

ROYAL COMMISSION

CONCERNING

PURCHASE OF WAR SUPPLIES ⁸³

AND

SALE OF SMALL ARMS AMMUNITION

18/c

EVIDENCE—VOL. 1

COMMISSIONER:

The Honourable Sir CHARLES DAVIDSON, Knight.



OTTAWA

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1917

Per Set—Two Dollars.

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ROYAL COMMISSION

OTTAWA, Friday, June 18, 1915.

The Royal Commission appointed to inquire into the purchase by and on behalf of the Government of the Dominion of Canada, of arms, munitions, implements, materials, horses, supplies, and other things for the purpose of the present war, and as to the expenditures and payments made or agreed to be made therefor, met this morning, Friday, June 18, 1915, in the Railway Committee room of the House of Commons.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,

Commissioner.

JOHN THOMPSON, K.C.,

Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

SIR CHARLES DAVIDSON: There was informal announcement made that the Commission with which I have been honoured was to be read this morning. There has been, however, some momentary delay as to its engrossment and signing. The purpose this morning was, having read the Commission, to adjourn to some day next week for the despatch of business.

The arrangement now is that the Commission shall adjourn until Thursday next, the 24th day of June, at ten o'clock in the morning, when the Commission will be read and business proceeded with by the examination of witnesses.

The Commission is fortunate in having secured the professional services of Mr. John Thompson, K.C., to act as counsel. In the meantime, any communications may be addressed to him, and Mr. Thompson, as I understand it, will be prepared with witnesses on Thursday.

MR. THOMPSON: Yes, my lord, I will be prepared to proceed on Thursday next.

Mr. HAMMET P. HILL of Ottawa, appeared on behalf of certain clients.

Mr. HILL: Your Lordship, I am appearing for certain contractors who anticipate that their dealings with the Government will be investigated. They are very anxious to know whether they are to have the privilege of calling witnesses and whether they can cross-examine witnesses.

Sir CHARLES DAVIDSON: You had better put in your application in writing before next Thursday. My impression is that the first witnesses will not have relation to the case you refer to. Is that so, Mr. Thompson?

Mr. THOMPSON: The case referred to by Mr. Hill will be one of the first.

Sir CHARLES DAVIDSON: Will you have any initial witness?

Mr. THOMPSON: Yes, my lord, before Mr. Hill's clients are called there will, I believe, be quite a number of witnesses.

Sir CHARLES DAVIDSON: What case is yours, Mr. Hill?

Mr. HILL: I am acting for Mr. Powell who is interested in the drug contract, and I am also acting for Mr. Birkett who is interested in the sale of binoculars. If either of these cases is to come on Thursday next it would be of advantage for us to know, in order that we may prepare ourselves accordingly.

Mr. THOMPSON: I intend to submit to the Commission evidence in the drug case on Thursday.

Sir CHARLES DAVIDSON: I thought you would examine the Auditor General.

Mr. THOMPSON: Yes, my lord. The point Mr. Hill now makes is as to a question of procedure.

Sir CHARLES DAVIDSON: There will be no difficulty about that.

Mr. HILL: Is it understood that we will be entitled to cross-examine witnesses?

Sir CHARLES DAVIDSON: I will consider that. You certainly will have some rights in that regard; you will be entitled to cross-examine either directly or through the Commission in the usual form. As to the recognition of your appearance, there is no doubt. As I recollect the amending statute with reference to the Inquiries Act, if a name is mentioned the Commission may permit counsel to intervene; if there is a charge made it is the imperative duty of the Commission to do so.

Mr. HILL: The matter is very important for my clients, because, while this is not a trial in the strict sense of the word, it is to them, perhaps, more important than a trial, because it is a trial at the bar of public opinion, and they are very desirous of having their case put forward as strongly as possible.

Sir CHARLES DAVIDSON: I quite appreciate that.

Mr. THOMPSON: Mr. Hill spoke to me the other day on the subject of the procedure before the Commission. I told him I would be quite prepared, as counsel for the Commission, to call any witnesses that he might require, and to examine them for him. I could not state more definitely than that until I had had consultation.

Sir CHARLES DAVIDSON: I have been perusing the evidence in relation to the medical supplies contract, and my feeling is that the contractors have rights as regards counsel. As to the precise limitations to these rights, we can settle later. You can feel assured, Mr. Hill, that full justice will be done in that respect.

Mr. HILL: Thank you, my lord.

Sir CHARLES DAVIDSON: Is it your purpose, Mr. Thompson, to take up the binocular contract when the Commission meets again, or can you speak with any certainty as to that?

Mr. THOMPSON: I am prepared with the binocular contract, and I understand that Mr. Hill represents one of the contractors in that case.

Sir CHARLES DAVIDSON: On Thursday morning next, at ten o'clock, the Commission will be ready to proceed to business at once by the examination of witnesses, the Auditor General being the first witness.

The Commission then adjourned until Thursday morning next, the 24th of June, at ten o'clock.

OTTAWA, Thursday, June 24, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, KNIGHT,
Commissioner.

JOHN FRASER, L.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

At the sitting of the Commission this morning, the Royal Commission to the Honourable Sir Charles Peers Davidson, Knight, signed by His Royal Highness the Governor General, was read by the clerk of the Commission.

ARTHUR.

[L.S.]

CANADA.

GEORGE THE FIFTH, by the Grace of God, of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, KING, Defender of the Faith, Emperor of India.

To all to whom these presents shall come, or whom the same may in anywise concern,—GREETING:—

E. L. NEWCOMBE, } Whereas in and by an order of Our Governor General in
Deputy Minister } Council bearing date the second day of June in the year of Our
of Justice, Can- } Lord one thousand nine hundred and fifteen (*a copy of which is*
ada. } *hereto annexed*) provision has been made for an investigation
by Our Commissioner therein and hereinafter named concerning the purchase by and
on behalf of the Government of Canada through whatever agency the purchase may
have been effected, of arms and munitions, implements, materials, horses, supplies,
and other things for the purposes of the present war, and as to the expenditures and
payments made or agreed to be made therefor.

Now know ye, that by and with the advice of Our Privy Council for Canada, We do by these presents nominate, constitute and appoint the Honourable Sir CHARLES PEERS DAVIDSON, of the City of Montreal, in the Province of Quebec, formerly Chief Justice of the Superior Court in and for the Province of Quebec, to be Our Commissioner to conduct such inquiry.

And we in pursuance of the Statute in that behalf do hereby authorize and empower the said Commissioner to engage the services of such accountants, engineers, technical advisers, or other experts, reporters and assistants, as he may deem necessary and advisable, and also the services of Counsel to aid and assist such Commissioner, also to have and exercise the other powers mentioned in chapter 28 of the Acts of 1912 entitled, "An Act to amend the Inquiries Act."

To have, hold, exercise and enjoy the said Office, place and trust unto the said Sir CHARLES PEERS DAVIDSON, together with the rights, powers, privileges and emoluments unto the said office, place and trust, of right and by law appertaining, during pleasure.

And we do hereby require and direct Our said Commissioner to proceed with all reasonable diligence to make such inquiry and to report to His Royal Highness our Governor General in Council as and when any particular branch or subject of such inquiry is concluded, his findings and recommendations, together with the evidence taken before him.

In testimony whereof, We have caused these our Letters to be made Patent, and the Great Seal of Canada to be herunto affixed. WITNESS: Our Most Dear and Entirely Beloved Uncle and Most Faithful Counsellor, Field Marshal His Royal Highness PRINCE ARTHUR WILLIAM PATRICK ALBERT, Duke of Connaught and of Strathearn, Earl of Sussex (in the Peerage of the United Kingdom); Prince of the United Kingdom of Great Britain and Ireland, Duke of Saxony, Prince of Saxe-Coburg and Gotha; Knight of Our Most Noble Order of the Garter; Knight of Our Most Ancient and Most Noble Order of the Thistle; Knight of Our Most Illustrious Order of Saint Patrick; One of Our Most Honourable Privy Council; Great Master of Our Most Honourable Order of the Bath; Knight Grand Commander of Our Most Exalted Order of the Star of India; Knight Grand Cross of Our Most Distinguished Order of Saint Michael and St. George; Knight Grand Commander of Our Most Eminent Order of the Indian Empire; Knight Grand Cross of Our Royal Victorian Order; Our Personal Aide-de-Camp, Governor-General and Commander-in-Chief of Our Dominion of Canada.

At Our Government House, in Our City of Ottawa, this second day of June, in the year of Our Lord, one thousand nine hundred and fifteen and in the sixth year of Our Reign.

By Command,

P. PELLETIER,
Acting Under-Secretary of State.

The oath of office was then tendered to and subscribed to by Sir Charles Davidson before F. K. Bennetts, Esquire, deputy clerk of the Privy Council of Canada.

Mr. T. P. Owens was sworn as clerk of the Commission and chief of the official reporters.

Sir CHARLES DAVIDSON: His Royal Highness, the Governor General, has been pleased, by and with the consent of His Privy Council, to call me to the performance of the duties set forth in the Commission read to us a moment since.

They are of far-reaching importance. I am profoundly conscious of the fact.

By The Inquiries Act authority is given to engage the services of counsel to aid and assist me in the inquiry.

I have exercised this right.

It is cause for congratulation that Mr. John Thompson, K.C., of the Ontario Bar, has accepted the important, onerous and independent position of counsel to the Commission. He will, of a certainty, discharge the serious responsibilities which he assumes with ability and without fear, favour or affection.

Of my emphatic support in all that makes toward a full investigation he may rest assured.

For the range of our inquiries must of necessity run, in equal measure, with the markedly broad terms of the Commission. As a consequence, our doors stand open for the reception and exhaustive use of all worthy information as to malversations and wrong doings.

I have perused the evidence taken before the Committee of Public Accounts. It is of value and will be utilized.

Mr. Thomas P. Owens will act as Clerk of the Commission and as its Chief Official Reporter. He will bring to the efficient discharge of his duties a long and notable experience.

Sir CHARLES DAVIDSON: Mr. Thompson, have you any statement to make or any matters to bring before the Commission?

Mr. THOMPSON: The words of the Commission, my lord, are in most broad and general terms. As the first source of information, I have requested the Auditor General to inform me of any transactions with regard to military supplies which appeared to be of a suspicious nature, but, sir, the criticism of the Auditor General must necessarily, I presume, because of the nature of his duties, be confined principally to criticising transactions in which prices appear to call for correction or modification. The matter of outside, covert ill-doing and fraud must necessarily be very difficult to unearth, and if this investigation is to be successfully prosecuted in the interests of the public, it is from persons, other than departmental officials, that we must look for information and assistance.

I wish to say at the very opening of this Royal Commission, that if any representations are made to me by reputable persons, which I consider will lead to the disclosure of any irregularities in the purchase of military supplies, or wrong-doing, or deceit, I place myself unreservedly at the disposal of persons who will give such information, and I am prepared to bring before you, my lord, any valuable information and evidence that appear to be of a reliable nature.

Mr. GARLAND, M.P.: I was trying to get counsel yesterday, and I could not procure counsel in the city, and it was only last night that I was able to retain counsel from outside the city. My counsel is not able to be present this morning, and I would like an adjournment until tomorrow, if possible.

Sir CHARLES DAVIDSON: I do not see how we can adjourn, Mr. Garland. I suppose, Mr. Thompson, you will be engaged with the Auditor General for some time?

Mr. THOMPSON: Yes, sir. I propose to call the Auditor General as the first witness. I may say that the members of the War Purchasing Commission have just telephoned me in reference to two of the departmental officers, namely, Mr. Brown and Mr. Donaldson, of the Militia Department. They are officials connected with the Purchasing Branch of the Militia Department, and they are at present giving their services to the War Purchasing Commission. The commissioners informed me that

at the present moment they are engaged, Mr. Brown and Mr. Donaldson, in one of the most important transactions that they have yet had to deal with. In connection with that business there are chartered accountants here from New York, as well as expert accountants from Canada. I am informed that it will inconvenience the War Purchasing Commission very greatly if the presence of these two officials was required at the present time. I informed the commissioners that I would endeavour to proceed with the business, in the absence of those two witnesses, for the present, and they informed me that they could be here at two o'clock this afternoon. I probably have sufficient evidence to keep us going until adjournment today, and these two witnesses may take perhaps an hour or an hour and a half in the box. I do not think that Mr. Garland will be called as a witness today. It is not Mr. Garland's contract that is being investigated, and we might proceed in the meanwhile, until he is called as a witness, which will probably not be until tomorrow.

MR. HAMMET P. HILL: Mr. Garland has explained to me that his counsel could not be here this morning. I have discussed in a more or less informal way with Mr. Garland his defence, or rather his explanation of his dealing with the department, and from what he tells me it is very important that his counsel should be in a position to cross-examine certain officials of the department. I may say that Mr. Garland does not wish in any way to incommode this commission, and it is possible that other witnesses might be taken up this afternoon, or if that is not possible, Mr. Garland might be allowed to reserve his right to cross-examine Mr. Brown or Mr. Donaldson, or some other witness, tomorrow.

SIR CHARLES DAVIDSON: Most assuredly. I desire to say that Mr. Garland will have the most ample opportunity afforded him in the matter, more especially as Mr. Garland is a member of the House of Commons of Canada. Will that be satisfactory?

MR. GARLAND: Yes, my Lord, that is satisfactory, thank you.

SIR CHARLES DAVIDSON: Mr. Hill, you made an application to me yesterday, including two cases in the one application, and I made a verbal suggestion to you about putting in separate applications. Have you done that?

MR. HILL: I did not understand that you wished to have the separate applications in writing.

SIR CHARLES DAVIDSON: The application needs to be in writing, as a matter of record.

MR. HILL: I shall furnish you with these applications separately. I included both the applicants on behalf of both my clients in the one letter.

SIR CHARLES DAVIDSON: And I tentatively caused you to be informed what I would be disposed to agree to. When your application is in, I will give a formal judgment in the matter.

JOHN FRASER, Auditor General of the Dominion of Canada, Sworn:

Examined by Mr. Thompson, K.C.:

Q. You are Auditor General of Canada?—A. I am.

Q. Would you inform the Commission generally, as to what are your duties?—A. The office was created for the more complete examination of the public accounts of Canada, and the reporting thereon to Parliament. That is very broadly what the office is. Our duty is to examine in detail all the expenditures of the Dominion of Canada.

Q. And as Auditor General you, I presume, criticise accounts which come to you for payment?—A. If they require criticism.

Q. Would you state to the Commission what, if any, contracts require your criticism with regard to expenditures in connection with the war supplies?—A. The

[Auditor General.]

question of the purchase of drugs and medical supplies from Mr. Powell and Mr. Brownlee, the purchase of horses generally throughout the Dominion, the purchase of oats, generally.

Q. Do you refer to the purchase of oats generally or do you refer to specific instances?—A. They were specific purchases.

Q. Can you give me the names of the vendors?—A. The purchase of oats from James Macdonnell of Montreal and George Sparks and Sons of Vars, Ontario.

Q. Does that cover all the contracts for oats that called for your criticism?—A. Yes.

Sir CHARLES DAVIDSON: These oat contracts were made in Ottawa?

Mr. FRASER: In Ottawa.

Sir CHARLES DAVIDSON: And you say these were all the things that called for your criticism?

Mr. FRASER: These are all we appear to have criticised.

Sir CHARLES DAVIDSON: I understand there were some other cases in the West where false invoicing was charged.

Mr. FRASER: Not for oats; I think that was in connection with supplies for the Imperial Government. There were large purchases, I understand, for Imperial Government made through the Dominion Government, and the hay contract, to which I made reference, was made for the Imperial Government too. I do not require to examine the accounts in connection with it. I have no criticism to offer on that.

By Mr. Thompson:

Q. Were your criticisms in regard to purchases directed entirely to purchases made on behalf of the Canadian Government?—A. Yes.

Q. What other contracts, Mr. Fraser, called for your criticism?—A. Generally speaking, these are the only ones that we had completed examination of ourselves, and concluded that there were excessive prices paid; did I mention submarines?

Q. That is the two drug contracts, and the contract for oats; are there any others? You mentioned some correspondence you had with reference to submarines?—A. Yes.

Q. A letter, I understand, was written to you by the Minister of Justice, or by the Justice Department, on the 17th day of May, with reference to the purchase of war supplies, have you got that letter?—A. They are preparing the correspondence now; I did not have time to get all the correspondence before I came here.

Q. Perhaps I might read a copy of that letter; it is a letter written by the Department of Justice on the 17th of May last to the Auditor General, and it reads:—

17th May.

DEAR SIR,—The Minister of Justice has been informed, whether reliably or not I cannot say, that your investigation of the accounts connected with war supplies has disclosed cases of apparent frauds by which public moneys have been unduly obtained and which were not investigated by the recent Parliamentary Committee, and he desires me to say that as the whole subject of these occurrences is now referred to this department for consideration and such proceedings as may be found justified, he would be glad if you would call his attention to any such cases of which you may be aware, or to any evidence which you think ought to be considered.

Yours truly,

Deputy Minister of Justice.

JOHN FRASER, Esq., I.S.O.,
Auditor General,
Ottawa.

[Auditor General.]

Did you, in consequence of that letter, make further investigations?—A. My reply to the Department of Justice stated that I was proceeding with the examination of the accounts.

Sir CHARLES DAVIDSON: Please read the reply, Mr. Thompson.

Mr. THOMPSON: The reply is dated the 19th of May, and is as follows:—

AUDITOR GENERAL'S OFFICE, CANADA.

OTTAWA, May 19, 1915.

DEAR SIR,—I have to acknowledge receipt of your letter of 17th instant in reference to the accounts connected with war supplies, expressing the desire of the Minister of Justice that I would call his attention to any cases of apparent frauds by which public moneys have been unduly obtained and which were not investigated by the recent Parliamentary Committee.

In reply, I beg to say that if such cases should be discovered I will call his attention to the same.

I enclose herewith a copy of a letter which I sent the Department of Militia and Defence in reference to the purchase of hospital cases from Mr. Brownlee, where the profits are excessive, practically 100 per cent. I have not received a reply to my letter or any explanation in reference to it, and think that some action should be taken.

"Yours truly,

"J. FRASER,

"Auditor General."

"The Deputy Minister of Justice, Ottawa."

I presume that the Brownlee contract spoken of in that letter is the one you have already referred to?—A. Yes.

Q. And these other contracts which you have referred to, I understand have already been brought to the attention of Parliament, and are in the form of correspondence which is printed in a blue book?—A. Yes.

Mr. THOMPSON: Before we proceed further, I would suggest that this correspondence should be filed for the use of the Commission. It is a blue book, entitled, "Correspondence between the Auditor General and the Militia Department referring to expenditures on the war appropriation," and it was submitted to Parliament last session.

(Blue book filed as Exhibit No. 1.)

I would like to file as an Exhibit the evidence taken before the Public Accounts Committee, in connection with Sessional Paper No. 122 of the last session of Parliament.

(Evidence filed as Exhibit No. 2.)

Examination of Mr. Fraser by Mr. Thompson, K.C., continued:

Q. Did you proceed, as stated in your letter to the Deputy Minister of Justice, and did you look into further contracts for war supplies?—A. I am proceeding all the time.

Q. Have you discovered any matters which call for investigation, other than those of which you have already spoken?—A. Not up to the present time.

Q. I understand that your Department would really direct its criticism towards the propriety of purchases and the prices paid for material?—A. More to the prices paid.

Q. And if, for example, there was such a thing as a shortage in the quantity supplied, would you have any knowledge of that?—A. No knowledge, unless it appeared on the face of the document.

[Auditor General.]

Q. And if there were inferior materials supplied, what about that?—A. I would have no knowledge of that.

Q. What Department would be responsible for the quantity and the quality of the supplies furnished?—A. The Militia Department.

Q. I presume through their inspectors and their purchasing agents?—A. Yes, through their officials generally.

Q. Will you, Mr. Fraser, kindly inform me from time to time of any other contracts which appear to you contracts which should be looked into?—A. I will.

Mr. THOMPSON: Mr. Fraser, if you furnish me with any correspondence, I will further investigate it.

Sir CHARLES DAVIDSON: You stated you concerned yourself entirely with the prices charged. Have you not, in your correspondence, questioned the necessity for some of the supplies and criticised the need of them?

Mr. FRASER: Well, if there were some purchases that appeared entirely foreign to the requirements of the Department, that we did not think were covered by the appropriation of Parliament for that department, we would raise a question about that.

Sir CHARLES DAVIDSON: Can you specify an instance of that?

Mr. FRASER: I cannot recall one now.

Sir CHARLES DAVIDSON: Please do so, if they exist; not at the moment, but let us know later.

Examination of Mr. Fraser by Mr. Thompson continued:

Q. When was the Powell contract first brought to your attention?—A. I cannot recall the date.

Q. What incident brought it to your notice?—A. In the examination of the accounts, I asked my officials to bring to my personal notice large purchases, if any, made from retail dealers, and which purchases might be made from wholesale houses, and among some of those that were brought to me were Mr. Powell's accounts.

Q. And after you had examined these accounts what did you do?—A. I tried to ascertain whether the prices were fair and as required by the Act. There is a certificate required that prices are fair and just of all articles that are not purchased by contract.

Q. Who is to place that certificate on the purchase?—A. The director of contracts, in this case; the official having a knowledge of the transaction.

Q. What efforts did you make to ascertain whether the prices were fair and reasonable?—A. I obtained the customs entries for the goods that were imported from Chicago and compared them with the prices that were entered on the accounts.

Q. You compared the original invoices to Powell from the manufacturers?—A. Yes, Bauer & Black's invoices.

Q. What did you find?—A. I found that the prices had been very largely increased. I inquired of Mr. Brown as to what the arrangement with Mr. Powell was, whether there was a contract or any arrangement as to price.

Q. When did you make these inquiries; was it when you had ascertained that the prices had been very largely increased?—A. Yes.

Q. What did he say?—A. He stated that the profits allowed to Mr. Powell were five per cent, and I informed him then that if that was the understanding it had not been carried out; that the accounts which they paid were very much in excess of that. I think I wrote him a letter to that effect.

Mr. THOMPSON: Perhaps I had now better put in the correspondence with the Auditor's office. These letters, my lord, to which the Auditor General is now referring, were all printed and appear in Exhibit No. 1, entitled the correspondence between the Auditor General's Department and the Militia Department.

Sir CHARLES DAVIDSON: If they are not quite lengthy, would you be good enough to read them?

Mr. THOMPSON: Mr. Fraser, this first letter you wrote in consequence of your inquiries and after a telephone message to Mr. Brown?

Mr. FRASER: Yes.

Mr. THOMPSON: The first is a letter from the Auditor General to the Deputy Minister of Militia and Defence, dated November 26th, 1914, and is as follows:

AUDITOR GENERAL'S OFFICE,

November 26, 1914.

SIR,—I have received from your Department accounts amounting to \$11,863.50 paid on 10th September, 1914, and \$6,300 paid on 16th September, 1914, for medical supplies received from E. Powell. These accounts are certified "prices are fair and reasonable." I find that these goods could have been purchased for 40 to 60 per cent less from the regular wholesale trade and think that an order amounting to over \$18,000 should not be paid for at retail prices.

I have to request that you will let me know on what grounds the certificate is made that the prices are fair and reasonable and if any steps were taken to obtain more reasonable prices.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

The Deputy Minister of Militia and Defence,
Ottawa.

Mr. FRASER: I may say here that that letter was written before I had a conversation with Mr. Brown. I recollect now that I got a copy of Bauer & Black's catalogue and checked some of the prices myself, and it was on the strength of that I made the statement that the prices were from 40 per cent to 60 per cent too high. Then following the writing of that letter I had a conversation with Mr. Brown, who came to my office.

