

Q. Early?—A. The first quarter. The contract was dated June as we saw at last meeting.

Q. Yes, I see?—A. The material for the Russian alterations all had to be ordered after we got the plans. It was coming in here as late as 1916.

Q. You got your pay from the Russians. You got \$80,000 for that. I am talking about the ship as you contracted to build it for the Canadian Government and as sold to the Government?—A. I am afraid, Mr. Carvell, we are again getting at cross-purposes. If you can explain to me what is the information you want I will be only too happy to give it.

Q. I would like to have approximately what the increased cost of this \$159,000 of material was by reason of being delayed six months?—A. I have to transfer that \$159,000—I do not know where you get the figures—to the beginning of 1915, adjust the prices to what they will be in 1915. Then I have again to adjust them to the six months delay and give you that figure, which is absolutely useless for any purpose whatever.

Q. If you cannot give it, that is the end of that transaction?—A. If I transfer the cost—this material was bought in September, 1914. You want to know what is the increased cost of that material from the beginning to the middle of 1915. My first step is to adjust it from the first of 1914 to the end of 1914.

Q. If you cannot give it to us, there is not much use in taking up time showing how you would have to do it?—A. I cannot, because I cannot understand the question.

Q. I cannot accept that?—A. I tell you frankly I do not understand the question.

Q. A moment ago you repeated the question perfectly?—A. You asked me what has been the increase in the cost of material costing \$159,000 due to the six months delay. Now, which material do you refer to?

Q. I refer to everything except the machinery and the steel work, because they were all contracted for before the war?—A. Because construction was deferred six months does not mean to say that the ordering of the material was deferred six months. You want to get really at when and what period this material was bought.

Q. No, I do not care two straws about that. I want the increased cost of material because you were delayed six months in the material. I want the increased cost of the ship because of the six months delay in assembling the submarines?

*By the Chairman:*

Q. Did you intend to charge the Canadian Government any more by reason of the fact that you set aside the building of this ship and went on to the submarines?—A. I have not intended to claim from the Canadian Government any increase of cost which involves delay to the submarines. It is increased price of materials and increased price of labour, and everything beyond the contractor's control.

Q. Apart from the delay in the building of the ship by reason of your giving way for the submarines, what right had you to charge the Canadian Government any increased cost because the price of material went up when you were bound by your contract to deliver at a certain price?—A. Under the clause which prescribes if we were compelled to deliver that ship subject to certain conditions.

Q. Subject to matters not within your control?—A. Fires, strikes, lockouts and causes beyond our control. If any one of those causes arises, I can turn around and say: "Canadian Government, I am not compelled to deliver this vessel on time." I think I know what you want, Mr. Carvell.

*By Mr. Carvell:*

Q. I know you do?—A. I will tell you this: taking it all over, the whole carrying out of that contract from start to finish, I would put it down that, apart from the machinery which we brought from England, the materials which went into that ship