in some cases to 300%. When figuring these percentages an allowance was made for any increase of prices owing to the war.

Before the Public Accounts Committee Mdme. Plamondon stated that her brother, Mr. Sevigny had got her name placed upon the Government patronage list and Mr. Sevigny also stated that he had asked that the payment for these accounts be expedited.

Submarines

One of the first actions 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, one of the armed cruisers which had been purchased from the British Government by the Laurier Government having been dismantled by the Borden Government. 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.

Boats Rejected as no Good.

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by the Naval Commission of the Chilean Government, **as being unfit for service**, lacking buoyancy and considerably out of date as to style and pattern.

The following is an extract from a statement which Capt. Plaza, Chairman of the Chilean Naval Commission, gave to the Press, and which was published in the Seattle Sunday Times of July 26, 1914.—

"I can only confirm the report you have, that the two submarines built here for my government have not been accepted and that at this time they do not meet the full requirements of the contract between the Government of Chile and the Electric Boat Com-