Examination by Mr. Thompson, K.C., continued:

Q. What did he say to you?—A. He told me then that the understanding was that the profit was to be five per cent.

Q. It was to be five per cent profit to Powell on the contract?—A. Yes, I think Mr. Brown was under the impression—I think so from subsequent conversations I had with him—that I was referring entirely to the bandages or field dressings, but my remarks referred to the whole account. After that I got the customs entries and wrote the letter of the 17th of December.

Q. And apparently after that conversation you wrote to J. W. Borden, Accountant and Paymaster of the Department of Militia and Defence, on December 17, 1914, as follows:—

SIR,—I enclose herewith a list of the prices paid by E. Powell for medical supplies for your department and also the prices which he has charged for these goods. From our conversation it would appear that he was to receive about 5 per cent profit on the transaction instead of about 40 per cent. Please obtain a refund of the difference.

I am, sir,
Your obedient servant,

J. FRASER,
Auditor General.

J. W. Borden, Esq.,
Accountant and Paymaster,
Department of Militia and Defence,
Ottawa.

[Auditor General.]

Examination by Mr. Thompson, continued:

Q. You evidently had a conversation with Mr. Borden?—A. He was with Mr. Brown at the time I had the conversation with him.

Q. Then you enclosed to the Accountant a comparative statement of the prices paid by Powell and those charged by him to the department?—A. Yes.

Mr. THOMPSON: Shall I read this, my lord?

Sir CHARLES DAVIDSON: Read the whole correspondence into the evidence, it will make for the convenience of everybody.

Mr. THOMPSON: This statement gives in the first column the price paid by Powell, and in the second column the price charged to the department, and it is as follows:—

	Price Paid by Powell.	Charged Department.
Lint compound, 1 oz. pkt.	\$ 5½	\$ 10
Wool cotton absorb. compd., 1 oz. pkt.	5½	10
" " " 2 oz. pkt.	10	15
Cotton in 1 lb. rolls, each.	32	50
Gauze absorb. sub-compd., 36 x 2½, per dozen.	1 00	1 80
" 36 x 36 per dozen.	3 20	4 20
" plain, 2½ yd. pkts.	19	30
" " compd. 2½ yd. pkts.	25	40
" sublimated, 2½ yd. pkts.	33½	50
" plain, 5 yd. rolls per dozen.	4 20	6 00
Silk oil, 5 yd. roll.	4 80	5 30
" 1 yd. roll.	1 04	1 20
Ligatures catgut sterilized, 3 sizes in pkt.	18	22½
" silk braided, sterilized, 3 sizes in pkt.	18	30
Silkwork gut (100 strings).	50	75
Rubber drainage tubes, assistant sizes.	3 20	3 20
" " sterilized.	3 20	3 20
Bandages, 2½-inch x 6-inch compd. per gross.	8 00	12 00
" 3-inch x 6-inch compd. per gross.	8 40	12 00
" 3-inch per dozen.	4 40	8 00
" flannel gauze compd., 3 sizes per gross.	8 00	12 00
" triangular, compd., per dozen.	1 27	1 50
First field dressings.	15	21
Plaster of Paris, 3-inch indiv. pkg., per dozen.	2 56	4 00
Plaster adhesive zinc, 1 x 10 yd. spools each.	52	70
" " 2 x 10 yd. spools each.	72	1 00
Plaster moleskin per yard.	42	70
Surgeons' needles, straight, per dozen.	25	50

Mr. THOMPSON: I may say that this list also appears in the printed evidence taken before the Public Accounts Committee.

Examination of Mr. Fraser by Mr. Thompson, continued:

Q. In this list of prices paid by Powell, is that the price that Powell paid in Chicago, or the price laid down in Canada?—A. Laid down in Ottawa.

Q. After the duty was paid?—A. Duty and freight paid by the shippers.

Q. And that is the price to Powell laid down in Ottawa?—A. Yes.

Q. F.o.b. Ottawa?—A. Yes.

Q. What was the next step in your correspondence, Mr. Fraser?—I see here in the correspondence a letter from General Fiset, Deputy Minister of Militia. Did you have some correspondence with the officials between the date of your letter of December 17th?—A. I had conversations with General Fiset, in which he stated that Mr. Garland had been to see him and said that my prices were not right, that I must have made some mistake.

Q. Mr. Garland had called to see General Fiset?—A. Yes, and I told General Fiset the source of my information, and assured him that it must be correct, as it was taken from the Customs entries. A week or two after that Mr. Garland called to see me.

Q. He called on you a week or two after that?—A. I am not sure about the date.

[Auditor General.]

Q. That would be approximately early in January; your letter to J. W. Borden was written on the 17th of December, enclosing that list?—A. I think it was a shorter period than that.

Q. You say Mr. Garland called to see you?—A. Yes.

Q. Was that after your conversation with General Fiset?—A. Yes.

Q. What did Mr. Garland say?—A. He told me that the profits were not as much as I had stated. He said that there was five cents a package of profit on the field dressings that Powell was to get, and that was what he had charged. I said my statement was made as to the whole account, which at that time I think amounted to about \$36,000, and, according to my calculation, there were some \$6,000 or \$7,000 profits, and I considered this excessive.

Q. What did he say?—A. He thought I was mistaken and he said he would get Mr. Powell's accounts and check them. I said I had checked them already. I think I told him at the time that the figures I had got from the Customs returns, but I am not positive about that.

Q. As a matter of fact, your figures were taken from the Customs returns?—A. Yes, and I said that I could not be mistaken about the profits.

Q. What else took place on that question in the conversation?—A. The conversation was pretty general about these things. I think I made the remark that this matter would be all laid before Parliament and would be examined into by the Public Accounts Committee.

Q. What did Mr. Garland say to that?—A. He said he had nothing to do with it except in introducing Mr. Powell to the Department, and that he had spoken to the Department requesting them to give Mr. Powell some business; that it would be a question for Mr. Powell to answer himself as to the profits.

Q. Did you ever see Mr. Powell?—A. Not until I saw him in the Public Accounts Committee.

Q. Did you have any further interview with Mr. Garland?—A. Not that I recollect, I think that was the only one.

Q. So that any further action taken by you would be in the nature of correspondence or interviews with departmental officials?—A. I think that practically ended it, except a letter from the Militia Department enclosing Mr. Powell's explanation, and I think a letter from Mr. Garland to Mr. Brown.

Q. I have here on the 27th of January, 1915, a letter from General Fiset; is that the letter to which you refer?—A. Yes, that would be the one, and I think it encloses a letter from Mr. Powell.

Q. I understand you to say that you received a letter of the 27th of January from the Deputy Minister of Militia, General Fiset, in which General Fiset enclosed letters written by E. Powell on the 1st and 3rd of September, 1914, addressed to H. W. Brown, Director of Contracts?—A. Yes.

Mr. THOMPSON: The following is the letter from General Fiset, Deputy Minister of Militia, to the Auditor General:—

DEPARTMENT OF MILITIA AND DEFENCE,
OTTAWA, January 27, 1915.

SIR,—I beg to acknowledge receipt of your two letters of the 26th November and 17th December last, in which exception is taken to payments made to E. Powell for first field dressings and other medical supplies, purchased for the First Contingent. Mr. Brown, Director of Contracts, by whom these orders were given, makes the following statement with regard to these accounts:

"The first requisition for field dressings was made by the Director General of Medical Services on the 22nd August, when 30,000 field dressings were demanded. This requisition was accompanied by the following note: 'Herewith service requisition for 30,000 first field dressings, to be supplied by Messrs.

[Auditor General.]

Bauer & Black, Chicago. Kindly rush this order.' I was told by telephone that these field dressings should be available at the latest within two weeks; and that Messrs. Bauer & Black's representative was in Ottawa at that time; that enquiry had been made, and it was found that no other source of supply was available. I was requested to make arrangements with Mr. Shaver, Bauer & Black's agent, with as little delay as possible, as the necessity for the dressings was most immediate and pressing.

"Prior to this, it had been the practice to procure these dressings from British manufacturers, S. Maw & Sons, who are contractors also for the British War Office.

"On or about August 24th, Mr. W. F. Garland, M.P., and Mr. Shaver, of Toronto, representing Messrs. Bauer & Black, called to see me, and we discussed prices, deliveries, etc. I asked Mr. Shaver to quote a price, which he declined to do until he had telephoned Chicago. Later on, he answered me that his head office could not make any certain price, because the time given them was so short that they might have to work overtime; and the Militia medical staff insisted upon the War Office pattern of dressings, which was different from the American package. Mr. Shaver said, moreover, that Bauer & Black were contractors for the American Government for the supply of field dressings, and could give prompt and early deliveries of the United States Army dressings at a much lower price; but that this was not satisfactory to Colonel Jones and his staff. Pressed to give a price, Mr. Shaver said he thought it might be about 18 cents, but this he would not guarantee.

"Mr. Shaver, moreover, informed me in the presence of Mr. Garland, M.P., that Mr. E. Powell of Ottawa was the Ottawa representative of Bauer & Black; and that he wished the order to be given Mr. Powell in that capacity.

"We had never had any dealings with Bauer & Black before, so far as I know; as all supplies of this kind had hitherto come from British sources.

"In accordance with Mr. Shaver's instructions, the order was given to Mr. Powell, as representing Bauer & Black, Chicago.

"The dressings were delivered within a short time; and, subsequently, repeat orders were given under much the same conditions. In each case, immediate delivery was insisted upon, the time was very short and the British or other sources of supply were not available.

"During September, Mr. Powell sent in several bills for these dressings, at 23 cents. I refused to certify them for payment, as the price was exorbitant and not in accordance with the understanding with Mr. Shaver; who, although he had not promised anything definite, had held out some expectation of being able to supply at 18 cents. I afterwards sent Mr. Donaldson of my office to Powell to get some information but without much result.

"Subsequently, Mr. Powell reduced his price from 23c to 21c but I refused to certify the accounts at this price. Finally, Mr. W. F. Garland, M.P., called and discussed the matter with me; and assured me with some emphasis, that Mr. Powell at 21 cents was making only 5 per cent on the cost of the dressings. Mr. Garland made the statement more than once and emphatically. Upon the strength of this assurance that this was so, I certified the accounts as fair and reasonable.'

It appears from the list enclosed with your letter of the 17th December that Mr. Powell's profit on these field dressings was not 5 per cent but 5 cents each; or 31½ per cent—not 40 as stated in your letter.

I beg to enclose copy of a letter sent by Mr. Brown today to Mr. Powell, calling for a rebate of \$2,822.40 representing the difference between the 5 per cent which Mr. Garland said Mr. Powell was getting and the 31½ per cent which Mr. Powell actually made.

[Auditor General.]

You will observe from Mr. Brown's letter to Mr. Powell that the Department still owes Mr. Powell six different bills for supplies, aggregating \$2,601.77; and that it is proposed to withhold payment of these bills, until Mr. Powell has made a refund of the amount cleared.

I am, sir, your obedient servant,

EUG. Fiset, *Surgeon General,*

Deputy Minister of Militia and Defence.

NOTE.—I also enclose copies of letters from Mr. Powell, dated September 1st and 3rd and copy of one from Bauer & Black dated October 28th.

The Auditor General,
Ottawa.

Mr. THOMPSON: The following are the letters of the 1st and 3rd September from Mr. Powell:

OTTAWA, Sept. 1, 1914.

Mr. H. W. BROWN,

Director of Contracts.

DEAR SIR,—

Some time ago you were kind enough as to forward me requisitions for first field dressings, one for 7,200, one for 30,000, and a later one for 30,000. In discussing this with you over the phone, there was no price fixed; only we said about eighteen cents. Instead I cannot make the price any lower than twenty-three cents. The wholesale people are holding me up as you know now with prices as they say they are too rushed. I can have all shipped at 23 cents and all additional orders at same price if any needed. The bulk of the goods will be delivered in a few days and all in specified time. Hoping that this is satisfactory,

I remain, yours very truly,

E. POWELL.

OTTAWA, Sept. 3, 1914.

Mr. H. W. BROWN,

Dept. of Militia and Defence.

DEAR SIR,—

Enclosed please find a corrected invoice on field dressings. This is the very lowest than I can do on because as you are aware that it is a specially prepared package Bauer & Black had to make this as a special. The one used and made by them for United States Army could have been laid down here much cheaper and is put up in a tin box similar to a sardine can. This could not be used in this case whatever. The firm were very loath about making this order at present at all as they had so many other large orders to attend to, one of about one-half million from their Bristol agency in Liverpool. I have no doubt but Maw, London, England, could have and perhaps can now for all I know prepare this article at less cost but you can clearly see the firm's position—special packages and only two weeks to deliver, rushed with other goods, etc. I hope that you will consider this in your fair way as I have tried to do. Thanking you.

I remain, yours very truly,

E. POWELL.

Mr. THOMPSON: General Fiset, the Deputy Minister of Militia, refers in this letter to the letter which the Director of Contracts, H. W. Brown, wrote to Powell on January 26. That was the day before General Fiset's letter, which I have just read. Perhaps I had better read this letter now in its proper order. It reads:—

DEPARTMENT OF MILITIA AND DEFENCE.

JANUARY 26, 1915.

SIR,—On the 24th August last, an order was given you as Ottawa Agent of Messrs. Bauer and Black of Chicago, to furnish the Militia Department with 30,000 first field dressings of British War Office pattern, at the earliest date possible. It was understood verbally that deliveries would be made within two weeks.

Prior to giving this order, Mr. W. F. Garland, M.P., and Mr. Shaver, the Toronto agent for Messrs. Bauer and Black, had called to see me. Mr. Shaver, after telephoning his Chicago head office, declined to quote a price, as the time was so short and the style and pattern being British and not American; it was a case of goods made specially to order; and of working overtime to get the work done. Owing to their unfamiliarity with the pattern, Mr. Shaver said his principals could not undertake to set a price; but he thought the dressings could be supplied at about 18 cents.

Although this was much higher than we had usually paid, for British made dressings, the order was given, because at that time there was no other source of supply.

Mr. Shaver informed me, in the presence of Mr. Garland, M.P., that you were Messrs. Bauer and Black's Ottawa representative; and requested that the order be sent you. This was accordingly done.

Later on, repeat orders for 37,200 more of these field dressings were given you upon the same terms—early delivery in each case being imperative.

During September, you invoiced the Department for these goods at 23 cents each.

This was greatly in excess of the prices formerly paid, as well as of the price estimated by Mr. Shaver,—18 cents—that I refused to certify the accounts for payment; and sent Mr. Donaldson of this office to see you and obtain some explanation of the extraordinary advance over the estimate.

Eventually, Mr. W. F. Garland, M.P., called to see me; said the price would be cut down at 21 cents, but that was the utmost reduction, he—or you—could make; since, at that rate, *you got barely 5 per cent on your expenditure.*

On the strength of this emphatic and repeated assurance of Mr. Garland that your profit was only 5 per cent, this reduction from 23 cents to 21 cents was accepted and the accounts paid. Only this statement of Mr. Garland secured the payment of your accounts—this and nothing else.

On the 26th November, the Auditor General wrote the Deputy Minister of Militia and Defence, taking exception to the prices paid you for these and other goods; and later on, the Auditor General informed General Fiset and myself that Mr. Garland had admitted to him that your profit was not 5 per cent as he had formerly stated, but five cents per dressing—a profit of 31¼.

The Auditor General has, therefore, called upon this Department to obtain a rebate from you of \$2,822.40, equivalent to 26¼ per cent upon 67,000 field dressings at 16 cents each—this being the actual cost to you of the dressings; and 26¼ per cent being the difference between 31¼ per cent profit which you actually received; and 5 per cent which Mr. Garland represented your profit to be.

I am directed, therefore, to request you to refund this amount to the Department immediately; or make a deposit to the credit of the Receiver General.

[Auditor General.]

ROYAL COMMISSION

Meantime, until this has been done, payment of the following invoices will be withheld:—

Invoice	December	15,	1914..	. . . . .	\$	60	00
"	"	25,	"	. . . . .		775	00
"	"	24,	"	. . . . .		960	00
"	"	26,	"	. . . . .		45	67
"	"	12,	"	. . . . .		719	60
"	"	14,	"	. . . . .		41	50

\$2.601 77

Awaiting your reply,

I am, sir.

Your obedient servant,

H. W. BROWN,
Director of Contracts.

E. POWELL, Esq.,
981 Wellington Street,
Ottawa.

Examination of Mr. Fraser by Mr. Thompson continued:

Q. Mr. Fraser, you received these enclosures from General Fiset about the 28th of January, 1915, or about that date?—A. About that date.

Q. What was the next step that you took with reference to this, or what was the next occurrence, anything?—A. There was nothing else that I had to do with it; they were taking steps to get a refund of the excessive prices.

Q. Did you have any further interviews with Mr. Garland?—A. No.

Q. I understand you to say you had never seen Powell?—A. Not until I saw him before the Public Accounts Committee.

Q. Were his accounts with reference to field dressings eventually paid?—A. I understood not. I understood Mr. Powell made a refund of \$6,000 afterwards. They retained the balance there of \$2,000 odd dollars.

Q. But with the exception of that \$2,000 were not all paid? I have accounts receipted by Powell as paid to him. Would the cheques come before you?—A. The cheques will come before me. I understand his accounts have all been paid with the exception of \$2,601.

Q. That is with the exception of these items which Mr. Brown stated he had retained?—A. Yes.

Q. Retained until this question of percentage had been adjusted?—A. Yes. It came before the Public Accounts Committee.

Q. Is there any further information you could give to the Commission, Mr. Fraser, with reference to this contract?—A. No, that is all.

Sir CHARLES DAVIDSON: How many cases has the Auditor General referred to as having excited his attention with respect to excessive prices?

Mr. FRASER: Do you mean generally speaking with regard to war supplies?

Sir CHARLES DAVIDSON: Yes.

Mr. FRASER: I have a note here mentioning hospital clothing in addition to those I have mentioned. I made some little inquiry about it. It did not amount to anything. It was based on rumour that the parties supplying clothing to the department were practically middlemen, that they were obtaining the clothing in the city of Ottawa from other parties who were manufacturing. I never got any further with that at the time.

Sir CHARLES DAVIDSON: What do you mean by saying you never got any further with it?

[Auditor General.]

Mr. FRASER: I did not get information enough to enable me to take further steps.

Sir CHARLES DAVIDSON: Were you unable to get information or after you received the information were you satisfied that the prices were not excessive?

Mr. FRASER: If the information I had received was correct, the prices would be excessive. I wrote to the Deputy Minister of Militia and Defence on February 5, 1915, as follows:—

AUDITOR GENERAL'S OFFICE,
February 5, 1915.

The Deputy Minister of Militia and Defence,
Ottawa.

SIR,—I have to request that you be good enough to supply me with copies of the following contracts made with Mackenzie, Limited, Ottawa:—

H.Q. 565-2-22.
H.Q. 565-2-5.
H.Q. 565-2-12.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

I received the following reply from the Deputy Minister of Militia and Defence on February 12, 1915:—

DEPARTMENT OF MILITIA AND DEFENCE.
OTTAWA, February 12, 1915.

The Auditor General,
Ottawa, Ont.

SIR,—In accordance with your request of the 5th instant, I now beg to enclose copies of orders for clothing given to Mackenzie, Ltd., as follows:—

H.Q. 565-2-5—Order for hospital clothing d/—August 31.
H.Q. 565-2-12—Order for hospital clothing d/—September 15.
H.Q. 565-2-22—Order for hospital clothing d/—September 16.

I am, sir, your obedient servant,

EUG. Fiset, *Surgeon-General,*
Deputy Minister, Militia and Defence.

Sir CHARLES DAVIDSON: Who are Mackenzie, Limited?

Mr. FRASER: They were supplying a large lot of clothing to the Militia Department.

Sir CHARLES DAVIDSON: In the city of Ottawa?

Mr. FRASER: Yes.

Sir CHARLES DAVIDSON: Are they wholesale tailors?

Mr. FRASER: I cannot say, but I understood they obtained this clothing from another firm in the city of Ottawa, and who manufactured it at a very much less price than they charged the Department.

Sir CHARLES DAVIDSON: Was that the hospital clothing to which you have referred?

Mr. FRASER: Yes, hospital uniforms.

Examination by Mr. Thompson, K.C., continued:

Q. Was your attention in any way called to the quality of the material supplied?
—A. Do you mean as to its being defective?

Q. Or inferior?—A. No, it was something of a very cheap nature, and the price seemed excessive.

Q. Do you know what the quality was that was supplied?—A. No, I cannot tell, but I think it was what was customary in that class of goods.

Q. As a result of your inquiries, did you find that the price paid to Mackenzie was an excessive price?—A. I do not know what it was worth; all that I was informed was that the price they paid the other firm for the manufacture of it here in Ottawa—

Q. Did you say that you ascertained that?—A. I was informed.

Q. That Mackenzie & Company, who supplied these hospital uniforms to the Department, had purchased them in Ottawa?—A. Yes, from a firm called the Royal Tailors; it is a firm in the Booth Building.

Q. Did you follow up your inquiries to ascertain whether this rumour was correct?—A. I could not ascertain; I had no means of ascertaining.

Q. Do you now know whether that rumour was correct?—A. I do not know. I believed it was, but I had no means of proving it. It was an examination I could not make because the contract was directed to Mackenzie. I could not inquire into it beyond that. At that time the air was full of rumours about contracts, so that I cannot recollect one-half of them now.

Q. And I presume that in any case where you could do so you followed up these rumours?—A. Yes, I tried to find out.

Q. What was the result?—A. I had reached a point something like in the Mackenzie case. There was a contract for the purchase, but as to whether they got the goods or what they paid for them, was a matter that I could not inquire into.

Q. But you see, Mr. Fraser, in the Powell case, you directed attention to the purchase and also in the Brownlee case?—A. In Mr. Powell's case, Mr. Brown informed me that the contract called for five per cent profit.

Q. And that is why you insisted on that being investigated?—A. Yes. If he had stated to me that there was no bargain of that sort, I would have to accept his price.

Q. The same observation would apply, I presume, to the Brownlee case?—A. In the Brownlee case, there was no contract that I know of. The order was given to him, but I saw one item in his account that I thought was excessive. It was clinical thermometers which were charged at one dollar, and I happened to know the price of them, and I ascertained afterwards that they could be bought for about one-half that at the wholesale price. I informed the Department, and they got a refund from Brownlee. But I could not check the balance of his account at that time. It was largely made up of hospital cases, as per specification, and it was only in March last that I got the specifications.

Q. But before even that you directed your correspondence to that purchase?—A. I did write a letter to the Department. I received a letter from the Department saying that Mr. Brownlee had made a refund of \$500 or \$600 on account of the clinical thermometers. His explanation was that his clerk had made a mistake and overcharged, and he also stated in his letter that it was his intention to give the Government the benefit of any advantage that might be obtained from buying in large quantities. On the strength of that letter I wrote the Department and asked them if Mr. Brownlee had given them that advantage in connection with the rest of the goods, and as that was about the only form of contract or agreement or understanding between them, that I would like if Mr. Brownlee would send me his accounts of purchases from the wholesalers to enable me to ascertain whether he had given the Department the benefit or not. Mr. Brownlee called on me shortly after that and said he was quite willing to produce his accounts if I told him what ones I wanted. I said I wanted those particularly in connection with the hospital cases, and I asked him what profits he had made, and I think he told me that on the hospital cases he had made forty per cent.

