

Russell and McQuarrie bought seventeen more trucks from different concerns and in each case the Government paid the full retail list price, that is to say, the price which any ordinary consumer buying one truck would have to pay. That retail list price is 20% greater than the manufacturer's price to the trade.

Mr. Russell stated in evidence that he made no effort to get wholesale or manufacturer's prices, and gave as his reason that he had information that there was talk at Washington of not allowing motor trucks to go out of the country to belligerents and he was anxious to get the trucks.

SAM HUGHES SATISFIED.

The Minister of Militia was evidently satisfied that the agents in buying trucks at retail prices although in wholesale quantities, and in part from their own Company did the correct thing because on September 2, 1914, he reappointed them to purchase a great many more trucks as per the following letter:

Ottawa, September 2, 1914.

Dear Sirs:—Will you please proceed with the purchase of motor trucks and equipment for the Department of Divisional Supply and Ammunition Park, according to the schedule furnished you, totalling 134 motor trucks, 7 motor cars and 16 motor trucks for the workshops and storage for parts, instead of having special tractors for this purpose. These trucks will be of three ton capacity, if you can secure a sufficient number of satisfactory make without too great a variety; if you have to use the two-ton trucks to secure a sufficient number, it will be necessary to provide an additional number so as to take care of the tonnage required. I am anxious that you should make use of the Jeffery trucks, if possible, as these have been recommended to me for military purposes.

The trucks should be delivered at Quebec by 22nd September.

(Signed) Sam Hughes.

Messrs. T. A. Russell
J. H. McQuarrie,
Ottawa.

Under these fresh instructions McQuarrie and Russell bought in the neighborhood of 140 trucks of which 60 were bought from the Russell Motor Co., of Toronto. These 60 trucks were not manufactured by the Russell Company; they were manufactured complete in the United States. The Russell Company whose General Manager was doing the buying for the Government simply stepped in and acted as middlemen. They bought the trucks at discounts of 15% and 10% equal to 24% from the retail list price, and sold them to the Government at the same list price less a discount of only 10%—so that they pocketed a nice profit, of 14% or over \$20,000. The obvious question is why were these trucks not bought direct from the manufacturers, which would have saved that \$20,000 to the country.