Q. And did you think that forty percent was excessive?—A. Yes, I did. However, I had no information from the Militia Department of any price being authorized or any contract. I did not do anything further at the time. I told him he could send

[Auditor General.]

up the accounts and I would examine them and see for myself. I was pretty busy just then at the Public Accounts Committee, and one day his solicitor called on me, and told me he had the accounts and books down in his office, and if I would send some one down to examine them I could. I said I would rather examine them myself and I did not have time then. Some time afterwards, in examining other accounts, I found there were specifications attached to Hartz & Lyman's orders for these hospital cases, and I asked the Department for the specifications in connection with Brownlee's order and they sent them to me.

Q. Were the specifications identical?—A. Identical.

Q. Were the requisitions to Hartz and the other druggists given about the same time as those given to Brownlee?—A. No, Brownlee's were given some time last fall, and the Hartz and Lyman orders were given, I think, some months after the Brownlee order. I wrote to the Department pointing out the difference in price obtained from Lyman and from Brownlee.

Q. In your letter did you specify the difference in price?—A. I think I have the letter here. On April 29 I wrote to the Militia Department as follows:—

April 29, 1915.

SIR,—I beg to acknowledge receipt of your letter of the 23rd inst., No. H.Q. 124-3-202 (unsigned) and the enclosures as stated, being lists of materials for hospitals as supplied by Mr. T. A. Brownlee under voucher 6143 and the contents of boxes numbered 1 to 5 as supplied by him under voucher 3015.

Upon examination of the lists of goods contained in the boxes, I find that they are identical with the lists attached to orders given by your Department under date of March 31 last, as follows:—

J. F. Hartz Co. Ltd.

2 boxes No. 1 complete with stores at \$145.00.

2 boxes No. 2 complete with stores at \$55.00.

E. B. Shuttleworth Chemical Co.

2 boxes No. 3 complete with stores at \$47.50.

Lyman's Limited.

2 boxes No. 4 complete with stores at \$31.10.

On these four classes of boxes supplied by Mr. Brownlee, he appears to have been paid an excess of \$8,322 over the above prices, or nearly 100 per cent, and it is reasonable to assume that the prices on the remaining articles are in the same proportion. I have therefore to request that an explanation be given of the reasons for letting a contract to Mr. Brownlee at the excessive prices charged in his accounts.

I am, sir, your obedient servant,

J. FRASER,
Auditor General.

The Deputy Minister of Militia and Defence,
Ottawa.

MR. THOMPSON: I do not know whether I could profitably go into the Brownlee case further at the present time; possibly we had better leave that for a later date.

By Mr. Thompson, K.C.:

Q. Do you know Colonel A. D. McRae, whose address is given as the Windsor Hotel, Montreal? I have here a letter from the Auditor of the Remounts Department at Brandon, and I would like to know if that is in connection with supplies purchased for the Canadian Government. Do you know whether that refers to supplies purchased

for the Canadian or for the British Governments?—A. I think these are British purchases, but I am not quite sure.

Q. Did the matter ever come before you?—A. Not in the way it is there. We may have paid the accounts for that, but I will make inquiry.

Q. There are the names Grant and Bennett mentioned in this; do you know these people?—A. I do not remember, I can find out and let you know.

Q. The consignor of the goods referred to there is the N. S. Grain Company, and I would like you to find out if these refer to purchases made for the Canadian Government?—A. It is quite likely they may be, because there were a number of purchases made there about these dates, but I will ascertain.

Q. You will make inquiry about that?—A. Yes.

Mr. THOMPSON: My lord, the Auditor General thinks this correspondence may have reference to remounts now being purchased and purchased comparatively recently for the Canadian Militia. He has taken a note of it and will get the information. I think that is all I have to ask the Auditor General.

Sir CHARLES DAVIDSON: In the course of your evidence, Mr. Fraser, you this morning mentioned a number of cases which you said excited your criticism or suspicion, as involving frauds, by which public moneys have been unduly obtained, and you interspersed your reference to these cases with observations: Can I put the list you gave in concrete form thus: oats (Macdonnell and Sparks); drugs, (Powell); hospital supplies (Brownlee); horses, submarines, and hospital clothing (Mackenzie and Royal Tailors).

Mr. THOMPSON: There were no purchases from the Royal Tailors.

Mr. FRASER: No, that is supposed to be a sub-contract.

Mr. THOMPSON: The reference was to a supposed sub-contract by Mackenzie to the Royal Tailors.

Mr. FRASER: I did not allege fraud there, but excessive prices.

Sir CHARLES DAVIDSON: I said criticism or suspicion as regards frauds by which public moneys have been unduly obtained. If there were excessive prices, the moneys had been unduly obtained, I suppose.

Mr. FRASER: That might necessitate fraud on the part of the parties who were selling to the Government.

Sir CHARLES DAVIDSON: Let us put aside the exact form of the expression; is the list I have read to you a complete list?

Mr. FRASER: Yes, that is the list.

Sir CHARLES DAVIDSON: And nothing else has in the course of your observation and in the pursuance of your duties excited your suspicion; your condemnation or your criticism?

Mr. FRASER: I would not like to say that there was nothing else which excited my suspicion.

Sir CHARLES DAVIDSON: I do not mean idle or vapourous suspicions, but suspicions which you pursued and which you regarded as sufficiently serious to pursue by inquiry. In any event, this is the list you gave this morning, and there is nothing else?

Mr. FRASER: That is all I gave you this morning. I do not know whether I shall have any more to give you or not.

Mr. THOMPSON: That is all, Mr. Fraser.

Sir CHARLES DAVIDSON: Mr. Hill, I may state that the question as to whether you can put questions through Mr. Thompson or be permitted to put them yourself directly [Auditor General.]

has been considered by me, and I have decided that it is best, in many respects, to permit you to put your own questions, and I shall give judgment to that effect when your formal application is in.

Mr. HAMMET P. HILL then stated that he appeared on behalf of Mr. Powell.

The Commissioner accorded him permission to cross-examine the witness.

Mr. Fraser, cross-examined by Mr. Hill:

Q. Have you any experience or have you made any inquiries with regard to the profits which druggists are accustomed to make in their business?—A. I have had a little experience in regard to what a retail druggist makes; like a good many other people I buy drugs sometimes.

Q. Did you make inquiries in regard to these various items in your letter of December 17th to Mr. Brown, as to what would be legitimate profits on these items?—A. No, because they told me that the profit that was to be allowed was five per cent. Mr. Brown told me the profit to Mr. Powell was to be five per cent.

Sir CHARLES DAVIDSON: Is that a profit or a commission?

Mr. FRASER: He spoke of profit.

By Mr. Hill:

Q. Was that profit to be on all the supplies he delivered or merely on the field dressings?—A. My recollection of it was that it was on all.

Q. Did Mr. Brown, the Director of Contracts, tell you that he bought these goods from Mr. Powell on that understanding?—A. I understood from him that they were bought from Bauer & Black through Mr. Powell, as the agent. He said they had arrived generally at prices with Mr. Shaver—

Q. Kindly answer my question; did he tell you that he, Mr. Brown, had bought these goods from Mr. Powell on the understanding that he was to charge five per cent over list prices?—A. That is my recollection of it.

Q. That is your recollection of what he told you?—A. Yes, it is quite a long time ago, and I cannot remember exactly now.

Q. As far as you remember he did not distinguish the field dressings from the other articles in this list?—A. I do not think so.

Q. Did he mention anything to you about an estimate having been given to Mr. Powell?—A. No, he mentioned that Mr. Shaver had given him an estimate.

Q. Of the total cost?—A. Yes, I think for the first order somewhere about \$20,000 roughly speaking.

Q. He told you that Mr. Shaver had given an estimate for the first order that was given Mr. Powell?—A. Yes.

Q. And it was based on that estimate that he gave Mr. Powell an order, was it, did he tell you that?—A. Yes, subject to a revision of some of the figures. I think it was the field dressings that Mr. Shaver could not be absolutely sure about, as to price until he consulted the Chicago firm.

Q. You are quite clear that Mr. Brown told you that this order was given to Mr. Powell after Mr. Shaver had given him an estimate of the total cost; you have just told us that, subject to a few minor alterations on certain items?—A. That is as near as I can recollect.

Q. Did Mr. Brown tell you that the goods were delivered at several hundred dollars less than the estimate; I am not referring to the field dressings but to the other articles?—A. I do not recollect that.

Q. I notice that in Mr. Brown's correspondence with you, or the correspondence of the Department of Militia, as set out in the blue book, that the only reference to these five per cent profits deals with these field dressings.—A. That is in Mr. Brown's letter.

[Auditor General.]

Q. That is in General Fiset's letter to you, at page 20 of the blue book, dated January 27, in which he sets forth the statement which he has received from Mr. Brown?—A. Yes, in their correspondence they speak only of the field dressings.

Q. Would you consider it your duty, as Auditor General, in the event of the Director of Contracts having stated that he purchased these goods at the estimated price, and that the goods were delivered below the estimate, would you in such case consider it your duty to inquire into the profits made by the contractor?

Mr. THOMPSON: Are you not putting a practically impossible case: that a contractor delivered goods to the Government at less than the Government agreed to pay for them?

By Mr. Hill:

Q. Would you consider it your duty as Auditor General, in these circumstances, to inquire into the propriety of the profits which a contractor would make?—A. If it was a written contract, with the figures set out in the contract, then on Mr. Brown's certificate, establishing that the prices were according to contract, I would have to accept them. Verbal contracts are not in the same category as written ones.

Q. But if Mr. Brown, the Director of Contracts, had told you that an estimate had been furnished the Department, and that these goods had been delivered less than the estimate, would you have considered it your duty to go into the question of Mr. Powell's profits?—A. I do not think that is a question that it is necessary for me to answer.

Q. You are aware, doubtless, that it is a practice amongst contractors, in making a tender, to charge bigger profits on some articles than on others?—A. Yes.

Q. Contractors as a rule figure the profit that would be received on the total amount of the contract and then charge various profits on different items?—A. That is very often done.

Q. There is nothing improper in that, in your judgment?—A. No, a man fixes his own price at what he wants to sell, and he has a perfect right to do that.

Q. Would you say that the list of articles set forth in your letter to Mr. J. W. Borden, dated December 17, contains all the articles that Mr. Powell supplied?—A. No.

Q. They are not all the articles he supplied?—A. No, there are some I cannot check.

Q. Where did you obtain the prices that you alleged Mr. Powell paid for these various articles?—A. From the Customs at Toronto.

Q. Did you receive a letter from them?—A. No.

Q. How did they communicate with you?—A. I got it through a Customs official.

Q. Did he give it to you in writing?—A. Yes.

Q. Have you got that letter?—A. I have it in my office.

Q. You are quite sure that these prices mentioned in this list as being paid by Powell were the prices set forth on the invoices?—A. Yes, unless there is a mistake in the copy.

Mr. THOMPSON: I have Bauer and Black's original invoices here.

Mr. HILL: Have you any objection to them going in now?

Mr. THOMPSON: I have not a completed list, I have those filed in the Public Accounts Committee; they are the original invoices of Bauer and Black to E. Powell.

By Mr. Hill:

Q. Mr. Fraser, have you had occasion to check Bauer and Black's invoices to Mr. Powell with those prices which you have obtained from some official in Toronto?—A. No.

[Auditor General.]

Q. Who was the official in Toronto who gave you this list?

Sir CHARLES DAVIDSON: There is no need of that.

(Invoices filed as Exhibit 3.)

By Mr. Hill:

Q. You have not had occasion to check these invoices over?—A. No, I have not heard the correctness of that question.

Q. They were questioned in the Public Accounts Committee?—A. Yes, but that referred to the accounts that Mr. Thompson has brought here. The statement made in the Public Accounts Committee was not correct. That is my understanding of it. I have been looking up the evidence since. Do you refer to the oiled silk?

Sir CHARLES DAVIDSON: The question is, whether these figures are wrong or right.

Mr. HILL: I am instructed they are not right in several cases.

Sir CHARLES DAVIDSON: Surely we can get evidence as to that.

By Mr. Thompson:

Q. Mr. Hill put a peculiar supposititious case to the Auditor General, and I would like to ask you Mr. Fraser—not that it has any bearing on this contract—whether you have ever known at any time any contractor who supplied goods to the Government at less than the estimated price?—A. I have known contractors to claim, after the completion of the work, that it had cost them a great deal more than they tendered for, and got paid for.

Mr. HILL: I presume that may have been done on numerous occasions without you hearing about it.

Mr. FRASER: Yes.

Mr. THOMPSON: I should think the incident would be so startling that the Auditor General could not possibly fail to remember it.

At the conclusion of the evidence of the Auditor General.

Sir CHARLES DAVIDSON: I suppose you will be in Ottawa, Mr. Fraser?

Mr. FRASER: Yes. Are you going to sit from day to day?

Sir CHARLES DAVIDSON: Yes.

Mr. FRASER: If I have occasion to leave town I will let Mr. Thompson know.

Mr. HILL: Mr. Garland's counsel may like to question the Auditor General to-morrow morning as to the conversation he had with Mr. Garland, but I do not know as to that.

Mr. FRASER: You can get me at any time in the office.

Sir CHARLES DAVIDSON: Do not leave town without letting us know.

Mr. FRASER: If I have to leave I will let Mr. Thompson know beforehand.

The witness retired.

Mr. THOMPSON: The next witnesses I would like to call would be Mr. Brown and Mr. Donaldson of the Militia Department, and they will be here at two o'clock. At Mr. Hill's request I will call Mr. W. B. Macdonald, is he here, do you want him, Mr. Hill?

Mr. HILL: I do not wish to call him if you do not.

Mr. THOMPSON: I am not calling him.

Mr. Macdonald was excused.

Mr. THOMPSON: I will call, at Mr. Hill's request, Mr. J. Lorne Rochester. Do you want him examined, Mr. Hill?

Mr. HILL: Yes.

[Auditor General.]

J. LORNE ROCHESTER, of the city of Ottawa, sworn:

Mr. THOMPSON: Mr. Hill, in his letter to me, asked me to have Mr. Rochester give his opinion as to the propriety of the prices charged by Powell. Possibly, Mr. Hill may wish to examine him.

Sir CHARLES DAVIDSON: I prefer you to do it, Mr. Thompson.

Mr. THOMPSON: Very well, my lord.

By Mr. Thompson, K.C.:

Q. Mr. Rochester, what is your occupation?—A. At present I am an insurance agent and broker.

Q. Do you know anything about medical supplies and drugs?—A. I have been in the drug business for twenty-three years, up to a year and a half ago.

Q. You are a qualified druggist?—A. Yes.

Q. You carried on business in Ottawa?—A. Yes.

Q. You feel you are qualified to speak as to prices of drugs?—A. I should be.

Q. I presume the price of medical supplies and drugs varies considerably?—A. Yes.

Sir CHARLES DAVIDSON: What evidence, Mr. Hill, do you expect to get from this witness?

Mr. HILL: It is merely on the general percentage of profits to druggists.

Mr. THOMPSON: As to the propriety of the prices charged by Powell.

Sir CHARLES DAVIDSON: It is understood that the questions put by Mr. Thompson are in general form suggested by Mr. Hill.

By Mr. Thompson:

Q. I presume that the prices of drugs and medical supplies vary considerably from time to time?—A. Very considerably.

Q. It is a matter of public notoriety that prices were very erratic after the declaration of war in August last year?—A. Particularly so.

Q. You are cognizant of that?—A. There is no doubt about it.

Q. Did you see the invoices rendered by Bauer & Black to E. Powell, 981 Wellington Street, Ottawa, for supplies sent to Powell by them in August and September last year?—A. Yes, I looked them over.

Q. You have seen the Bauer & Black invoices?—A. Yes.

Q. Did you examine them?—A. I examined them, yes.

Q. Did you see the invoices rendered by Powell to the Department of Militia and Defence?—A. Yes, I went over these also.

Q. Covering the same medical supplies and drugs?—A. Yes.

Q. Supplied to Powell as agent of Bauer & Black?—A. Yes.

Q. You have seen these invoices?—A. I have seen the two of them.

Q. Where did you see the invoices rendered by Powell to the Department of Militia and Defence?—A. I saw them in my office.

Q. How did you come to get them?—A. I mean a copy of the invoices sent by Powell to the Department.

Q. Where did you get the copy?—A. Mr. Garland showed it to me.

Q. Was it the invoice actually rendered to the Militia Department?—A. It was a copy of the invoice.

Q. Did he say it was a copy—have you ever seen the original invoice rendered to the Militia Department by Powell?—A. No.

Q. So you do not know that this document submitted to you by Garland was really a true copy of the invoices rendered by Powell to the Militia Department?—A. I cannot say it was a true copy.

[Drugs—Rochester.]

Q. You do not know actually what the prices were that were charged by Powell to the Militia Department?—A. The amounts corresponded to the amounts of the different accounts that were sent to the Government, as I understood.

Q. That was your understanding?—A. Yes.

Q. I would like to get it a little more accurate than that, Mr. Rochester, and I now show you Powell's account and also the Bauer & Black invoices.

Mr. THOMPSON: I wish now to put in, so as to enable Mr. Rochester to make his comparison of prices, invoices rendered by Powell to the Militia Department. I am not sure this covers all, but it is the batch I have at present in my possession.

(Filed as Exhibit No. 4.)

By Mr. Thompson:

Q. Mr. Rochester, I will take first of all some specific items. Turn to page 4 of Exhibit No. 4, Powell's invoices, and then turn up Bauer & Black's invoices to Powell, Exhibit No. 3, page 5, and read the first item: "15,000 packages of sterilized cotton in ounces, 937½ lbs. 80 cents a pound; total, \$750." That is Bauer & Black's invoice to Powell for that article?—A. Yes.

Q. Now look at Exhibit No. 4, which is Powell's invoice to the Militia Department, and turn to the same item: "15,000 packages of sterilized cotton"?—A. It is figured out differently here, he has figured out so much a package and this is figured out at so much a pound.

Q. And Powell charges the Militia Department \$1,200 for that item?—A. Yes.

Q. And Bauer & Black charged \$750?—A. Yes.

Q. Have you any comment to make on that?—A. It is a nice profit.

Q. I also call your attention to this, Mr. Rochester: you will see by Powell's invoice, and the fact is, that he was agent for Bauer & Black?—A. Yes.

Q. Evidence will be furnished that the Canadian agent of Bauer & Black appointed Powell as the Ottawa agent of that firm?—A. Exactly.

Q. Then it will appear in evidence later on that Bauer & Black shipped the goods in bulk to Powell?—A. Yes.

Q. And Powell, without opening them up, either carted them from the station to his place, as I understand it, but at any rate they were carted either directly from the railway station to the Militia Department or from the railway station to his place?—A. They were sent then in the original packages?

Q. Yes, they were sent in the original packages, and after that he rendered his account to the Militia Department, and when he was paid by the Militia Department, out of those moneys he paid Bauer & Black. I call your attention to these facts, they are not in evidence yet but they will be, and I am calling you now as a matter of convenience because some of the other witnesses are not present.

Mr. HILL: That is subject to being contradicted, of course.

By Mr. Thompson:

Q. I am reciting these facts to you, Mr. Rochester, so that you may be better able to judge as to these charges?—A. Yes.

Q. In view of that, I would like your comment on these prices?—A. On that first item, it is quite a good profit?—Q. Is it sixty per cent?—A. Yes.

Sir CHARLES DAVIDSON: I would like to feel, witness, that you are quite frank.

The WITNESS: Yes, taking them individually—

By Mr. Thompson:

Q. I am going to take a few of them at first?—A. I went over these invoices more in bulk.

Q. I would like your criticism to be directed, considering the conditions and the nature of the transaction between Powell and the Department and Black and Bauer?—A. Exactly, I understand that.

[Drugs—Rochester.]

Q. Now, what have you to say as to that item for sterilized cotton, in which case he paid Bauer and Black \$750 and charged the Department \$1,200?—A. I did answer that.

Sir CHARLES DAVIDSON: Answer the question.

By Mr. Thompson:

Q. What is your answer to that?—A. Well, it is a good profit.

Q. Is it such a profit as you would expect an agent for a firm to charge for handling the goods in transit, so to speak?—A. That depends a good deal on circumstance.

Sir CHARLES DAVIDSON: Well, you have got the circumstances; now be frank and give your evidence in a way that will command confidence.

The WITNESS: As I have said, it is a good profit. That is about all I can say.

By Mr. Thompson:

Q. That is the only answer you can give me as to that?—A. The only answer I can give you.

Q. On page 4 of Exhibit 4 we find the following item: "1,962 packages of gauze, plain, compressed, 2½ yards." For that item Bauer and Black charged 22½ cents and Powell charges the Department 40 cents. The total charge of Bauer & Black is \$441.45 and the charge made by Powell to the Department is \$784.40. What comment have you to make on that item?—A. I was just going to figure out the percentage profit; I think that charge is a little high.

Q. It is a little short of 100 per cent?—A. Yes, it is a little high.

Q. If you think that that charge is a little high; supposing Powell was a druggist and had these goods in stock perhaps for a year, what would you think would be a fair charge. If he makes 100 per cent for handling the goods in transit what would be a fair percentage if he was keeping the goods in stock?—A. In stock for a year?

Q. If he takes the usual chance a druggist has to run of having stock on hand?—A. Under these circumstances the profit would be all right. Under the conditions this profit was a little high.

Q. Turn to the next page of Powell's invoice, Exhibit 44, and also turn to page 6 of Bauer & Black's invoice, Exhibit 3, and you will find in Bauer & Black's invoice at page 6 the following: "2,670 packages of gauze." For that Bauer & Black charge \$2.85 per dozen, the total charge of Bauer & Black being \$634.12, and Powell makes a total charge of \$801. What comment have you to make on that?—A. That is practically fair.

Q. You think it is practically fair?—A. Yes.

Sir CHARLES DAVIDSON: How much per cent is it?

The WITNESS: A little less than 30 per cent; it is between 25 and 30 per cent.

By Mr. Thompson:

Q. Take the next item: "ligatures, 2,256, silk braided, in packets." Bauer & Black charged \$507.60 and Powell charges \$676.80?—A. That is fair, that is about twenty per cent.

Q. Turn to page 7 of Exhibit 3 and you will find: "1,308 only packages plain gauze, 2½ yards compressed." The price charged by Bauer & Black is 22½ cents and Powell's charge is 40 cents. The total charge of Bauer & Black to Powell is \$294.30 and Powell charges to the Department, \$523.30. What comment have you to make on that item?—A. It is high; of course, that was taken into account that there was no expense in connection with it.

Mr. THOMPSON: Practically so.

The WITNESS: It costs 25 per cent to run the business, and I suppose that is included in the business, and you deduct twenty-five per cent from the gross profits.

[Drugs—Rochester.]

Mr. THOMPSON: But remember Powell is not running any business. When your calculations are made, please leave out the cost of running a business or advise me that you have included it. Your comments hitherto have been on the understanding that Powell is not running a business?

The WITNESS: Yes.

By Mr. Thompson:

Q. Turn to page 8 of Exhibit 3 and you will find on that page: "2,489 packages of gauze, plain." Bauer & Black charged Powell \$591.15 and Powell charges \$746.70. What is your comment on that?—A. That is fair.

Q. Turn to page 10 of Exhibit 3: "Ligatures and tubes." For the total item on that page Bauer & Black charge \$4,247.16 and Powell charges the Department \$5,010.58. What comment have you to make on that?—A. That is below the reasonable average.

Q. You consider that below the reasonable average?—A. You see he makes \$800; he makes between 15 and 20 per cent. I think that is a reasonable charge.

Q. You think he charges a little low there?—A. Yes, I think he charges a little low there.

Q. Well, turn to page 11 of Exhibit 3, the item for 30,000 bandages, and you will find that Bauer & Black charged \$132 and that Powell charges the Department \$240, what is your comment on that?—A. That is a little high.

Q. Have you any further or extended comment to make on the prices generally?—A. I figure that a fair profit for goods of this kind would be between 25 per cent and 30 per cent. I base it on two things. In the drug business, that is just what we call a living profit and in other financial business 30 per cent profit is made with much less work.

Q. Never mind the other financial things—you say that in the drug business from 25 to 30 per cent is a living profit?—A. It is not a living profit if you are running a retail drug store. You could not make a living on 25 per cent.

Q. Then what do you mean by referring to 25 per cent or 30 per cent?—A. 25 per cent or 30 per cent on an agency is all right. The 25 or 30 per cent in running a retail store is not sufficient.

Q. Are drugs or medical supplies usually sold on agency terms?—A. They are often sold by agents the same as everything else.

Q. When you say that they are sold by agents, do you mean by travelling agents?—A. On an agent's basis. Most of the drugs are sold by regular travellers who are under salary and not under agency at all.

Q. In what cases would drugs or medical supplies be sold by agents in the strict sense of the word?—A. If a gentleman was employed by a wholesale house he would not undertake to sell under a thirty per cent basis; he could not go around and pay his own expenses and sell under a thirty per cent basis.

Q. Are you not referring now to the appointment by a wholesale house of an agent who will travel around and sell goods on his own account?—A. On commission.

Q. And he will have to travel about the country to do that?—A. Yes, and he cannot do it under a thirty per cent basis.

Q. In other words, he is a commercial traveller who is working on an agency basis?—A. Yes.

Q. Instead of being a commercial traveller paid by salary?—A. Exactly, just selling on commission.

Q. And in this sort of a case where the agent is working on a commission, he has to take chances as to whether he will make a living or not?—A. He has to take chances.

Q. What would you say is a fair percentage for an agent to charge in a case where he had the goods sold before he was ever appointed agent?—A. What is that again?

Q. What would you say a fair percentage would be for an agent to charge where he has practically the goods sold before he was appointed agent? In other words, in a

[Drugs—Rochester.]

case where the market was a certainty?—A. If he had no trouble in getting the order and it was just given to him, he could shave it down to any percentage he wishes. It would be hard for me to say what I would be satisfied with or what some one else would be satisfied with.

Q. You never heard of any such instance did you?—A. Not particularly.

Q. Have you ever heard of an instance where a man acting as an agent for the sale of drugs and medical supplies, was a mere conduit pipe, and received thirty per cent profit?—A. I never ran across a case like that.

Q. You never heard of any such instance?—A. No.

Q. And as you have not heard of any such instance, you cannot say what would be a fair percentage of profits in such a case because there is no precedent for you to go by?—A. That is so.

Sir CHARLES DAVIDSON: What was the total amount of the sales made to the authorities?

The WITNESS: I forget what the total amount was.

Sir CHARLES DAVIDSON: Would not that have a considerable bearing on your judgment as to profits?

The WITNESS: Approximately, it was around twenty thousand or thirty thousand dollars.

Sir CHARLES DAVIDSON: And within what time were these sales effected?

The WITNESS: Well, they were all effected in the course of six weeks, I think, but I am not sure as to that.

Sir CHARLES DAVIDSON: And within what time was payment made after delivery?

The WITNESS: I would have to look that up.

Sir CHARLES DAVIDSON: Well, look it up. What is the total amount of commission or profit which accrued to Powell?

The WITNESS: I cannot say.

Sir CHARLES DAVIDSON: I wish you would look that up and answer these questions later.

By Mr. Hill:

Q. Mr. Rochester, Mr. Thompson has mentioned some cases where profits were large; what do you think of Mr. Powell buying gauze, plain, at \$5.25 and selling it to the Department at \$6.00?—A. That is below the average profit; it is between 12 and 13 per cent profit.

Q. What do you think of him buying silk, oiled, 5-yard rolls, for \$6.00, and selling it for \$5.30?—A. He is foolish.

Q. And what about the catgut ligatures bought at 22½ cents and sold at 22½ cents?—A. That is foolish too.

Sir CHARLES DAVIDSON: What is the amount of these transactions; that is important?

Mr. HILL: The total amount of Bauer & Black's invoice was \$540 and the sale to the Government was \$477.

By Mr. Hill:

Q. What do you consider as to his action in selling drainage tubes, for which he paid \$3.20, and for which he charged the Department \$3.20?

Sir CHARLES DAVIDSON: What were the total sales of that? That is important.

By Mr. Hill:

Q. What do you think of his action in selling rubber drainage tubes for \$38.40 for which he paid \$38.40?

Sir CHARLES DAVIDSON: What was the total sold?

[Drugs—Rochester.]

Mr. HILL: \$38.40.

Sir CHARLES DAVIDSON: Now do you think that is material?

Mr. HILL: I did not know it was so small until I asked the question.

Mr. THOMPSON: I do not know whether I made it quite clear to the witness, when I was asking him as to his views of these profits, whether he has taken into consideration that the agent in this instance was receiving a salary, and that his agency here did not interfere with his other occupation or his income?

The WITNESS: I do not quite understand the question.

Mr. THOMPSON: I want to know whether you have taken into consideration the fact that this man was already employed at a salary, and that his salary was not affected adversely by his being employed as an agent?

The WITNESS: No, I am taking into account the profits on the basis of a regular agent that has to depend on his commission entirely for his livelihood and for his profits in representing any particular concern.

By Mr. Hill:

Q. And that the Government in buying from a regularly constituted agent would have to pay probably about thirty per cent profit?—A. Thirty per cent profit is what the agent would have to have in ordinary business to make it pay him.

Q. And you claim that the Government was not defrauded by Mr. Powell charging what any other agent would charge?—A. No.

The witness retired.

Mr. THOMPSON: A very material witness to us, and a very material witness to Mr. Hill, as he informs me, is W. J. Shaver. W. J. Shaver is, or was, the Canadian representative of Bauer & Black and he procured the appointment of Mr. Powell as agent of Bauer & Black and took the first requisition with him to Chicago. He gave very important evidence before the Public Accounts Committee and his presence is necessary. In order to insure that he would be here I wrote to my Toronto agents, I think last Wednesday, asking them to notify him personally, and also to write to him.

Sir CHARLES DAVIDSON: Is he available?

Mr. THOMPSON: He is not available at present.

Sir CHARLES DAVIDSON: What is your application?

Mr. THOMPSON: I make application that a subpoena be issued.

Sir CHARLES DAVIDSON: Let the subpoena go.

Mr. THOMPSON: It is possible that Mr. Shaver may be travelling somewhere and I thought if I made the application in this public manner it might possibly reach his notice.

At one o'clock the Commission took recess for luncheon.

After recess.

On resuming after recess.

Sir CHARLES DAVIDSON: I understood you to say, Mr. Hill, that Mr. Garland would be represented by counsel. So far as I see at present the interests of your client and of Mr. Garland are identical, and as I am prejudiced against the multiplicity of counsel I think only one counsel should cross-examine.

Mr. HILL: I will not cross-examine the witnesses to-morrow.

Sir CHARLES DAVIDSON: Why should you not proceed to-night?

Mr. HILL: This is a very important matter.

Sir CHARLES DAVIDSON: I quite appreciate that, but I cannot see the need of two separate counsel.

Mr. HILL: I expect that Mr. Tilley of Toronto will be here to-morrow, and he is more experienced than I.

Sir CHARLES DAVIDSON: In that case, if you wish, you can act as his junior, but I do not want both counsel cross-examining witnesses.

Mr. HILL: We will not both cross-examine the witnesses.

Sir CHARLES DAVIDSON: I do not recognize the principle that in relation to a common interest there should be two separate counsel.

Mr. HILL: Mr. Garland's counsel is coming from Toronto to-morrow and he will take charge of both interests I expect.

Mr. THOMPSON: Mr. Brown, the Director of Contracts, is here and perhaps if he is to be cross-examined it would be more convenient to take him in the morning. I understand Mr. Tilley will be here in the morning and he will want to cross-examine Mr. Brown no doubt on behalf of Mr. Garland.

Sir CHARLES DAVIDSON: There must be but one cross-examination.

Mr. HILL: I think that is quite reasonable.

Mr. THOMPSON: And in view of that, perhaps it would be better to postpone Mr. Brown's evidence until to-morrow. He is extremely busy at the present time. I might examine Mr. Powell to-day but I would prefer to take Powell's examination and Garland's on the same day.

Sir CHARLES DAVIDSON: Will Mr. Brown be here to-morrow?

Mr. BROWN: It is immaterial to me whether I am examined to-day or to-morrow.

Sir CHARLES DAVIDSON: Surely this Commission can take up some other matters. It may be as inconvenient for Mr. Brown to appear to-morrow as it is for him to have to remain here to-day.

Mr. BROWN: It does not matter whether I am examined to-day or to-morrow.

Mr. THOMPSON: If I examine Mr. Brown to-day he will also have to come to-morrow, because Mr. Tilley will want to cross-examine him.

Sir CHARLES DAVIDSON: Can Mr. Brown spare an hour in the morning as well as an hour this afternoon?

Mr. BROWN: Yes, sir.

Mr. THOMPSON: Then I will call Mr. Brown now.

HARRY W. BROWN, director of contracts—Militia Department.

Examined by Mr. Thompson, K.C.:

Q. As Director of Contracts, what are your duties?—A. Generally buying supplies for the Militia service.

Q. How long have you been employed in that capacity?—A. About eleven years.

Q. Do you hold military rank?—A. No, civil rank.

Q. Do you remember a contract that was given to E. Powell, of Ottawa, for drugs and medical supplies?—A. There were several orders given to E. Powell.

Q. Will you tell me the circumstances surrounding the first requisition that was given to him. How did it first come under your notice?—A. The first orders given to

[Militia—Brown.]

Mr. Powell were in August, shortly after the outbreak of the war. I am speaking now without reference to the papers, and these are not absolutely exact statements, possibly. But it was about the 10th or 14th of August that the first order was given.

Q. How did you come to give it to E. Powell?—A. The requisition for these supplies was made by Colonel Jones, the Director General of Medical Service, in the ordinary course. Colonel Jones furnished me, as I recollect, with the name of Mr. Powell.

Sir CHARLES DAVIDSON: He furnished you with the name of Mr. Powell?

Mr. BROWN: Yes.

Sir CHARLES DAVIDSON: Or was it Mr. Shaver?

Mr. BROWN: Well, Colonel Jones phoned me and sent Mr. Shaver over to me. The requisition which Colonel Jones made was a written requisition. It came over about the same time. I cannot say whether it came over before or after, it would be about the same time. I had a conversation with Mr. Shaver. I also had a conversation over the phone with Colonel Jones. Mr. Shaver represented Mr. Powell to be his Ottawa representative, that is the representative in Ottawa of his firm.

By Mr. Thompson, K.C.:

Q. Your requisition, as I understand it, contains a list of drugs and medical supplies which the medical office required for his Department?—A. Yes.

Q. Did he make out a list on the requisition?—A. Yes.

Q. Did he insert the prices, or is that your duty?—A. In that particular case he did not insert the price.

Q. He sent a requisition across to you which contained the list of supplies that were required?—A. Yes.

Q. And about that time he phoned to you that Mr. Shaver was coming across to see you?—A. Yes.

Q. Who is Mr. Shaver?—A. He is the Canadian representative of Bauer & Black.

Q. Is that W. J. Shaver?—A. Yes, I am not sure about his initials.

Q. And when Shaver called to see you you had the requisition?—A. I had it, or knew of it; as a matter of fact, I remember now that I had it.

Q. What did he say when he called?—A. I had some lengthy conversation with Mr. Shaver.

Q. Was anybody else present at that time?—A. Yes, Mr. Garland. Mr. Garland came in with Mr. Shaver and introduced Mr. Shaver to me.

Q. What was your conversation with Shaver?—A. It was with regard to the possibilities of early delivery and what he could do, whether they could make these supplies and as to prices, and principally prices and time of delivery.

Q. Did you arrive at a satisfactory arrangement with him as to prices and delivery?—A. This conversation was with regard to one of two requisitions, and I cannot tell you which was the earlier one. They came along in a short time of each other. One was a requisition for a large quantity of first field dressings; another was a requisition for a large quantity, I think, of miscellaneous medical supplies, other than field dressings, and the conversation with Mr. Shaver—

Mr. HILL: I object to evidence of conversations.—A.—the conversation, as I recollect it, with Mr. Shaver, was on the occasion of these requisitions of Colonel Jones for first field dressings, and it was on that occasion that Mr. Shaver told me that Mr. Powell was his Ottawa representative. That I am quite sure of, because it was very difficult to get a supply at that time of first field dressings. We were going to this American firm of manufacturers for the first time; in fact, we had always used British-made dressings before that. It was a new feature, it was a different pattern, it was a special order in many ways, and on that account I remember Mr. Shaver telling me that Mr. Powell was their firm's representative here in that connection.

[Militia—Brown.]

Q. Did you arrive at satisfactory prices?—A. No. We did not arrive at anything finally. I had more than one interview with Mr. Shaver about this thing. I could not get the firm price from him at all. He told me that the circumstances were so exceptional that he was not able to quote a fixed price, and he could not get his principals to quote a price because the pattern was a War Office pattern and was a British pattern instead of the American pattern.

Q. Are you referring now to first field dressings?—A. Yes, because the time of delivery was so short they would require to do so much overtime and it would affect their price. I asked him to go out and phone his head office, which I believe he did, and he came in and said he could not give me prices. But I pressed him to give me some kind of an estimate, to give me some kind of a general idea of what the thing was going to cost. He said he did not think it would go over 18 cents about. But he would not agree to that being put in the order as the contract price. That was the understanding, that if possible they would keep that price down to 18 cents.

Q. Were any other prices entered up on the requisition as contract prices?—A. My recollection is, no.

Q. So that the requisition that was handed to Shaver was one in blank, practically?—A. Yes.

Q. What became of these requisitions?—A. I have the original papers here.

Q. Would you produce them?—A. Yes.

Q. Are the original requisitions not handed out to the contractor?—A. Would you let me give these to Mr. Donaldson? He will look up the requisitions. The original requisition is not handed out. The requisition itself was accompanied in this case by a list, I think, and this was in triplicate or quadruplicate, and I think we gave Mr. Powell a copy of it.

Q. And to the requisition there is attached a copy of that list?—A. Just a moment; let me correct myself. There was no list in connection with these first field dressings, because it was simply a requisition for 30,000 first field dressings. There was no list with it. I am not speaking now of the other requisitions. There was no list given to Mr. Shaver. There was no necessity to give Mr. Shaver a list; all he needed to know was that we wanted 30,000 first field dressings of a particular pattern, and he was given a sample of that particular dressing to go by. That is all he knew. He was not given a requisition. We gave Mr. Powell an order for these dressings.

Q. Is that what Shaver took away with him?—A. No, that was sent to Powell.

Q. It was a formal allotment of supplies; it was an order to Powell requesting him to furnish so much?—A. Yes.

Q. Then did you send any other orders or requisitions to him?

Mr. THOMPSON: This paper now handed to me by Mr. Hill is the original order to Mr. Powell for 30,000 field dressings, dated the 12th of August.

(Requisitions filed as Exhibit No. 5.)

Mr. THOMPSON: I have here a second order given to Powell for miscellaneous medical supplies on the 12th of August. The formal order, Exhibit No. 5, being of the same date.

(Papers filed as Exhibit No. 6.)

I have a requisition now in my hand dated the 18th of August, 1914, to E. Powell for 7,200 first field dressings.

(Filed as Exhibit No. 7.)

Mr. BROWN: May I suggest that you use these words "requisition and order" in the sense in which we use them in the department, so as to save confusion.

Mr. THOMPSON: What are these Exhibits Nos. 5, 6 and 7?

Mr. BROWN: They are orders.

[Militia—Brown.]

Mr. THOMPSON: The paper which I now hold in my hand, dated 24th August, 1914, is an order to E. Powell for articles as per appended list. These are all presented to me by Mr. Hill.

(Papers filed as Exhibit No. 8.)

Mr. HILL: I have some others to produce; shall I put them all in now?

Mr. THOMPSON: I think they had better all be put in now.

Mr. Hill produced the following further orders to Mr. Powell which were filed as exhibits and marked as follows:—

Date.	Supplies.	Exhibit No.
Sept. 10.	Bandages and carbolized tow.	9
" 11.	Miscellaneous supplies.	10
" 14.	Carbolized tow.	11
" 25.	Surgeon's needles and bottles.	12
Oct. 21.	Labels.	13
" 24.	Bandages.	14
Nov. 11.	First field dressings.	15
Oct. 18.	Sundry supplies.	16

Examination resumed by Mr. Thompson, K.C.:

Q. These cover all the orders given to Powell?—A. Yes, sir, I believe so.

Q. Would you look at these exhibits which are orders to Powell, and state by their exhibit numbers which of them contain prices at which he was to furnish material?—A. 9, 10, 13, 14, 15 and 16.

Q. To go back to the first meeting between Mr. Garland, Mr. Shaver and yourself, was there anything further said than that discussion which you have told us about in regard to prices?—A. Not that I remember. The entire conversation was about whether Bauer and Black could make these goods in time and at proper prices, and finally Mr. Shaver gave me their Ottawa agent, Mr. Powell. I took note of his name and address at the time. I have it here on the file.

Q. Were those supplies eventually furnished through Mr. Powell?—A. Yes.

Q. Then, apparently, the Auditor General called your attention to the price?—A. Yes, some months later.

Q. Of some of the articles or all of them?—A. The Auditor General's letter referred particularly; I think, to three requisitions, one for miscellaneous medical supplies and two others for first field dressings.

Q. Had you, in the interval, had any interview with Garland or Powell?—A. I had had several interviews with Mr. Garland?

Q. Before the Auditor General's letter?—A. Yes.

Q. What took place on the occasion of the interview with Mr. Garland? I do not refer to the occasion on which Mr. Shaver was present but to the next occasion?—A. The dressings were fairly promptly delivered; Mr. Powell sent in his bill; he sent in his bill at 23 cents. I am obliged to certify to these accounts for payment, to certify that they are correct before they go to the accountant for payment and in this particular case the clerk who had charge of this called my attention to the fact that the price was very much in excess of what we had counted on and I refused to certify it. The account was held up for some little time when Mr. Garland called; in fact—I am not sure about this—I think I saw Mr. Garland more than once. I know Mr. Donaldson was down to see Powell about this thing, to see why he charged 23 cents when we expected him to charge 18.

Q. At any rate Mr. Garland called to see you?—A. Yes, several times.

Q. When you had not sent the cheque he called to see what was the matter?—A. Yes.

Q. What was that interview?—A. The final interview was—

Q. No, I want to know what took place on the occasion of the first interview?

Sir CHARLES DAVIDSON: That was the second interview.

Mr. BROWN: The first interview.

Mr. THOMPSON: There was the introduction of Mr. Shaver.

Sir CHARLES DAVIDSON: Did Mr. Garland share in the conversation on that first occasion?

Mr. BROWN: No, my recollection is that Mr. Garland had nothing to say—he sat there and I think it was not once, but two or three times that Mr. Shaver was in to see me and my recollection there is that Mr. Garland accompanied Mr. Shaver every time. That was during the negotiations leading up to the giving of the order. Mr. Garland and Mr. Shaver came in together at that time—that is my recollection—but Shaver did all the talking.

Examination resumed by Mr. Thompson, K.C.:

Q. I understood that the day that Colonel Jones issued the requisition Shaver and Garland called to see you?—A. Yes, but Mr. Thompson, I think you forget that Colonel Jones made a number of requisitions at different times. Each one of these orders made to Powell represents the different requisitions made by Colonel Jones.

Q. I am referring to the opening of these negotiations?—A. Yes.

Q. Garland and Shaver called just about the time the requisition reached you from Colonel Jones?—A. Yes.

Sir CHARLES DAVIDSON: How did Garland and Shaver come to you; did they bring any introduction from Colonel Jones?—A. They were sent to me by Colonel Jones. They had seen Colonel Jones first and Colonel Jones had sent them over.

Examination resumed by Mr. Thompson, K.C.:

Q. Did Colonel Jones tell you that he had sent them?—A. Yes.

Q. That he had sent Garland and Shaver?—A. I could not say. He asked us to assist him. Colonel Jones told me that he had certain representations about Bauer and Black and that he was making an effort to get all he could.

Q. So that when Shaver came into your office you were not surprised to see him?
A. No.

Sir CHARLES DAVIDSON: Were you surprised to see Mr. Garland?

Mr. BROWN: I had known Mr. Garland for some time. I did not know what Mr. Garland's connection with the matter was.

Sir CHARLES DAVIDSON: Did you inquire?

Mr. BROWN: No, sir.

Sir CHARLES DAVIDSON: Never inquired?

Mr. BROWN: No, sir.

Examination resumed by Mr. Thompson, K.C.:

Q. On the occasion of the first interview did you give the order to Shaver or did you send it to Powell?—A. Sent it to Powell.

Q. A few minutes ago I understood you to say that Shaver and Garland called a number of times together?—A. My recollection is that this discussion about the supply of these field dressings was continued for more than one day. That is my recollection. It is ten months ago and many things have happened since that. My recollection is that they were in the office more than one time. I could not say whether it was once or twice or three times. It seems to me that they were in there twice and possibly three times but it may have only been once. My recollection is that Shaver went away to get additional information and he came back and gave me the information.

Q. Was he accompanied by Mr. Garland?—A. My recollection is that Mr. Garland was with him each time.

Q. Eventually the supplies were furnished you and you thought the prices were too high?—A. Yes.

Q. What occurred next? Mr. Powell wrote a letter cutting the price to 21 cents.

Q. Mr. Powell reduced the price to 21 cents?—A. Yes.

[Militia—Brown.]

Q. I have a copy of a letter written by Mr. Powell to you on the 3rd September stating that he is sending you a corrected invoice and stating that that is the best he can do. Did you pay the account?—A. No.

Q. What was the next step?—A. I still thought it was too high and the explanation did not seem to be satisfactory. Mr. Garland came in later on and I had quite a talk with him.

Q. Tell me what took place on that occasion.—A. Mr. Garland told me that this price of 21 cents was the very best they could do, that all Mr. Powell made out of it was five per cent.

Sir CHARLES DAVIDSON: Are you quite clear as to that?

Mr. BROWN: Yes, sir; I am absolutely clear about it. I have several helps to my memory about it. I was so satisfied that I spoke at once to Mr. Donaldson and I spoke to the Deputy Minister about it. They both knew the account was being held up and I told them that. I took the account down to the Deputy Minister to get him to approve it, and I explained to him that although the price was high the only commission Powell was getting out of it was five per cent.

Sir CHARLES DAVIDSON: Why did you make the statement that all Powell was getting out of it was five per cent?

Mr. BROWN: On the strength of Mr. Garland's statement to me.

Examination resumed by Mr. Thompson, K.C.:

Q. What further took place during that conversation?—A. Nothing, except that I said that I would certify to the account. The account was certified and paid.

Q. Then further orders, I understand, were sent to Powell to fill?—A. Yes.

Q. Was there any criticism raised over the price of the following orders?—A. No.

Q. Did the field dressings still carry the 21 cents price?—A. I think only until the latter part of October, or some time in November. At the time when these first two or three orders were given it was impossible for us to get these field dressings anywhere else. We could not get them from the British manufacturers at that time. Colonel Jones told me that he had made inquiry and that he had found that Johnson & Johnson, who are very large American manufacturers, were not ready at that time to make these field dressings, and consequently our only source of supply was Bauer & Black.

Sir CHARLES DAVIDSON: It was Garland that told you that?

Mr. BROWN: No, Colonel Jones told me that. I was told that Johnson & Johnson were overhauling their factory, or were not actually ready to manufacture at that moment.

Examination resumed by Mr. Thompson, K.C.:

Q. The information which came to you from Colonel Jones was that Bauer and Black were the only people who could supply this large number of dressings?—A. Yes.

Q. Did you know of them as being large manufacturers?—A. I have heard since.

Q. I am referring to your knowledge at that time.—A. No.

Q. When Mr. Garland called and assured you that five per cent was all that Powell was making out of these field dressings, you certified the account for payment?—A. Yes.

Q. Did you subsequently have any interview with Mr. Garland?

Sir CHARLES DAVIDSON: When Mr. Garland was making these statements, had you no idea of the concern that Mr. Garland had in reference to these transactions?—A. No.

Mr. BROWN: The concern he had in them?

Sir CHARLES DAVIDSON: Personally?

Mr. BROWN: I had an idea. The first time I knew, or suspected, the connection Mr. Garland had with Powell was when objection was taken to this account, or at least some time after the early orders were given. I had never heard of Mr. Powell before; I did not know who he was at all.

Sir CHARLES DAVIDSON: Did you never say to Mr. Garland: Now, Powell is the agent, what interest have you in this?

Mr. BROWN: At that time——

Sir CHARLES DAVIDSON: Answer the question.

Mr. BROWN: No, I did not.

Examination resumed by Mr. Thompson:

Q. Had you at any time questioned him as to his interest?—A. No.

Q. Or as to why he was taking such an interest in Powell?—A. No.

Q. When did you become aware that Powell's place of business, as indicated by his letter paper, and Garland's place of business were one and the same?—A. I could not tell you, but it was some time after these early orders were given. I could not tell you exactly when. Some time within a few weeks after these orders were given I heard that Mr. Powell was a clerk of Mr. Garland's, but that was not at the time the order was given.

Sir CHARLES DAVIDSON: As to the first order, was it agreed that the goods should be delivered at the shop of the company of which Mr. Garland was President?

Mr. BROWN: No, sir, the goods were to be delivered at the Militia Stores.

Sir CHARLES DAVIDSON: That was not the name of Mr. Garland's company?

Mr. BROWN: No.

Examination resumed by Mr. Thompson:

Q. I notice by this order to Powell that the order is directed to E. Powell, Esq., agent of Bauer & Black, 981 Wellington St., Ottawa?—A. Yes.

Q. This form of order requires that the invoice in triplicate and the shipping bill should be sent to the undersigned; that is H. W. Brown?—A. Yes.

Q. Were the invoices furnished in triplicate?—A. Yes, presumably; I could not say.

Sir CHARLES DAVIDSON: What invoice was that—from Powell to you, or from Bauer & Black to you?

Mr. BROWN: From Powell.

Sir CHARLES DAVIDSON: And the shipping bill?

Mr. BROWN: I do not know that we got the shipping bill.

Sir CHARLES DAVIDSON: The shipping bill is referred to.

Mr. BROWN: This is really a stereotyped form of order; it is simply a printed form.

Sir CHARLES DAVIDSON: You had not in mind the shipping bill from Bauer to Powell?

Mr. BROWN: No.

Examination resumed by Mr. Thompson:

Q. How is it that you came to call Mr. Powell the agent of Bauer & Black?—A. Because he was described as the agent of Bauer & Black by Shaver. I had never heard of Powell either individually or as the agent of Bauer & Black, before Mr. Shaver told me.

Q. Had Powell had any contracts from your department before this?—A. No, I never heard of him before.

[Drugs—Brown.]

Sir CHARLES DAVIDSON: The orders marked 13, 14, 15 and 16 contain prices?

Mr. BROWN: Yes.

Sir CHARLES DAVIDSON: Did you verify as to whether these prices were the same as those charged in the invoices of Powell?

Mr. BROWN: Checked the bill by the prices in the orders?

Sir CHARLES DAVIDSON: Yes.

Mr. BROWN: That was presumably done. There is a staff in the office to do that work.

Examination resumed by Mr. Thompson:

Q. Where the prices are stated in these orders, does it mean that these are fixed by tender?—A. It does not necessarily mean that,—I think not, but later on, when we had more time, we did get tenders. It was the particular circumstances of the case, just after the outbreak of war that prevented us from getting tenders. Later on in October and November we did as a usual thing get tenders. I know that some of these later orders given to Powell for field dressings, for instance, were given to him because his tender was the lowest of a number that we got.

Q. At what price were they furnished?—A. Fifteen and a half cents.

Q. As against 21?—A. Yes; that was a different pattern of dressing.

Q. Do you account for these orders being sent out without prices by the rush of business following the declaration of war?—A. In the case of the two largest of the earlier requisitions—one of them is that requisition for the 30,000 first field dressings—I have already said what was done about the prices there. We tried to get prices and we could not. There was another requisition for about \$20,000 worth of miscellaneous supplies, and in that case very much the same thing was done. That is, Colonel Jones asked me to deal with Shaver. He said that he had gone into this thing, that in the first place he had discussed the whole thing with Shaver, and that he found that he could not get the supplies from any one else within the time that he had to spare, and he asked me to place the order with Shaver on the best terms I could. I gave Shaver a copy of the list of supplies and asked him to give me prices. Mr. Shaver took away that list, and whether he returned it or not I could not say, but certainly he returned no prices. He never gave us any prices. The later orders—I am speaking from memory—coming in August and September, were repeat orders for first field dressings or for minor medical supplies, not of very great value, and they were wanted in a great hurry. We ordered as requisitioned to.

Q. The first you would know of these orders of August 12, for field dressings and miscellaneous supplies, August 18, for field dressings, and August 24 for miscellaneous supplies, would be when the invoices would come in from Powell?—A. First know of the price?

Q. Yes?—A. Yes.

Q. Have you got Powell's original invoice?—A. No. There is one of each in the Department. I have not got it here.

Q. Here is a copy (handing witness a copy of invoice furnished by Mr. Powell to Department of Militia and Defence).—A. Yes.

Q. Did the staff in your office at that time check over the prices?—A. They were supposed to check over the prices. I could not say positively that they did on that occasion. Excuse me a moment; I should explain that we were doing perhaps ten times as much as we had ever done before, we were doing it with our original staff or very little increase, naturally everybody was working night and day, they were taxed and a lot of this work was done at top speed and perhaps not very well done. I know that in regard to this particular account I inquired of the clerk who checked it, or who was supposed to check the account, and I think that he let some of these Powell accounts go through. He had not any further prices to check it by, and he did not go to the additional trouble of checking it by other prices because he had not the time. That is the whole story.

Q. Did you, at any later date, have an interview with Mr. Garland?—A. I think I saw Mr. Garland after the Auditor General's letter. Yes, I did, sometime in December I think.

Q. You saw Mr. Garland. Did he call?—A. Yes.

Q. What did he say on that occasion?—A. My recollection is that I asked Mr. Garland to call. I told him that the Auditor General had written this letter, and asked him to come and see me.

Q. You wrote to Mr. Powell?—A. No, I think I telephoned Mr. Garland.

Q. Why did you telephone Mr. Garland instead of Mr. Powell?—A. Because it was on the strength of Mr. Garland's statement to me that that account was certified.

Q. As to the percentage on the first field dressings?—A. Yes.

Q. And you telephoned to Mr. Garland to call and see you?—A. Yes, because I think Mr. Fraser, the Auditor General, had told me in the meantime that instead of getting five per cent he had proof that Mr. Powell was getting five cents per package. I telephoned Mr. Garland to come up and see me and make some explanation of the difference.

Q. And what did he do? Did he call?—A. Yes, he did call.

Q. Did you have any discussion over the telephone?—A. No, no discussion over the telephone.

Q. He called to see you and what took place on that occasion, what discussion?—A. I explained to him the difference, that I had made a certain statement, this five per cent, and that the Auditor General said that it was five cents and Mr. Garland said he would see the Auditor General, he would explain it, he would make it right with the Auditor General. That is my recollection of the substance of the conversation. There was not a great deal said.

Q. Did he say that?—A. He did not explain.

Q. Did he say anything as to the price or whether it was five per cent or five cents?—A. No.

Q. He simply said he would call and see the Auditor General about it and make it right?—A. Yes.

Q. Was that the last occasion on which you interviewed Mr. Garland?—A. Well, I have seen Mr. Garland a number of times since, not about this particularly.

Q. Have you had any interviews with Powell?—A. I never saw Mr. Powell before January, some time January. Mr. Powell came into see about payment of accounts which we were holding up, accounts held up against this refund which had been claimed from him on account of this five per cent.

Q. What did he have to say upon that occasion?—A. He simply asked for payment. I said we would not pay until this thing had been settled.

Sir CHARLES DAVIDSON: In January?

Mr. BROWN: Sometime in January.

Sir CHARLES DAVIDSON: The first time you saw him?

Mr. BROWN: Yes.

Examination resumed by Mr. Thompson:

Q. He had never been to see you during the early months when this question of prices was under consideration or while the payment was being held up?—A. No.

Q. Did you have any telephone conversation with him during these months?—A. No, I never did. I daresay some of the clerks there in the office had. I do not know. I was pretty busy at the time.

Q. Did you have any telephone conversations with Mr. Powell at a later date?—A. I do not remember any telephone conversations with Mr. Powell.

Q. Did you eventually pay him the money you were holding back?—A. No.

Q. To the best of your knowledge the account was still held up?—A. About \$2,600 or \$2,800.

[Drugs—Brown.]

Q. You wrote him I notice on the 26th of January that you were holding back \$2,601.77. That was never paid apparently?—A. No.

Q. My learned friend, Mr. Hill, wants you to produce some documents of which I think I gave you a memorandum, certain requisitions which were given in the autumn of 1914. Were you able to make a note of these?—A. That is the original requisition. Yes, sir.

Q. When Mr. Garland informed you that the commission to Mr. Powell was five per cent did it not occur to you to ask to see Bauer & Black's invoices?—A. No, it did not.

Q. It did not occur to you?—A. No. Mr. Garland's statement, as I recollect it, was that this price of twenty-one cents was only sufficient to allow Mr. Powell a commission of five per cent. We were not a party to that commission, the Department was not a party to that commission arrangement at all as I understand it. As I looked upon it we were dealing with Bauer & Black. Any arrangement they made with Powell was their own affair; it was not ours.

Q. And did you think that these prices in the invoices furnished you by Mr. Powell were Bauer & Black's prices?—A. I did think so, yes.

Q. Why did you think that these were their prices?—A. Because I thought that we were dealing with Bauer & Black's Ottawa representatives here, their agents here. I thought that Mr. Powell here was simply acting as a matter of convenience, that Bauer & Black, that it was really Bauer & Black that we were dealing with.

Sir CHARLES DAVIDSON: Had you any conception, idea or suspicion that Powell was making a profit out of you on the invoice prices of Bauer & Black?

Mr. BROWN: I had not the slightest idea. Perhaps I should have thought so but I am quite clear about that. I thought we had made this bargain with Bauer & Black and that dealing with an Ottawa man here was merely a matter of convenience for Bauer & Black and that it did not affect the bargain at all.

Sir CHARLES DAVIDSON: And that they were to pay him five per cent for his trouble?

Mr. BROWN: Yes, that was their arrangement, that they should pay him five per cent.

Sir CHARLES DAVIDSON: And that the only profit which you had to pay was the profit which Bauer & Black would make on the prices charged in their invoices?

Mr. BROWN: Exactly, sir. I understood from Mr. Garland's statement that their cost was actual cost of these dressings. I do not say that Garland said this, but I understood from the conversation that the cost of these dressings exceeded eighteen cents, that they really could not deliver them to us at eighteen cents and that consequently the price went up and that even at a price of twenty-one cents they could afford to pay Powell only five per cent. That was my understanding of it.

Examination resumed by Mr. Thompson:

Q. But was not your suspicion excited on the first of September by the letter Powell wrote to you in which he said:—

Some time ago you were kind enough as to forward me requisitions for First Field Dressings, one for 7,200, and for 30,000, and a later one for 30,000. In discussing this with you over phone, there was no price fixed; only we said about eighteen cents. Instead I cannot make the price any lower than twenty-three cents. The wholesale people are holding me up as you know now with prices as they say they are too rushed.

A. As a matter of actual fact I never read that letter of Powell's until I was preparing those papers for the Public Accounts Committee.

Sir CHARLES DAVIDSON: Why did you not read it? Was it addressed to you?

Mr. BROWN: Because there was so much to do, sir.

[Drugs—Brown.]

Examination resumed by Mr. Thompson, K.C.:

Q. So you had no suspicion whatever?—A. I may have seen it but I know when I saw that letter in January or February I read it I think in preparing a letter to the Auditor General for the Deputy Minister—and it was absolute news to me. People like Powell write in about their accounts. They tell this story and that story and the other. Well we had not time then to read their letters of that sort, we had too much to do and if it was simply saying that his price would be higher and all that sort of thing we did not bother to read through the letter. We had too much to do.

Q. So what you say is that you bought you were dealing with Bauer & Black when discussing these prices?—A. Yes.

Mr. HILL: I would ask that the departmental files be put in and that I have the privilege of going through them this afternoon in company with Mr. Thompson.

Mr. THOMPSON: I would rather go through them to-morrow morning.

The WITNESS: I think you will find it is quite an undertaking. Here are two files and really these are not all there are. It is not as though this correspondence were all on the one subject. On a general subject, the general subject of medical supplies, so that you will have quite a bit of work.

Mr. HILL: If produced I would like to have the requisition from the Medical Branch to you for the miscellaneous supplies that were first delivered on that first order. Is that there?

The WITNESS: Yes, it is right here. These are copies for the House of Commons.

Mr. HILL: I would like to have the letter that you sent out to the various druggists here for tenders on these supplies which Mr. Powell tendered for.

The WITNESS: When was that?

Mr. HILL: The date was set out, I think, in exhibits 9, 10, 13, 14, 15 and 16. I would like to find out to whom you wrote for tenders and the replies you received.

The WITNESS: Yes, I could not give you that at once. The letter inviting tenders and the replies.

Mr. HILL: And the requisitions to you from the Department. All the papers in connection with exhibits 9 and 10 in particular. I would like, also, to have produced the memorandum that you say you made that Mr. Powell was agent for Bauer & Black. You have not put that in yet.

The WITNESS: I have that right here. That was simply a scribbled note of Powell's address. That is all. There it is. (Indicating).

Mr. HILL: I think possibly, my Lord, if I could have the privilege of looking over that file with Mr. Brown I could make out a list of things I would like to have him produce to-morrow.

Sir CHARLES DAVIDSON: This covers now any desire on the part of Mr. Hill to cross-examine on behalf of Mr. Garland?

Mr. HILL: No, I understand we were to have the privilege of postponing our examination until to-morrow. I did not understand that this was a cross-examination, but just asking for productions.

The witness retired.

Mr. JAMES B. DONALDSON, sworn:

Examined by Mr. Thompson:

Q. I subpoenaed you, Mr. Donaldson, in consequence of a letter I have received from Mr. Hill. Mr. Hill suggested in his letter to me that you made a report to Mr. Brown, the previous witness, with reference to the prices charged by Powell. Did you make any written report?—A. No, sir.

Q. Did you, on any occasion, interview Mr. Powell on behalf of Mr. Brown on First Field Dressings?—A. Yes, sir.

Q. When?—A. Several times early in August.

Q. Where was the interview?—A. 981 Wellington Street.

Q. You went down to Powell's place?—A. Yes. And at the Department about other orders.

Q. You saw Powell?—A. Powell had come into me.

Q. Did you discuss prices with Powell on that occasion? At 981 Wellington Street?—A. That is what I went out for on instructions from Mr. Brown.

Q. Was Garland present?—A. I saw Mr. Garland there one time. I am not sure he was there the first time.

Q. Did Garland join in the conversation or discussion?—A. No, sir. There was not much conversation. The Field Dressings—I went out there, I told them Mr. Brown had objected to the price he was charging, and I asked him if he had any explanation with regard to the First Field Dressings. He said he would write a letter explaining. That was the end of the interview. That is all I knew of it then and there.

By Mr. Hill:

Q. Who were you speaking to there?—A. Powell.

By Mr. Thompson:

Q. Did he show you his invoices on that occasion?—A. On the First Field Dressings?

Q. Yes?—A. No, sir.

Q. Did he show you any invoices?—A. Yes, sir, at a later date, when I went out about the other invoices that Mr. Brown had objected to the prices charged.

Q. Mr. Brown objected to some other charges except the first field dressings?—A. He objected to everything in general.

Q. About when would that be?—A. The order was given about the 11th of August, around that date, it would be in September.

Q. That would be the first visit?—A. Both of them; they followed very soon, about a week or so.

Q. On the occasion of one of your subsequent interviews at Wellington Street, Powell's place of business, he showed you his invoices?—A. Yes, sir.

Q. Did he show you the invoices he rendered to the Department or Bauer & Black's invoices?—A. I had Powell's invoice and I was to find out why he was charging these prices and he produced—he told me he would produce Bauer & Black's invoices and he did so. I made a pencilled note on our invoice of the prices that were charged by Bauer & Black and that ended the interview, and I showed them to the Department, the ones he had submitted to the Department with the penciled note of Bauer & Black's charges against them.

Q. Have you those here?—A. They ought to be in the Department or on the original file here. They are generally filed in the Department. It may be possible to get them there. Here they are, sir, this is my pencilled note \$3.20.

(Documents produced and marked as exhibit 7, being bundle of invoices rendered by Powell to the Militia Department produced by the Department of Militia.)

The WITNESS: These are the originals.

[Drugs—Donaldson.]

Examination resumed by Mr. Thompson:

Q. I observe that you have marked down the individual prices as well as the bulk prices in some cases?—A. You see, sir, these pencilled marks are ours.

Q. The pencil marks show the prices charged per ounce or per package?—A. Whatever the case may be. Package here. In this case \$4 per package.

Q. And those pencil marks indicate the prices charged by Bauer & Black to Powell. Is that it?—A. They were off Bauer & Black's invoice.

Q. I notice here one invoice September 7. You have that item here showing—
A. Those are not my figures. I made no notes on those papers except—

Q. Would those be yours?—A. I am not sure whether those are mine or not.

Q. Pick out one invoice on which you have made pencilled notes?—A. I would like to see our own invoice down in the department. These are the ones that came up from the department. My notes were made on the office copies, on the Contract Branch office copies. We keep one copy in the Contracts Branch and two go upstairs to the Accounts Branch.

Q. Will you bring these to-morrow. When you went back what did you report to Mr. Brown?—A. On the first field dressings I just told him that Powell said he would send a letter and hoped that would explain it.

Q. You saw their invoice didn't you?—A. Not on the first field dressings. On the other items, yes.

Q. Did you at any time see the invoice on the first field dressings?—A. No, sir, I never asked to see them.

Q. How is it he showed you all the invoices or most of the invoices and did not show you the invoice on the first field dressings rendered by Bauer & Black to him?—A. When I went out about the first field dressings I did not have any invoice with me of the department's and I only told him that Mr. Brown had objected to the prices that he was charging, twenty-three cents or twenty-one cents, I do not know what it was at that time he was then charging. He put in one invoice at twenty-three cents and we objected and he cut it down to twenty-one cents.

Q. You simply went out to tell him the price was too high?—A. Yes, sir. Some invoices had been signed; some had gone through but Mr. Brown objected when the clerk prepared them and he checked them and he asked me to go out and find out about it. On two of the occasions that I went out I had invoices with me of Mr. Powell's.

Q. And you compared them with Bauer & Black's?—A. Yes. I did not compare all the invoices he had put in but I compared those I had with me.

Q. Did you have the first field dressing invoice?—A. No, sir.

Q. But you examined a number of others?—A. Yes, sir.

Q. And you were able to observe what profits he was making on the other items?—
A. Yes, sir. I made pencilled notes opposite the various items on his invoice and showed them to Mr. Brown.

Q. Did you report to Mr. Brown what percentage of profit he was making?—A. I showed him the invoice with the pencilled notes and told him I had taken them off Bauer & Black's invoice which Powell had shown me.

The witness retired.

The Commission adjourned until ten o'clock to-morrow morning.

OTTAWA, FRIDAY June 25, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met at ten o'clock this morning.

At the sitting of the Commission:

Mr. HILL: My lord, Mr. W. F. Tilley of Toronto is here to represent Mr. Garland and Mr. Powell.

Sir CHARLES DAVIDSON: You will appear jointly?

Mr. TILLEY: Yes, my lord.

Sir CHARLES DAVIDSON: You might put your application in that form, Mr. Hill, and withdraw the other application.

Mr. HILL: I said yesterday afternoon that I reserved the right to cross-examine Mr. Brown and Mr. Donaldson until Mr. Tilley arrived.

Sir CHARLES DAVIDSON: Very well.

Mr. THOMPSON: Mr. Donaldson was to bring this morning the original invoices of Powell rendered to the department, upon which he said he had checked over the prices of Bauer & Black's invoices.

Mr. Donaldson was called.

JAMES B. DONALDSON, official of the Department of Militia and Defence, already sworn.

Mr. THOMPSON: The witness produces three invoices of Powell, rendered to the department, dated respectively, the 15th of October, 1914, the 11th September, 1914, and another one of the 11th September, 1914. Copies of these documents are already on file.

Sir CHARLES DAVIDSON: Then why bother about the originals?

Mr. THOMPSON: The originals have pencil marks made by the witness.

Sir CHARLES DAVIDSON: If you put them in they need to be left here.

Mr. THOMPSON: I do not think it will be necessary to file them. These are true copies of the invoices as rendered, but the pencil marks on the invoices on file with the department were made by the witness, Mr. Donaldson, at the time he was examining Bauer & Black's invoices, which were in the possession of E. Powell, and he examined them at 981 Wellington street in the City of Ottawa. Copies of these are on file as Exhibit No. 4. Exhibit No. 4 comprises some invoices that the witness now produces, but the invoices now produced are on file and are included in Exhibit No. 4.

[Drugs—Donaldson.]

Examination by Mr. Thompson:

Q. You told us last night that when you went down to Powell's place you examined Bauer & Black's invoices and compared them with the invoices Powell rendered to the department?—A. In some cases, but at the time I went down about the first field dressings, I did not see any invoices. I only spoke about the excessive charges. Mr. Brown objected to the prices he was charging, and I went down to ask him if he had any explanation. He promised in a letter he had received from Bauer & Black, or some person, to give an explanation of the charges.

Q. Did you go down to his place the second time?—A. Yes, sir, with these other invoices.

Q. About what date was that?—A. About the time the account was recommended for payment; that would be about November 9.

Q. This letter that Powell wrote, after your first visit, was about the 3rd of September, was it not?—A. That would be about the first field dressings. I am not sure, I have not looked at the files for several months.

Q. That letter is in evidence, it was the 3rd of September; did you ask to see the invoices at that time?—A. For the first field dressings, no sir.

Q. Did you see any of the invoices on the occasion of your first visit?—A. No, sir.

Q. And you say that the time that you did see the invoices and made the pencil notes was approximately November 9?—A. I think it must have been because the occasion was after I had been down and had shown to my chief this with the pencil marks on it—he put the account through I think; it had not gone through before that.

Q. He saw your pencil note?—A. Yes, sir.

Q. Do you recollect if any payments had been made to Powell before the occasion of your second visit?—A. Not on these invoices.

Q. Had any payment been made to Powell?—A. That I could not say because I do not look after the payments. The cheques will show that.

Q. When you went down, approximately on September 1, did you ask to see any of the invoices?—A. No.

Q. You never discussed prices?—A. I told him that Mr. Brown objected to the prices he was charging.

Q. Did he offer to show his invoices?—A. No, he put a letter in explaining the reason of the high prices.

Examined by Mr. Tilley:

Q. Mr. Donaldson, how many times were you at Mr. Powell's office, looking over his invoices?—A. Looking over invoices?

Q. Yes, looking over Bauer & Black's invoices?—A. I am not sure whether I was there once or twice looking over invoices.

Q. You were there at least once, and possibly twice, and possibly three times?—A. Not overlooking invoices. I was down there once about the first field dressings.

Q. I do not want to interrupt you in your answers, but I am directing your attention particularly to looking at invoices. Do you say you were not there three times looking at invoices?—A. Yes, sir.

Q. You may have been there twice?—A. Yes.

Q. And possibly only once?—A. Possibly only once looking at invoices.

Q. Would you fix the date you were there, just from your recollection, with regard to any invoices?—A. I cannot.

Q. All you can speak from is the statements that are put in, and which you have been looking at?—A. As regards dates?

Q. Yes?—A. Yes, sir, I judge it was such a date by the time it was stamped, recommending for payment.

Q. You look at the document and you see the stamp fixing the date at November 9th, and from that you say that it must have been about November 9?—A. Yes, sir.

Q. And if the date on that had been October 9th, you would have said in the same way that it must have been October 9?—A. Yes, sir.

[Drugs—Donaldson.]

Q. And if it had been September 9, you would have said the same thing about September?—A. Yes, sir.

Q. You have no recollection yourself, except as you speak from the document, whether it was September, October or November?—A. No, sir.

Q. I ask you that because I notice that the second of these invoices is stamped, not November 9, but October 5?—A. Yes.

Q. So that these do not help you much, do they, because one of them is on one date and the other is on another date?—A. Except that I was down on two occasions and I had checked this one on one occasion and this on another occasion.

Q. Then may we say that you are sure now that you must have been there twice?—A. The clerk who prepared these invoices for Mr. Brown's signatures to recommend for payment, may not have put that there, although I may have checked them over.

Q. Quite so, that is what I was coming to. It may have been even as early as September, and yet not put through, one of them until October and the other until November?—A. Possibly.

Q. So that these invoices, and the stamps, when you come to think it over, do not help you much, do they?—After all, they do not help much because as you say the payments and the stamping of them may have been held up in the department?—A. For a short time, yes, sir.

Q. I do not know what you mean for a short time, for a couple of months?—A. It is not a usual thing for the department to hold invoices up for a couple of months.

Q. Were these all the invoices on which you put any pencillings showing prices, because we have only three here?—A. I know I did not check all the invoices submitted by him, I was not instructed to do so.

Q. I am not quite asking you that, follow the question. I am not asking you whether you checked all, but I am asking you in reference to these three?—A. That is all I could find in the department. I looked over the department copies, and that is all I can find with my figures on them.

Q. You have no recollection as I understand it as to the number of invoices you looked at in that way?—A. No, sir.

Q. Well then, do you remember the form in which the invoices were at Mr. Powell's office; were they on a file, I refer to Bauer & Black's invoices that you were examining?—A. If not on a file they were pinned together on a clip or something or other.

Q. Of course they would be put together in some such way, but I am trying to find out to what extent you have a recollection of these things, and I would like to know whether you can remember the form in which these invoices were kept together in Mr. Powell's office, do you remember the appearance of the file?—A. No, I cannot tell you that, because as I checked each over it was removed. I was looking at one at a time, checking the items individually.

Q. I do not want to have any confusion about it, and I do not want to be in the slightest degree unfair to you.

Sir CHARLES DAVIDSON: Be just as brief as possible, Mr. Tilley.

Br. Mr. Tilley:

Q. You must have had a lot of invoices there, you must have had a lot of Bauer & Black's invoices there, many more than would be shown by these three?—A. They produced several Bauer & Black invoices, yes, sir.

Q. Then, did they give you the file so that you had complete charge of it, to do anything you pleased with the file, to examine it to your heart's content?—A. Mr. Powell held the file and the invoices, and I held my own, and looked over it, and checked the prices with Bauer & Black's invoices.

Q. There was a large payment made, did you know of a payment made about September 11 or 12 to Mr. Powell; it was the second payment that was made to him,

[Drugs—Donaldson.]

did you know of that?—A. I may have known at the time the invoice was going through, but I would not have anything to do with it.

Q. Were you not down to Mr. Powell's office before that large payment amounting to \$11,863 was paid?—A. I cannot swear to the date it was paid.

Q. Nor can you say whether in fact you were there examining these invoices before that cheque was sent out to Mr. Powell?—A. I do not know what invoices that cheque covered.

Q. Mr. Donaldson, when you selected the three invoices, I suppose you selected them from a larger number; you must have gone over a great many to get these, did you not?—A. No, sir, they happened to be the ones that had been put in there by Mr. Brown to sign for payment.

Q. But down in the Department you must have the other original Powell invoices?—A. Not the originals. I may say that there are three copies made. They were made in triplicate.

Q. Can you get us these so that we can see whether there are any pencillings on them?—A. Yes, sir, they can be produced.

Q. You will get them and let us see them?—A. Yes, sir.

Q. And when you would go to Mr. Powell's office to make an examination of the invoices, you would always do that for Mr. Brown and under his instructions?—A. Yes, sir.

Q. And then I suppose you would report to Mr. Brown immediately that you had been to Mr. Powell's office?—A. The report would be brief.

Q. But you would make that report promptly and at once?—A. Yes, sir.

Sir CHARLES DAVIDSON: Where are these pencil marks?

The WITNESS: On the right hand side.

Sir CHARLES DAVIDSON: Would it be convenient to have these pencil marks reproduced on the list that is on file. Some of them I could not understand, but I have been asking the witness and I understand them now. Would it be convenient for him to write the pencil figures into the copies on the file as exhibits?

Mr. TILLEY: I do not see that there would be any objection as to that.

Sir CHARLES DAVIDSON: Mr. Donaldson, you will write in pencil on the copies on the file the pencilled figures which appear on the originals.

The WITNESS: Yes, sir, I will put it the same as I have it here on to the exhibits.

Mr. TILLEY: You said there were three copies of this, and I suppose these pencillings only were put on the copy you had with you when you went to Mr. Powell's office?—A. Yes.

Q. Where did the other copies go to?

Mr. H. W. BROWN: The two other copies go to the Accounts Branch and finally one goes to the Auditor General.

Mr. TILLEY: We can have inspection of the three copies.

Mr. H. W. BROWN: Yes, and the Auditor General would have to produce his copy. I understand you have copies of these already on the exhibits.

Mr. TILLEY: Yes, but we would like to see if there are any marks on the others.

The witness retired.

HARRY W. BROWN, Director of Contracts, Militia Department, already sworn (recalled):

By Mr. THOMPSON: I am finished with Mr. Brown, but I produce him this morning to enable Mr. Tilley to cross-examine him.

By Mr. Tilley:

Q. Following up the matter we have just been discussing about the three copies of these orders, I understand they are sent in in triplicate, to whom are they sent?—A. They are sent to my office.

Q. Do you retain the three copies for a length of time?—A. Yes, the three copies are retained until the account is paid.

Q. You would hold the three copies up to the time that you stamp them for payment?—A. Yes.

Q. And then you would send one to the Auditor General?—A. No, one we keep and the other two we send to the Accounts Branch, and the Accounts Branch, after paying the account, sends one of these to the Auditor General.

Q. Down to the time that Mr. Donaldson would check them up at Mr. Powell's office, you would have the whole three copies?—A. Yes, but I might say it is not at all likely the three copies would be annotated by Mr. Donaldson; he would only annotate the one which was his office copy.

Q. Then, Mr. Brown, I suppose you remember the payment of some of these checks to Powell, for instance, the first cheque that appears in his bank book is credited on September 5?—A. I would not remember, but I could check it, I would not have any personal recollection of it at all.

Q. Do you remember this large cheque of \$11,863.50 that I see is credited on September 12?—A. I remember it was a subject of correspondence later on with the Auditor General, that is all. You see I have nothing to do with the actual issue of the cheque.

Q. No, but I notice that some of the accounts are stamped for payment on September 19, and of course it was those accounts that were stamped on that day no doubt that entered into this cheque for \$11,853?—A. No doubt. It was that account or it was a collection of accounts that the Accounts Branch might have held for a few days, and they might stamp them all together on September 10.

Q. And they would pass out of your hands within a few days before that?—A. Yes.

Q. That was in payment of the first large order that was given to Powell?—A. I know it was paid early in September.

Q. And before that date, I think as the correspondence shows, you sent Mr. Donaldson to Mr. Powell's office to check them up?—A. Excuse me, my recollection is not that he was sent to check them up, my recollection is that Mr. Donaldson was asked to go to Mr. Powell to tell him, so as to save us the trouble of writing a letter, to explain the circumstances, telling him that the agreement, not exactly the agreement but the understanding, was 18 cents, and to try and get some explanation from him why he was billing us at 23 cents. That is my recollection of it. Not that Mr. Donaldson was asked to go and check this bill of Powell's with any other bill or invoice, but that he was to get an explanation from Mr. Powell as to why he should have charged that amount.

Q. I think that is clear, that is your recollection, but are you prepared to say, at this date, that Mr. Donaldson did not go down to Mr. Powell's office prior to the issue of that cheque or the certifying of the accounts by you, and see the Bauer & Black invoices?—A. I cannot say what Mr. Donaldson saw.

Q. Nor can you say at this date, as I understand you, what Mr. Donaldson reported to you about it?—A. No, I cannot say from recollection, I can say what I think but perhaps you do not want that.

Q. I understand you have already indicated that, but I ask you if you can say definitely?—A. I did not indicate the report he gave me, but I indicated the instructions I gave him.

Q. I understand you stated yesterday that you understood Mr. Powell was the agent for Bauer & Black and that you were getting the goods at Bauer & Black prices?—A. Yes.

Q. When did you understand that?—A. My recollection is that it was the very first time I saw Mr. Shaver, either the first or second time.

Q. You were told that Mr. Powell was the representative of Bauer & Black?—A. In Ottawa, yes sir, Mr. Shaver told me that.

Q. You say you assumed then that you were getting it at Bauer & Black price, their invoice price?—A. Yes.

Q. How long after that date did you so continue to think you were getting them at Bauer & Black prices?—A. I cannot remember that, Mr. Tilley. We were doing a good many things at that time and I did not really keep any particular individual transaction in my mind for long, once that order was placed, once that transaction was disposed of, once the order was placed with a concern, I dismissed it.

Q. Is your answer that you cannot say?—A. Yes, I cannot say, I certainly cannot say.

Q. There did come a time when you knew that you were not getting them at Bauer & Black's prices?—A. Yes.

Q. And just the precise time you obtained that information you cannot say now?—A. I think I can say that was probably the time when the Auditor General's first letter came over.

Q. You fix that as the time?—A. Yes, I think that is probably right.

Sir CHARLES DAVIDSON: Was this before or after payment?

Mr. BROWN: That would be after payment, that would be early in November, I think, it may be early or it may be late in November.

By Mr. Tilley:

Q. You say that down to the month of November, 1914, you did not know that the prices that were being charged were any advance on the Bauer & Black prices?—A. That is my recollection now.

Q. How did you get the information then?—A. I got it either from Mr. Fraser personally, or from his letter. That is my recollection.

Q. What is the date of the Auditor General's letter that you refer to?—A. It may be either from that letter of Mr. Fraser's or from a conversation which I had with Mr. Fraser in Mr. Fraser's office, near the latter part of November, or some time in December, I cannot say just which.

Q. Until the latter part of November or the beginning of December you did not know that it was any advance on the Bauer & Black invoices?—A. Yes.

Q. Take first your letter to Mr. Powell of January 26, 1915, and you say there:—

Eventually, Mr. W. F. Garland, M.P., called to see me; said the price would be cut down at 21 cents but that was the utmost reduction he—or you—could make; since, at that rate, you got barely 5 per cent on your expenditure.

That letter will be found on page 23 of Exhibit No. 1. Before you answer that question, I understand that the date on which you saw Mr. Garland was about September 3?—A. I saw Mr. Garland a number of times.

Q. I mean when he had the conversation with you in which he claimed, you say, that Mr. Powell was not getting more than five per cent?—A. Yes.

Q. That was September 3, is it not clear from this extract from your letter that at least on September 3 you knew you were not getting the goods at Bauer & Black's prices?—A. No it is not clear, Mr. Tilley. One of two things is clear, either that my letter of January 26 did not fairly state the case, or that I did know at the time. If that letter of January 26 fairly stated the case, that certainly shows I knew.

[Drugs—Brown.]

Q. Yes, because this is your own letter?—A. Yes.

Q. And then, in the next paragraph, you go on to say:—

On the strength of this emphatic and repeated assurance of Mr. Garland, that your profit was only five per cent, this reduction from 23 cents to 21 cents was accepted and the accounts paid?

A. Yes.

Q. You use the words "your profit" here; is it not perfectly clear that as early as September 3 you did know that you were not getting the goods at Bauer & Black prices?—A. I do not think it is clear; if that letter of January 26 is correct, it is clear.

Q. Do you think your recollection of these things is better in June, 1915, than it was in January, 1915?—A. I have had a great deal better chance since January, 1915, to go over these papers and to refresh my memory about this thing.

Q. Of course the whole subject has taken a different colour since January, 1915?—A. Yes.

Q. And is not that moving you in your change of evidence somewhat?—A. No, Mr. Tilley, for these reasons: one thing I am quite sure about, and that is the conversation with Mr. Shaver. I am quite sure about that first conversation with Mr. Shaver, and that is what fixed the thing.

Q. I am not asking you about that. I am assuming now, for the purposes of this, that you start with the idea that you had a certain view of this in your mind when you saw Mr. Shaver, but we are now trying to get at how soon after that, according to your own evidence, you knew differently. Do you say Mr. Shaver told you he was a representative of Bauer & Black, or "the" representative?—A. "The" representative.

Q. You are quite sure of the word "the"?—A. Oh, no. I am not speaking of particular words, what I am speaking of is the substance of the conversation, and that is what Mr. Shaver asked me: to send that order to Mr. Powell as the representative in Ottawa of Bauer & Black; that is what I am sure about.

Q. Is there anything you can say further than what you have said by way of further explaining your letter of January, 1915?—A. Yes, possibly. I have not gone over these statements very lately. Before writing that letter of January, 1915, I had seen the Auditor General once or twice. He had written the Deputy Minister two or three times. It is just possible that the form that letter took and the statements made in that letter were influenced somewhat by the statement made by the Auditor General, but I do not know.

Q. If you wrote two letters at about that time to the same effect then there would not be much chance of your being wrong?—A. No, sir, excuse me, because I think I know the two letters I wrote. They were both written at the same time, or, rather, one was written from the other.

Q. They are in different language and I refer you to the other letter at page 21 of Exhibit 1, where, in an extract from your report, or statement, to General Fiset, you are quoted this way:—

Subsequently, Mr. Powell reduced his price from 23 cents to 21 cents, but I refused to certify the accounts at this price. Finally, Mr. W. F. Garland, M.P., called and discussed the matter with me, and assured me, with some emphasis, that Mr. Powell, at 21 cents, was making only 5 cents on the cost of the dressing.

Is it not perfectly clear, Mr. Brown, that you knew as early, at any rate as September 3, that you were not getting Bauer & Black prices?—A. No, I do not think so at all. Five per cent on the cost of the dressings might mean, and, indeed, that is the way I would read it—

Q. Five per cent on what?—A. Five per cent on the 21 cents, that is the cost which Bauer & Black were charging.

Q. Do you mean you had the idea that the five per cent Mr. Powell was getting was five per cent on Bauer & Black prices, and that you were getting Bauer & Black

prices and that he was getting five per cent on their prices?—A. Yes, I think that is right.

Q. Don't "think" it is right; don't suggest anything of that kind, unless that is your clear recollection of it.—A. I should like to see the papers first.

Q. I want to get your memory first?—A. I cannot remember.

Q. You cannot remember, as a matter of fact, that you sent Mr. Donaldson to Mr. Powell's office and that he examined the Bauer & Black invoices and came back and made his report to you; did you not know distinctly then that you were not getting Bauer & Black prices?—A. No, excuse me, I will not agree with that at all.

Q. Why?—A. Because I am quite sure that Mr. Donaldson never told me he compared with Bauer & Black prices.

Q. Did not he show you the pencillings on the statements he brought back?—A. I think we are talking about two different things, you are talking about one requisition for supplies, and I am talking about an entirely different one. You are talking about the requisition for miscellaneous medical supplies, about which this five per cent—

Q. Does not apply?—A. No. I am talking about the first field dressings.

Q. Yes, but I am putting a general proposition to you, as to whether you did or did not know that you were not getting Bauer & Black goods at Bauer & Black prices. I do not want that to apply to any one article of the supplies, but generally, as to all their goods?

Sir CHARLES DAVIDSON: The witness has already made the statement, Mr. Tilley; he stated he never knew of it until after he had a communication from the Auditor General.

Mr. TILLEY: And because he made that statement I want to cross-examine him.

Sir CHARLES DAVIDSON: Did he not state so in cross-examination?

Mr. TILLEY: No, my lord, he is drawing a distinction now between the field dressings and any of the other goods. He says that the idea of getting things at cost applied to the field dressings and not to the other goods.

Mr. BROWN: What I say is this, that this particular conversation with Mr. Garland, where Mr. Garland said Powell was getting only five per cent, applied only to the first field dressings. I had no conversation with Mr. Garland about five per cent about the other things.

Mr. TILLEY: You are answering something I have not asked you.

Sir CHARLES DAVIDSON: I would like this to be as brief as possible, because this system of cross-examining direct is on trial here.

Mr. TILLEY: I hope I am not taking up too much time, but this is a most critical matter and the witness has made a statement here that is directly at variance with the evidence we have put in, and I certainly have not finished my cross-examination on that point.

Sir CHARLES DAVIDSON: Proceed.

By Mr. Tilley:

Q. Do you say that as to the general Bauer & Black goods, leaving out field dressings, that you had the opinion that they were being supplied at Bauer & Black prices?—A. I had no opinion about that at all. What I have said now about this conversation with Mr. Garland, the five per cent, and all that, has to do with that order for first field dressings.

Q. I am not asking you about five per cent, I am asking you about Bauer & Black invoiced prices, what has that to do with other field dressings or the general goods. Did you think you were getting their invoice prices on anything, and, if so, what?—A. I cannot say that I thought anything about it. I do know the conversation with Mr. Garland was about the first field dressings and with Mr. Shaver about the first field dressings. I do not remember particularly about the other requisitions.

[Drugs—Brown.]

Q. Then you asked other druggists in Ottawa to make tenders at the same time, I mean retail, druggists?—A. Not at the same time.

Q. On September 10 you did?—A. Yes, that was about a month later.

Q. And you knew you were not inviting what you might call factory prices when you were doing that?—A. No, just a moment, Mr. Tilley—you, perhaps, take it for granted that these inquiries for prices from druggists and others in Ottawa were inquiries made by myself personally. Perhaps you will understand that a great deal of this work was done by clerks in the office; there were thirty or forty of them.

Sir CHARLES DAVIDSON: We have had that already; it was stated yesterday you had ten times the work you ordinarily had.

Mr. BROWN: What I meant was that I had not personal knowledge of that. Mr. Tilley asks me if I knew this, that, and the other thing, and I do not pretend to know all that was going on.

Sir CHARLES DAVIDSON: I wish you to confine yourself to the facts that you know of personally.

By Mr. Tilley:

Q. Can you fix the date that you asked for competitive prices through your department?—A. I cannot.

Q. Can you from your records state when you asked for competitive prices from other druggists in Ottawa including Powell?—A. Possibly.

Q. Here is the file?—A. There are twenty files.

Mr. HILL: This is the file you gave me.

Mr. BROWN: I know, but Mr. Tilley asked the first date we asked for tenders, and I cannot answer that.

By Mr. Tilley:

Q. Look at that file and see if you did so on September 10. Probably this will answer the purpose. In Exhibit No. 9 filed with the Commission there is an order for goods to Mr. Powell, and these prices are fixed as a result of tendering by Powell and other druggists in Ottawa. Is that not so?—A. I cannot say.

Q. Tell me from your file. I want to fix the date when you sent out these letters inviting tenders?—A. On September 4.

Q. From whom did you invite these tenders; let us have the names of the people?

Sir CHARLES DAVIDSON: What has this to do with it?

Mr. TILLEY: I want to show that when they were communicating with Powell, because they communicated with Powell at that time, they were not inviting factory prices.

Mr. BROWN: There is the Wingate Chemical Company of Montreal.

Mr. TILLEY: Will you look at this file, Mr. Brown, and let us know about this information later?

Mr. BROWN: What you want to know is when we first called for tenders after the outbreak of the war?

Mr. TILLEY: I want to know when you first called for tenders from retail druggists in Ottawa, including Mr. Powell, when you were inviting him to tender in competition with the retail druggists here?

By Mr. Tilley:

Q. Have you got the requisition for "service No. 25209," here?

Sir CHARLES DAVIDSON: What does the word "service" mean?

Mr. BROWN: It is simply a departmental name for that particular militia form; it is a requisition for supplies.

By Mr. Tilley:

Q. Have you got that requisition, "service No. 25209" here?—A. I now have the requisition for service No. 25209. It is a requisition for requirements specified, giving the articles as per attached requisition, the same having become necessary in consequence of and towards the completion of equipment for mobilization, the expense of which may be estimated at \$20,380.45.

Q. That is addressed to E. Powell, Ottawa, described here as agent for Bauer & Black and the signature is G. C. Jones, and it is also signed by General Fiset, the date is August 24, 1914. Now, this is the requisition for goods mentioned in Exhibit No. 5?—A. That is the requisition for goods ordered from Mr. Powell as in Exhibit No. 6.

Q. And the estimated expenditure for these goods by the department was \$20,380.45?—A. Yes.

Q. Do you know what these goods were supplied at?—A. No.

Q. Do you know that they were supplied for \$20,747.24?—A. No.

Q. You never worked that out?—A. No. This estimate is a very rough estimate.

Q. I understand there are extra goods supplied, included in that sum of \$20,747.24, and that that sum represents more than the cost of the goods mentioned in this estimate amounting to \$20,380?—A. I remember discussing that with Mr. Shaver, and he said he thought that was an excessive estimate at the time before this order was given.

Q. Did you give Mr. Shaver that estimate of \$20,380 to work on?—A. No, I gave him a list of these supplies. He was to give me prices, that was my recollection of it.

Q. Did you mention the figure of \$20,380 to him?—A. Yes.

Q. As being your estimate or the department's estimate?—A. There was some talk about it but he said he did not think that it would cost that.

Q. Did you not ask Mr. Shaver whether he thought he could bring the price of these goods, estimated at \$20,830 within the estimate?

Sir CHARLES DAVIDSON: Suppose he could, it has nothing to do with this.

By Mr. Tilley:

Q. Just one question on one other point, Mr. Brown. This that I have here is memoranda respecting the work of the Department of Militia and Defence; what was it prepared for?—A. The House of Commons.

Q. It is dated January 31, 1915?—A. Yes.

Q. And this gives the price of goods as supplied by some other contractor, does it not?—A. Yes.

Q. I notice from that some of them seem to be considerably higher than Mr. Powell's prices, I suppose you remember that is so?—A. No.

Q. For instance, take "calico, unbleached." Murphy & Gamble were paid twelve and a half cents a yard and Mr. Powell's price was six cents?—A. It depends a good deal on the quality.

Q. Would you say that depended on quality?—A. You could not make a comparison without knowing what the quality of the calico was; I could not say.

Q. Take safety pins, at three and a half cents each, paid A. E. Rea & Company, and Mr. Powell's price was one and one-third cents each?—A. It would depend on the size of the safety pin.

Q. This document shows the prices you were paying to other people for the goods that are mentioned here?—A. Yes, in some cases. Not in all cases.

Mr. TILLEY: That is all.

By Mr. Thompson, K.C.:

Q. Shaver and Garland called, and Shaver said that Powell would be the representative of Bauer & Black?—A. Yes.

Q. And following that the invoices came in from Powell, representing himself, in his bill-heads, as agent for Bauer & Black; would it be a fair way to put it, that in view of this your suspicion was not aroused?—A. I never thought of it again.

[Drugs—Brown.]

Sir CHARLES DAVIDSON: Would it be a fair way to put it that it was Shaver—as I see suggested in the evidence of the Public Accounts Committee—who obtained the first order for 30,000 field dressings?

The WITNESS: Quite so.

Mr. THOMPSON: Mr. Rochester, a witness, is here, and he was asked to produce something before the Commission. He was asked to make an estimate, and I will now ask Mr. Rochester if he has made that estimate.

Mr. ROCHESTER: I have not been able to make the estimate, as the papers are being used before the Commission all the time. As soon as I get the papers I will work it out.

WILLIAM J. SHAVER, agent for Bauer & Black, Druggists, sworn:

Examined by Mr. Thompson:

Q. You are the Canadian agent of Bauer & Black?—A. Yes sir.

Q. I need not take you over all the evidence which was given before the Public Accounts Committee, as to your duties and so on—you were in Ottawa, I understand, about the time that the war broke out last year?—A. Yes.

Q. You were here in the course of your ordinary business?—A. Yes sir.

Q. You apparently in the course of conversation with druggists around this city ascertained that a large amount of medical supplies would be required?—A. Might be required, yes.

Q. What did you do; what was the first thing you did towards securing business with the Department?—A. I called on Colonel Jones.

Q. Who directed you to Colonel Jones?—A. Nothing but my own idea, seeing that he was in the medical office of Militia and Defence and knowing he was head of that office.

Q. Did you know Colonel Jones before?—A. Oh, no.

Q. You had never met him before?—A. No.

Q. How did you know that Colonel Jones was head of the Medical Department?—A. I knew it from reading the history of the country and the newspapers, and he was prominent in the Red Cross, and so forth.

Q. And the upshot was that you went to call on Colonel Jones?—A. Yes.

Q. What time of the day was that?—A. Somewhere about ten o'clock or half-past ten o'clock in the morning.

Q. Will you give me the substance of your interview—you called upon him I presume and asked him if your house could supply goods?—A. Well—

Q. How did you open the conversation with him?—A. I introduced myself to him and he said that he was very favourably impressed with Bauer & Black's goods, having seen them in Washington and in England and they were perfectly satisfactory.

Q. Did you ask him for an order?—A. I asked him how we could get an order and he said to follow up the requisitions.

Q. He told you to follow up the requisitions?—A. That was about the extent of it.

Q. You said something in the Public Accounts Committee in your evidence about his not being willing to deal with you directly?—A. No, I cannot just quote the words that Colonel Jones said but it was implied that the requisitions had to be followed the way the Government ordered them to be followed.

Q. You say: had to be followed the way the Government ordered them to be followed?—A. Yes, in other words, that the requisitions were out and that they would be tendered on, but in that office I could not get an order in that office, nor could any one else.

Q. But did Colonel Jones tell you definitely that he would not deal with your house or with you direct?—A. Not particularly with our house or with me, but with any house. He could not do business that way.

[Drugs—Shaver.]

Q. Did he say how it had to be done?—A. No, no more than he simply said that the requisitions were there and the people that could supply the goods, and that the goods would have to be satisfactory, the prices being right and everything being right, would be the people that would get the business.

Q. Your recollection now is that Colonel Jones appreciated the quality of goods supplied by Bauer & Black?—A. He said there was no question about their quality.

Q. And he told you to follow up the requisition?—A. That was the idea.

Q. Who was present on that occasion?—A. I am not just sure. As I said before I think that Major Drum was in the office and perhaps somebody else that I was introduced to; there were two or three gentlemen present.

Q. Was Mr. Garland there?—A. At that time I think he was; I am not positive, but I think he was, although I am not sure.

Q. Did he hear the discussion between yourself and Colonel Jones?—A. Well, there were only a few words, if he was there he must have heard it. I am inclined to think he was in the room, when I went in, or Mr. Garland came in while I was there, or something of that kind.

Q. Did Mr. Garland know that you were there?—A. Oh, no, he did not know I was there, because I went there right after I had my breakfast. He may have come in there when I got there, but I cannot remember just whether we met there or not; it is so long ago.

Q. Had you any conversation with Mr. Garland before you went to Colonel Jones?—A. Yes, over the telephone.

Q. Did he telephone to you?—A. I think so.

Q. What did he say to you?—A. Nothing more than simply asking me if Bauer & Black were in a position to supply these goods in large quantities.

Q. What goods?—A. Goods that would be required by the Forces.

Q. In large quantities?—A. Yes.

Q. What did you tell him?—A. I said certainly.

Q. What did he say?—A. Well, he said your goods have always been very satisfactory to me, and if I can get hold of these requisitions, which I want to do, I will give you the business.

Q. What did you say?—A. That is all very well, very nice, the thing is to get it.

Q. Did he close up the telephone then?—A. Well, that is about all that was said that I can remember. I cannot remember whether there was anything more said.

Q. Did he say anything about his probably being able to secure that business?—A. He said he was going to go for it, and the chances were he might get it or some of it.

Q. Did he say that he practically had the requisition?—A. No, he said there was a requisition coming out.

Q. He said there was a requisition coming out?—A. Yes.

Q. He stated that he was going after it?—A. He was going after it.

Q. You say this telephone conversation took place before you went to Colonel Jones?—A. Oh, no, let me see; that conversation must have taken place, yes, it must have taken place before I went to Colonel Jones.

Q. Yes, because was it not in consequence of that that you decided to secure this business if you could?—A. Well, I am not quite clear as to the hour; it was before, it must have been before, I suppose.

Q. Do you think it would have been the day before?—A. Oh, no, it was not the day before, because I came in right from Montreal that morning.

Q. At any rate, Garland asked you if you could supply these goods?—A. Oh, yes.

Q. And he stated that a requisition was about to be issued?—A. Of course, Mr. Garland got my advance card at his drug store and he knew I was here. Everybody knew I was here; he called up the hotel to know if I had arrived.

Q. Did he say anything about the competition being pretty keen for the order?—A. Yes, he said it would be.

[Drugs—Shaver.]

Q. What did he say about his efforts to secure the business?—A. Well, nothing more than that.

Q. I would like you to recollect the exact words if you can?—A. There was nothing, Mr. Thompson, any more than that he wanted to get it. He wanted to get it bad.

Q. Did he suggest your going to see Colonel Jones?—A. No, that was my own idea.

Q. Don't you think it curious that Mr. Garland should arrive at Colonel Jones' office when you were there? When you consider these features, can you now say whether you got there by arrangement?—A. I may have told him I was going there, and I may not, I do not know, the time was short.

Q. So that your recollection of the sequence of events is that Garland telephoned to you in the morning and asked if you could supply these goods, and also stated that he was going after the business, and then you went to Colonel Jones, and while you were there Garland arrived.—A. That is as near as I can recollect it.

Q. Did Mr. Garland join in the conversation about these medical supplies when you were present in Colonel Jones' office?—A. Not very much.

Sir CHARLES DAVIDSON: Did he at all?

The WITNESS: Just I think a word here or there, very little, very few words were used; I did the talking.

By Mr. Thompson, K.C.:

Q. When you left Colonel Jones' office did Garland accompany you?—A. Part of the way, I think, I do not remember.

Q. Did not he go with you from Colonel Jones' office down to Mr. Brown, the Director of Contracts?—A. He may have; I do not know whether we went there before lunch or after lunch; I cannot remember that.

Q. You are a very keen business man and it is not very likely you would lose any time endeavouring to secure an order, after the discussion you had with Colonel Jones; is it not likely that you went immediately to Mr. Brown from Colonel Jones' office?—A. I think it is more than likely we did. I am not quite certain whether it was before lunch or after lunch.

Q. It was the same day?—A. There is no question about that.

Q. Mr. Garland went with you?—A. Yes.

Q. The evidence is that he introduced you to Mr. Brown, the Director of Contracts?—A. Yes.

Q. And remained there while you were discussing the requisitions?—A. Yes.

Q. Now was there any part of the telephone conversation with Mr. Garland which you have omitted to state to the Commission, because the evidence is that in Mr. Brown's office, in the presence of Mr. Garland, you asked the order to be given to E. Powell; you must have had some conversation about that appointment before you reached Mr. Brown's office?—A. Oh, I think there was.

Q. When was that question of the appointment of Powell discussed first?—A. Well, I cannot say as to just when it was discussed, do you mean the hour?

Q. No, was that appointment discussed over the telephone with Garland?—A. Oh, no, it was not discussed over the telephone.

Q. It was not discussed over the telephone?—A. Oh, no.

Q. So that Garland did not discuss over the telephone with you early in the morning the fact that he wanted his employee, Powell, appointed as agent?—A. No, there was nothing over the telephone about that.

Q. Then if that was not discussed over the telephone, it must have been discussed some time between the time you did telephone and the time you went to Brown's office?—A. Oh, yes, there is no doubt about that.

Q. How did the discussion arise as to the appointment of the agent?—A. Well nothing more than speaking of shipping the goods, and Mr. Garland said that the goods

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could not come to the Carleton Drug Company, they could not come to him, he did not want to have them come that way.

Q. He did not want to have them come that way, although he was going to get the business, according to his conversation with you?—A. That may be implied; he had to find some person who would handle the account.

Q. Why should it be necessary to have anybody to handle the account?—A. He was the best judge of that, Mr. Thompson.

Q. Who?—A. Mr. Garland.

Q. Why?—A. The Carleton Drug Company did not want to take hold of it for reasons.

Q. Why should it be necessary to have anybody handle the account; why did not you ship to the department?—A. I came to do business that way.

Q. Why didn't you do it that way?—A. I had to follow instructions; I got my lessons from Colonel Jones. What I wanted to do was to get my order direct from the government.

Q. Why did you not get your order direct from the government?—A. I tried hard enough.

Q. And why did you not get it, who refused you?—A. Nobody.

Q. Why did you not get it direct from the Government?—A. Well, the requisition was issued.

Q. The requisition was issued by Mr. Brown?—A. The requisition was issued from Mr. Brown giving the requisition out.

Q. And Mr. Brown inserted the name of E. Powell, agent of Bauer & Black, at your request?—A. Not by my request.

Q. That is what he stated?—A. Possibly, at my suggestion that he was going to carry the account, but not at my request; we do not appoint agents.

Q. Why did you suggest to Mr. Brown that E. Powell would carry your account?—A. The same as I would in any other requisition that was issued in the business to other people in Canada.

Q. But you have not shown me yet any reason why you should not have taken the requisition yourself; why did you not take it?—A. The requisition was not given to Bauer & Black.

Q. The requisition was in Mr. Brown's hands when you called with Mr. Garland; I may not be using the proper word when I say "requisition," but at all events there was a request from the Medical Department for certain medical supplies?—A. Yes.

Q. And Mr. Brown had the giving out of the contract?—A. Yes.

Q. You called with Garland, and after discussion you requested Mr. Brown to put in the name of E. Powell as the agent for Bauer & Black, why did you do that?—A. Simply because I wanted to get the business.

Q. Because you wanted to get the business?—A. Naturally. If we could not get it one way I wanted to get it another.

Q. And Garland had already in the morning, according to your statement, stated that he was out after the business?—A. Yes.

Q. And was it in consequence of his having stated that, and because he stated that the Carleton Drug Company could not take the contract, that you appointed E. Powell as agent?—A. I did not appoint anybody as agent.

Q. Was it in consequence of that that you requested Mr. Brown, the director of contracts, to fill in E. Powell's name?—A. I did not ask him to fill in his name at all, or fill in anything, I simply stated that if he was acceptable to them he would be acceptable to us, and that would be all right.

Q. Had you ever seen Powell before?—A. Oh, yes, I had seen him before.

Q. Was Powell a person you had ever done business with before the time you entered into Mr. Brown's office?—A. In a measure, in the Carleton Drug Store, yes.

Q. I mean did Mr. Powell himself ever purchase any goods from Bauer & Black?—A. Not for himself, but he did for the store he was managing.

Q. Did not Mr. Garland suggest E. Powell's name as agent because the Carleton Drug Company could not handle the contract; is not that a fair statement?—A. Well yes, there is a certain amount of truth in that, naturally.

Q. Had you any other reason for appointing E. Powell as agent?—A. Oh no, I had no reason, I did not pick out the man, I simply wanted to get the requisition as long as this was acceptable to the Government.

Q. What I want to get at, Mr. Shaver, is why you picked out E. Powell as agent?—A. I did not particularly pick on him, it was not a case of picking him, he seemed to be acceptable to all parties.

Q. Who suggested his name?—A. Mr. Garland suggested his name.

Q. Mr. Garland suggested his name?—A. Surely, yes, yes.

Q. I am not trying to confuse you, I simply want you to state everything you know, that is all. Did you take the requisition from Mr. Brown's office on that occasion, or the order?—A. Yes, I took the requisition that night with me to Chicago.

Q. You took it away yourself?—A. Yes.

Q. Before you left for Chicago did you see Powell?—A. I do not remember.

Q. You do not remember?—A. I saw him during the day in the store, but not that night, I think.

Q. But you saw him before you left for Chicago with that order for 30,000 field dressings?—A. Oh, yes.

Sir CHARLES DAVIDSON: Was that before or after your interview with Mr. Brown?

The WITNESS: It was after, I think, sir, I think some time in the late afternoon, I do not remember the time.

By Mr. Thompson:

Q. Had you seen Powell on the occasion of this visit to Ottawa, that I am speaking of; had you seen Powell before your interview with Brown with regard to that requisition?—A. I do not know, I do not know whether I saw Mr. Powell after lunch or before.

Q. Now, Mr Shaver, that was rather a valuable consignment of goods you were going to send to Powell, was it not?—A. Yes.

Q. You were going to ship them to a man you had just casually met and whom you did not know, is not that the state of affairs?—A. Well, I would not just put it that way.

Q. Did you ask Garland who Powell was?—A. No, when he mentioned the name I knew who he was, he was not a total stranger, you know.

Q. Did you know him to be a clerk in the Carleton Drug Store?—A. Yes.

Q. Did you think it a matter of good business to trust such a valuable consignment to an apprentice in a druggist shop without some recommendation as to his financial standing?—A. We got that.

Q. So that your curiosity as to who Mr. Powell was and as to what his financial standing was must have been raised when Mr. Garland suggested him as agent, was it not?—A. To a certain extent.

Q. If your curiosity as to his financial standing had not been aroused, or your curiosity as to his fidelity, why did you get some recommendation as to his financial standing?—A. That is customary, I would have to have that, of course.

Q. Did you ask Powell for it or did you ask Garland for it?—A. I do not remember.

Q. Can you not recollect?—A. I think I spoke to Mr. Garland about it.

Q. And what did he say?—A. I do not remember just what he said.

Q. What was the result of the conversation?—A. The result was I carried into my firm a letter.

Q. Never mind what you carried in?—A. That was all.

Q. As a result of your conversation you received a letter?—A. Yes.

Q. From whose hands did you receive the letter?—A. I cannot remember who handed me the letter, but the letter was from a bank.

Q. What bank?—A. I cannot say as to that.

Q. Have you got that letter?—A. No, Bauer & Black have it.

Q. What were the terms of the letter?—A. Well, they were simply written by the manager on their own stationery, stating that Mr. Powell was financially responsible.

Q. To what extent?—A. The figures I do not remember, \$20,000 or \$30,000 or something of that kind, I think it mentioned, for Government supplies, he was perfectly reliable and trustworthy.

Q. And financially reliable?—A. Yes.

Sir CHARLES DAVIDSON: Perhaps the witness could secure that letter?

Mr. THOMPSON: Will you write for that letter?

Sir CHARLES DAVIDSON: Telegraph.

Mr. THOMPSON: Will you telegraph for that letter?

The WITNESS: I do not know as it would be in existence now.

Sir CHARLES DAVIDSON: You could telegraph for the name of the bank.

The WITNESS: I should think you could get a copy from the bank.

By Mr. Thompson:

Q. Do you know what the bank was?—A. I do not remember.

Sir CHARLES DAVIDSON: Who handed it to you?

The WITNESS: It was either Mr. Powell or Mr. Garland, of course, I do not remember which one, I cannot remember.

Sir CHARLES DAVIDSON: You did not go to the bank yourself?

The WITNESS: I did not go near the bank.

By Mr. Thompson:

Q. What time of the day did you receive this letter?—A. I do not know, some time before dinner, before six or seven o'clock, it was late in the afternoon.

Q. Where were you when this letter was handed to you?—A. I cannot tell you that.

Q. You have no recollection of that whatever?—A. I cannot tell you whether it was out at the Garland drug store or in the Chateau Laurier, I do not remember.

Q. Your impression is that it was handed to you at either one of these places?—A. Yes.

Q. What conversation did you have with Powell on the occasion of your first meeting him?—A. That day?

Q. The first occasion on which you met him on that business?—A. That would be that day.

Q. Let us go back a little further, you went with Garland to Brown's office?—A. Yes.

Q. And Garland introduced you to Brown?—A. Yes.

Q. And then when you got there the requisition you left, and Garland accompanied you?—A. Yes.

Q. Did you then go down to the place of business of the Carleton Drug Company with Garland?—A. That I do not remember, I cannot say as to the hour of that.

Mr. THOMPSON: Because, your evidence before was that Mr. Garland introduced you to Powell, and that you then appointed Powell as your agent?—A. Well, introduced me, of course I had seen him there, perhaps he did introduce me again, but I had seen him in the store.

Q. Do you remember whether that was before you received these requisitions from Brown or whether it was after?—A. I cannot say as to the hour, it is impossible to say as to the hour, whether I went there after lunch or not I do not know.

Q. When you met Powell on the first occasion can you tell me what conversation you had with him?—A. On that particular day and that particular visit?

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Q. The first time you met Powell?—A. I had seen him before this visit in the store, because he had ordered goods.

Q. You say he had ordered goods on behalf of the Carleton Drug Company, but what I mean is after you received the order or before you had received the order with reference to medical supplies, on the occasion of that visit to Ottawa?—A. Well, I do not think there was very much conversation, there was very little, everybody was in a hurry.

Q. Did you discuss this Government order?—A. Naturally.

Q. It was probably, therefore, after you received the Government order that you appointed Powell as agent, because Powell stated that you did appoint him as the agent of Bauer & Black?—A. Well, yes, in that way.

Q. I want to know as definitely as you can state it what the conversation was on the occasion you appointed him as agent to Bauer & Black?—A. There was no stereotyped conversation.

Q. There was not very likely to be?—A. No.

Q. Powell stated before the Public Accounts Committee that he was in the shop of the Carleton Drug Company when you came in with Garland, and that you there and then appointed him agent to Bauer & Black?—A. There was no form necessary; he was going to handle the account.

Q. Is it usual for your company to appoint an agent simply by an understanding?—A. We have no agent; it is the same as any man would buy goods, you see, and sell them to the Government; he is an agent.

Q. What did you say to Powell on this occasion with regard to acting for you?—A. Simply that he was buying the goods from us.

Q. Did you tell Powell that he was buying certain goods from you?—A. He was buying the goods if he could get the requisition.

Q. That is not the point; you had the requisition in your pocket then?—A. I had that requisition, but there were other requisitions.

Q. Did you tell him if he got a requisition you would fill it for him?—A. Of course.

Q. I want to find out just what took place, surely you can tell that?—A. It would be the same as I do business with every druggist in Canada, the same way.

Q. Surely not, if you go into a druggist's shop in the ordinary way, you ask him, can I sell you anything?—A. Surely.

Q. You did not ask Mr. Powell whether you could sell him anything?—A. Certainly we were selling him the goods; he was going to sell the goods and we were selling them to him; he had to secure them in some way and he preferred our goods.

Q. He preferred your goods?—A. Naturally, as being customers of ours, they were throwing the business our way; he could have bought the goods from other people besides Bauer & Black.

Q. Did Powell know anything about this at the time?—A. Oh, well, there was no question of his knowing anything about it, as long as he could handle the business it was all right. I suppose Mr. Garland naturally had discussed it with him.

Q. Did you tell Powell that requisitions would be coming to him?—A. Why, no I did not know requisitions would be coming to him, any more than the first one about the field dressing, but I naturally supposed others would follow. From what I learned from Colonel Jones, requisitions would be coming up all the time, from time to time.

Q. Did you tell him you would ship the goods to him?—A. Why, of course. We had twenty days to ship these goods, and we delivered them in eighteen days and we worked day and night to do it.

Q. I am trying to get at, and surely your recollection is keen enough to supply the information. I want to find out just what took place on the occasion of the interview after, to use Powell's words, "you appointed him agent of Bauer & Black"?—A. That is all there was to it.

Sir CHARLES DAVIDSON: There must have been some conversation as to his financial position and as to how he would be paid or recompensed.

By Mr. Thompson:

Q. Did you ever ask Mr. Powell what his financial standing was?—A. Well—

Sir CHARLES DAVIDSON: Answer the question, please.

The WITNESS: No.

Mr. THOMPSON: You never did?

The WITNESS: No.

Sir CHARLES DAVIDSON: Had you any conversation with him as to how he was to be paid and what he was to make out of it?

The WITNESS: Not a word. What he was to share or anything. He was to get our prices. We were willing to let him have these goods at these prices, less five per cent, that is all he was getting on our prices.

By Mr. Thompson:

Q. Did you tell him he would make five per cent on these goods?—A. I told him he would make five per cent on the discount from our factory, that is all.

Q. Did you tell Powell that?—A. Yes.

Sir CHARLES DAVIDSON: I see in these pencilled figures, there is a reduction of only two and a half per cent, have you any two and a half per cent discount?

The WITNESS: No, sir, the Canadian discount is five per cent, thirty days, the American discount is two per cent, ten days.

By Mr. Thompson:

Q. Apparently, you did not allow Powell five per cent?—A. Yes, we did so on everything.

Q. You are quite positive you discussed later on five per cent for cash?—A. On these prices that you see in these invoices, yes.

Q. In your business what does "cash" mean?—A. In Canada, thirty days after the goods are shipped from the factory.

Q. Suppose there was a delay in the customs?—A. That often happens.

Q. Then the customer does not get the advantage of the discount, does he?—A. Well, sometimes. There is sometimes trouble about that, and sometimes they do not get it, and we allow a little for that in some cases.

Q. In the case of these Government orders, I understand you hurried the entry through the customs?—A. We shipped everything as fast as lightning and worked day and night on it.

Q. It was, therefore, a matter of considerable importance to Powell that he should get paid by the department as speedily as possible to secure his five per cent?—A. Yes, he had to do that to receive the five per cent.

Sir CHARLES DAVIDSON: As a matter of fact, did he receive it?

The WITNESS: I think he did.

By Mr. Thompson:

Q. Do you know positively whether he did or did not?—A. I am pretty positive that all the bills were paid in thirty days. Of course these invoices stretch over a period of time as the goods were delivered.

Q. Did you instruct Powell, if he received other requisitions, to send them on as quickly as possible in order to avoid delay?—A. The Government were doing that. He was anxious to do that himself, and I was anxious to do it, and everybody was anxious.

Q. Did you give him any such instructions?—A. More than a hundred times; we were trying to rush the orders through all the time.

Q. Did you telephone to him?—A. We telephoned to him several times.

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Q. Did you instruct Powell before you left, or at any time, that he was to use great diligence in forwarding any requisitions he was receiving?—A. He knew that himself.

Q. Did you instruct him?—A. I did not instruct him. I have no doubt I suggested that naturally.

Q. What were your suggestions?—A. I suggested that he look after the requisitions. He had to get the prices on the requisitions and the prices had to come to me and then they had to be submitted to Chicago.

Q. It was a matter of importance to your house that it should get as large a share of the business as possible?—A. Yes.

Q. Were you not anxious to appoint a diligent man to represent your house?—A. I was representing our house.

Q. You were here often?—A. I was here back and forth.

Q. And you saw that any requisitions that were out would come to your house if you could?—A. I got them all.

Q. You got them in the name of E. Powell?—A. I got them from other people besides Mr. Powell.

Q. But Mr. Powell was the largest one?—A. In Canada, yes.

Q. In Ottawa?—A. Oh in Ottawa, yes.

Q. Was there anything in Ottawa even approximately near the amount of the Powell requisitions?—A. Not in Ottawa.

Q. As you came back and forward to Ottawa did you telephone to Powell from time to time to see whether there was anything further doing in the matter of supplies?—A. Oh yes.

Q. So that you kept in close touch with Powell?—A. Oh yes.

Q. You spoke a moment ago about your hurrying the progress of the goods through the customs house?—A. Yes, we even appointed a brokerage firm here to facilitate things.

Q. Were the goods passed through the customs in Ottawa?—A. Nearly half of the Militia orders were passed here.

Q. Who were your brokers here?—A. Pringle & Cameron.

Q. They are customs brokers here?—A. Yes.

Q. Who passed them for you in Toronto?—A. Thompson & Ahearn.

Q. And as your brokers passed them through the customs, they would ship them on to Powell, would they not?—A. Oh yes.

Q. And Powell had nothing whatever to do with the putting of the goods through the Customs?—A. Nothing whatever.

Q. Or the payment of any freight?—A. No, our house pays that.

Q. Were the goods from your house laid down in E. Powell's place of business free of charge?—A. Yes, that is the way we sell all our goods.

Q. With regard to your relations with your house, Mr. Shaver, are you on salary or on commission?—A. On both.

Q. So that it is rather an incentive to you therefore to secure a large order?—A. Well, of course, it is that for every salesman. Just a minute, there is no commission given the salesman on that kind of business. Bauer & Black do not pay commission on goods sold to Governments on as close figures as those were sold at. It is only on specialties they pay commission.

Q. If Powell had not been an intervening party in this case, would you have got a commission on the goods sold by Bauer & Black to the Government?—A. I would have had to get the order first.

Sir CHARLES DAVIDSON: Answer the question, it is a very simple question.

The WITNESS: There was no commission on these goods at all.

Mr. THOMPSON: That is not my question, if you had walked into Mr. Brown's office alone on that morning, and he there and then gave you an order for 30,000 field dressings, and you had carried that order back to Chicago and there was no price

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specified in it, as I understand there was no price specified in this first requisition—
A. There was a price specified.

Q. We will come to that later, if under these circumstances you took that order back to your house in Chicago, would your house have allowed you a commission?—

A. Absolutely no.

Q. You would not have received a commission on it?—A. I would not have enough profit on it to pay my fare to Chicago and back.

Q. What you state is that the order for field dressings was filled at a very low price?—A. I should think so.

Q. But your house supplied many articles to the medical branch of the Militia Department besides these field dressings?—A. Surgical supplies, not medical supplies.

Q. If you had gone to Mr. Brown's office and obtained these requisitions, and carried them to Chicago with you, or mailed them in the usual course of business, as in other cities, would you have received your commission from your house?—A. No sir.

Q. Why not?—A. Because we do not pay commissions on that class of goods, commissions are only paid on specialties, commissions are only paid on other things that we manufacture, goods that there is a larger profit in, advertised goods.

Q. So that the intervention of Powell did not adversely affect your pocket in any way?—A. Not at all.

Q. And you were very diligent in securing these orders for your house because it followed in the usual course of your business?—A. Naturally I wanted to make the Canadian business show up as well as I could, we were doing it in other countries.

Q. Did you have any further interviews with Mr. Brown with regard to other orders later on?—A. No, I do not think so.

Q. When you had that interview with Mr. Brown, in Mr. Garland's presence, I do not presume that Mr. Brown stated that you would have to have a local agent, did he?—A. No, I do not think he did.

Q. It was your suggestion to Mr. Brown that Powell would act and handle these goods?—A. Yes, that was the suggestion that I made to him.

Q. And that suggestion was made to him after your interview with Garland when he said that he was going to secure this business if possible?—A. Yes.

Q. Had you ever sold goods previously to the Carleton Drug Company?—A. Oh yes.

Q. Did you sell goods to Mr. W. F. Garland?—A. Yes, for years.

Q. And when Mr. Garland's business was incorporated into a company, you continued to supply goods in the usual way?—A. Oh yes.

Q. So that you looked upon the Carleton Drug Company and Garland as one and the same person, did you not?—A. Well I would not put it that way.

Q. You would not put it that way quite?—A. No, I did not know just what it was.

Q. Your view was that Mr. Garland was intimately connected with the Carleton Drug Company?—A. I did not know to what extent.

Q. But Mr. Shaver, you were evidently sufficiently impressed by Mr. Garland—
A. I certainly was.

Q. Just wait a minute; you were sufficiently impressed by Mr. Garland, why?—

A. Because he was an old customer and a man I had done business with for years.

Q. And he assured you that he was going for this business?—A. Yes.

Q. And practically he had the order?—A. Well, I will not say that.

Q. Did not he say that?—A. I would not say that.

Q. Did not he say he knew the requisition was coming out and that he as good as had it?—A. Others in town knew the requisition was coming out also.

Q. There is no doubt about that?—A. Two or three of them.

Q. Did not he say he would get his if possible?—A. Yes.

Q. Did not he say the requisition was coming out, and that there would be competition over it, and that he would manage it?—A. He said he was going to use every effort to get it.

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Q. And following that conversation, one of his efforts was to go with you to Brown?—A. Yes.

Q. And then he went with you to his own place of business where E. Powell is employed?—A. Yes.

Q. And when you asked for recommendations as to the financial standing, either Garland or Powell produced a letter of recommendation from a bank in Ottawa?—A. Yes, later in the day before I left.

Q. To the effect that E. Powell was financially responsible to the extent of \$20,000 or \$30,000?—A. Yes.

Q. Was \$30,000 the limit mentioned?—A. I do not remember that, Mr. Thompson, it may have been more.

Q. When you read the letter, you were assured by the letter that E. Powell was financially good for the amount of the requisition which you were going to ship to him?—A. Yes, sir.

Q. Outside of that letter of recommendation from the bank, had you any knowledge whatever as to Powell's financial standing?—A. Oh, no.

Q. Did it not seem curious to you, that a clerk employed in a drug shop should be financially good to the extent of \$20,000 or \$30,000?—A. Well, that is a thing with which I had nothing to do, Mr. Thompson.

Q. Did you make any mental comment at the time?—A. It was for our credit men in Chicago to say that this letter was right.

Q. Did you forward that letter from the bank to your house?—A. I took it in with me and the other documents.

Q. Did you show it to your book-keeper or directors?—A. I showed it to my chief, of course.

Q. Did he ask you who Powell was?—A. No, naturally he would want to know, and he said that is all right as far as this customer is concerned.

Q. Did he ask you who the new customer was?—A. I do not know as to that.

Sir CHARLES DAVIDSON: Did you ask for security; how did you become aware that such a letter would be handed to you; did Powell tell you?

The WITNESS: I would not ship the goods unless we got that.

Sir CHARLES DAVIDSON: Who handed that letter to you?

The WITNESS: I do not know.

Mr. THOMPSON: He has already stated that he asked Garland.

The WITNESS: I do not remember just who handed it to me.

By Mr. Thompson:

Q. You asked Garland as to Powell's financial standing, or to get security?—A. I did not put it that broad; I said what about that, and he immediately took it up and said: we will get that all right enough; we will satisfy you as to that.

Q. Did Garland say that?—A. Yes.

Sir CHARLES DAVIDSON: Was there any mention of the form in which that security would come?

The WITNESS: No, as long as we had a letter as strong as that from a Canadian bank we don't want anything else.

By Mr. Thompson:

Q. But you had not got the letter at that time, did you ask for any particular form of assurance?—A. Oh no, we did not care anything about that; I wanted to know.

Q. You must have said that either Garland or Powell would have to give a guarantee for these goods?—A. We never do that with customers.

Q. You do not?—A. No.

Q. Do you ship any one you meet on the street \$20,000 or \$30,000 worth of goods?
—A. No, when they are not rated in Dunn's or Bradstreet's.

Q. Was Mr. E. Powell rated in Dunn's or Bradstreet's?—A. That I do not know; if they are not rated they have to give a salesman some guarantee themselves, and they all know that.

Q. Did you bring up the question or did he bring up the question of financial responsibility?—A. I do not know. As to that, I had the letter immediately, directly, as soon as I asked for it.

Q. Did they have the letter all ready before you asked for it?—A. I do not know that; I do not think so, the bank could have written to Bauer & Black.

Q. Never mind what they could have done; I want to know what happened this day when you got the guarantee?—A. I did not ask for a guarantee from the bank or anything of that kind.

Q. Tell us what you said to Garland or to Powell and what they said to you?—A. I said, how are these goods going to be paid for, how do you finance this, or how will we look for security, or words to that effect.

Sir CHARLES DAVIDSON: To whom did you say that?

The WITNESS: To Mr. Garland, or Mr. Powell or both, I do not know.

Sir CHARLES DAVIDSON: Can you exclude Powell as the person that handed you the letter?

The WITNESS: I do not know; I cannot say.

Sir CHARLES DAVIDSON: Would you exclude him?

The WITNESS: No, I could not.

Sir CHARLES DAVIDSON: He may have done so?

The WITNESS: He may have done so.

By Mr. Thompson, K.C.:

Q. That was in consequence of your stating plainly: how are these goods to be paid for?—A. Something of that kind, yes. Later on I got the letter before I left.

Q. This letter was handed to you, was it not, just before you left for Chicago?—A. That afternoon, some time before dinner-time, I think.

Q. And you handed it to your chief?—A. Yes.

Q. And his comment was, that is all right?—A. Yes.

Sir CHARLES DAVIDSON: Would it help your memory if the name of a bank were suggested to you as the one from which this letter would have come; suppose I suggested the name of the bank in which Powell kept his accounts?

The WITNESS: I would not like to speak as to the name of the bank.

Sir CHARLES DAVIDSON: It appears from the evidence that he kept his accounts in the Union bank.

The WITNESS: I could not say as to that.

By Mr. Thompson, K.C.:

Q. Would you recollect the name of the manager who signed the letter?—A. No, I cannot do that either.

Q. Will you telegraph to your house and inquire?—A. I have not got that letter either, because I think the letter came back to me and all the correspondence was destroyed.

Sir CHARLES DAVIDSON: Destroyed.

The WITNESS: I think I destroyed the whole of that correspondence, telegrams and everything else, after the last investigation. I had a wad of them. It was a small visiting card form with the monogram of the bank on top, very heavy paper and very small, not in a business form at all, more like an invitation letter-head, it was a little dainty thing in a square envelope.

[Drugs—Shaver.]

Q. Well, do telegraph, and ask them if they will send the letter on?—A. They have not got it, Mr. Thompson, all that stuff was destroyed several months ago, that letter I do not think is in existence, not any of that stuff is in existence.

Q. Do you mean to tell me that your house destroys such letters?—A. If they did not destroy it they sent them all back to me long ago.

Q. Did they send the bank's guarantee back to you?—A. They sent all the letters, telegrams and orders in this business.

Q. When did they send them to you?—A. Months ago.

Sir CHARLES DAVIDSON: Is that usual in your business?

The WITNESS: Well, yes.

Sir CHARLES DAVIDSON: Is there any other case in which that has been done?

The WITNESS: I think so. I had all these prices and quotations that I figured on at this end, and I destroyed them all after the last commission.

By Mr. Thompson, K.C.:

Q. Were they sent to you for the purpose of that former investigation?—A. Oh, no, letters accumulate about Government business.

Q. But this letter of recommendation was given by you to your chief?

Sir CHARLES DAVIDSON: And I suppose it was addressed to the house in Chicago; to whom was it addressed?

The WITNESS: I do not remember that; I do not remember whether it was addressed to Bauer & Black or to me, to my concern, or how it was.

By Mr. Thompson, K.C.:

Q. You do business with a number of druggists in this town?—A. All of them.

Q. Does your house return all your correspondence in connection with business with these druggists?—A. If they do not return it they return copies of it.

Q. Well that is a different thing, returning copies from returning the originals?—A. We get nearly all that stuff.

Q. Do you destroy all your correspondence?—A. I do after a certain length of time.

Q. Have you destroyed it in the case of business you have done with Graham or Brownlee, druggists, or other drug houses in town?—A. Yes, these prices are not prices like our regular price list, they are private prices.

Q. That is not the point, I want to know what your practice is?—A. I generally destroy my correspondence after I have kept it a certain number of weeks.

Q. But this was not your correspondence, this was a letter of recommendation from the bank which you delivered to your chief in Chicago, and did not you tell me now that he returned that recommendation to you?—A. I am pretty sure, I am not certain about his returning it, but I think so.

Q. Will you please telegraph and ascertain if it was returned, and also ascertain the name of the bank, and if he cannot return, or does not wish to send the original letter here, ask him if he would send a copy to the Secretary of the Royal Commission, Mr. T. P. Owens?—A. Yes, I do not know whether I got that back or not, I am not sure.

Q. Had you personally, Mr. Shaver, any interest by way of discount from Powell, or commission from Powell?—A. I am paid by Bauer & Black and not by customers.

Cross-examined by Mr. Tilley:

Q. Mr. Shaver, you say that Mr. Garland telephoned to you, that is your recollection?—A. I think so.

Q. I wish you would think that over?—A. I cannot say, I am not sure.

Q. I suppose you are in Ottawa frequently?—A. Yes.

Q. Do you know what day of the week you were in Ottawa, then?—A. No.

Q. Do you know how long you were here before that?—A. I should think about two months before that, or three months.

Q. I am told that you were here a very short time before that, but you think it was a couple of months?—A. A very short time before that—I do not remember—I may have been passing through but not to do business, not on my regular trip.

Q. Is there any chance as to your being mistaken as to whether you rang up Mr. Garland or Mr. Garland rang you up that morning; do you remember whether he met you; did he go to the hotel to get you or did he meet you some place else?—A. I do not remember that.

Q. Do you remember ringing him up and asking him to meet you at the Chateau Laurier?—A. I may have done that, I cannot say.

Q. Do you remember driving from the Chateau Laurier?—A. Oh yes, I remember that well.

Q. Do you remember you started from the Chateau Laurier, the two of you?—A. Yes, I think it was in a taxi-cab.

Q. Then as to the other, you cannot be clear about it?—A. No, it is so long ago.

Q. Another point I would like to ask you as to whether you can be mistaken about, I understood you to say you got this requisition while you were at Mr. Brown's office and took it away with you in your pocket. I am told that the requisition was mailed to Mr. Powell, do you remember about that?—A. Well, it may have been, but possibly it may have been brought back to Mr. Powell's office, but I thought I put it in my pocket there. I may have put it in my pocket in the Carleton Drug Company's store, I cannot remember, because everything was crowded so much into that day that it was pretty hard to remember anything. It may have been that somebody brought it from the Carleton Drug Company back to Mr. Brown, but I thought I put it in my pocket there and I was going to be very careful about it because it was a document a person might lose, and I had not a copy of it.

Q. You remember having it, but you do not remember where you got it?—A. I think I got it in Mr. Brown's office, but I may not have, I would not be sure as to that.

Q. You spoke of a cash discount, five per cent, thirty days in Canada, that applies to all Canadian customers, that is the general rule of your house?—A. That is the rule.

Q. That is nothing special as to this transaction?—A. Oh no, only of course that in selling other goods the goods would have the trade discount, but these goods were sold close.

Q. You spoke once or twice about the goods being sold close, what do you say as to the price at which these goods were supplied?—A. Well, they were sold close with the anticipation of getting other business, naturally I wanted to get all the business we could, and we cut them right down.

Q. How do these prices compare with other prices you would charge for similar goods?—A. Well, similar goods are not sold to the retail trade, that class of goods is not sold to the retail trade, very few articles in that list are sold to druggists. They are compressed goods and special goods made for the Government war departments. Very few of them are regularly sold to druggists, they are all specially prepared in packages.

Q. Do you remember whether there was any discussion about the estimate for these goods between you and Mr. Brown? There was an estimate of \$20,380, do you remember that being discussed between you and Mr. Brown, as to whether you could supply them under that estimate?—A. Mr. Brown was in a great hurry for the goods and everybody was rushing, and he said: give us a price or something of that kind, and he named that figure and he said: can you supply them at that figure or not, and I said: yes.

Sir CHARLES DAVIDSON: That is the total amount of the requisition?

The WITNESS: Yes.

By Mr. Tilley:

Q. What was his question, did he ask you whether these goods could be supplied at that figure or not? Is not that the way he put it to you?—A. I do not know the phraseology he used, but he had a figure in his mind. He was thinking of that figure, and I said: well, I would like a little time to figure on this thing, and he said: can you supply that at that figure or below it, will you guarantee to do it, and I said: yes.

Q. You said yes, after you had figured it up?—A. Looked it over and figured it up in my mind, I assembled a few thousand dollars here and there and I said yes.

Q. What do you say as to that estimate as being the fair value for the goods supplied?—A. It is a fair value.

Q. And they were supplied under that figure?—A. They were supplied under that figure.

Sir CHARLES DAVIDSON: Return at two o'clock. Mr. Shaver, you are not discharged.

The witness retired.

Mr. THOMPSON: It is a little early for adjournment, but I would like to adjourn now, as I want to get a witness from the Union bank.

The Commission took recess for luncheon.

The Commission resumed at two o'clock.

Examination of Mr. William H. Shaver resumed.

Examined by Mr. Thompson, K.C.:

Q. You are already sworn?—A. Yes, sir.

Q. Did you have an interview with Garland about these supplies of medical necessities to the Government before your telephone message with him or did the telephone message come first?—A. Oh, the telephone message came first. I did not see him.

Q. After the telephone message in the morning, just after you had breakfast?—A. Yes, I think so.

Q. And it was on that occasion that he telephoned you and asked you if you would supply these requirements to the Government?—A. Yes, I think that was the first.

Q. Did he state on that occasion that he was going to make a great effort to get this business?—A. Yes.

Q. Were those practically his words?—A. Something to that effect.

Q. I would like it accurately if you can give it to me, Mr. Shaver?—A. I could not say as to the exact wording; that he wanted to get the business and would try to get it.

Q. In making his comment about their being great competition what did he say?—A. He said there might be great competition if this war continued and naturally a lot of people after the business, and if we were in the market and ready to supply these goods, why he wanted to know because there were large quantities and prices had to be fine and shipments had to be quick and so forth. That was all there was to it.

Q. Did you not say to him: Why do you not take the contract yourself? Or something like that?—A. I asked him in reference to shipping: Why cannot the Carleton Drug Company handle it?—the account we had always been selling to.

Q. But at that time did you not think you could ship direct to the Government? You had not seen Colonel Jones at that time?—A. Well this was the conversation afterwards. After speaking of shipping and all that sort of thing, Powell's name and all that, that was all afterwards.

Q. Did Mr. Garland on the occasion of that telephone message after breakfast and before you had seen Colonel Jones intimate that you could not sell direct to the Government?—A. Oh, no, we did not know at that time anything about that Mr. Thompson.

Q. But he did say he wanted to get that large business himself?—A. Yes, wanted to get the requisitions if possible.

Q. And your understanding was that you would sell to him and he would sell to the Government. Is that so?—A. Yes.

Q. That is what you inferred from his saying he intended to get that business if he could?—A. Yes, to fill the requisitions, yes.

Q. Now if Powell had not intervened as an agent you would have given the Government the benefit of that five per cent discount for cash?—A. If they had done business direct, yes certainly.

Q. In other words you would have sent exactly identical invoices to the Government and intimated in them that they were subject to a five per cent discount?—A. The very best. That is what they would have got.

Q. So that as a result of the intervention of Powell the Government was deprived of that five per cent discount?—A. Of course I do not know what price Mr. Powell charged the Government. I do not know whether he gave that five per cent or added to or took from it. I do not know that. I have no means of knowing except what I have seen in the papers.

Sir CHARLES DAVIDSON: You have reference to their invoice prices.

Mr. SHAVER: The invoices you have all seen here.

By direction of Sir Charles Davidson the following question and answer were read to the witness by the official reporter:—

Q. Did you not say to him: Why do you not take the contract yourself? Or something like that?—A. I asked him in reference to shipping: Why cannot the Carleton Drug Company handle it?—the account we had always been selling to.

Examination resumed by Mr. Thompson, K.C.:

Q. When did you ask him that question?—A. I do not know just when it was, whether it was coming down. I do not know what time of the day that was when it got down then to a question of doing business.

Q. It was evidently before you went with Garland to Brown about the requisitions?—A. No. It is pretty hard to remember these hours.

Q. What answer did Garland give you?—A. He did not want to do that.

Q. Did he say why?—A. No. He did not say why. Rather not have anything done that way.

Q. In your evidence before the Public Accounts Committee your answer was that Garland said it would have to be through an outsider?—A. Yes, some person would have to handle the account; he could not handle it, he was connected with the company and it would have to be an outside man.

Q. Have to be an outside man?—A. Yes. I pressed him to have it done that way, but he would not do it.

Q. Was not that conversation evidently before your interview with Brown? Because when you had the interview with Brown you asked Brown to fill in Powell's name. Does that help your memory?—A. Yes, possibly it would be. It might have been. That morning it might have been right after lunch. I do not know exactly, but most likely it would be as you say, some time about that time. It might have been in the morning, it might have been before lunch.

Q. Are you able to fix it more accurately than you have stated?—A. No, I am not Mr. Thompson. I cannot just say as to what time of the day that would be. It must have been, though I would suppose possibly, prior to that time. I would think so.

Q. As to that letter you received signed by the bank manager as to Powell's financial standing, are you quite sure that that was handed to you before you went to Chicago?—A. Oh my yes, I took it in my pocket. I took it with the requisitions, everything strapped with elastics and all the instructions of Colonel Jones and everything, the way he wanted the goods made and shipped and everything.

[Drugs—Shaver.]

Q. And how long after you asked about Powell's standing was it that you got that letter?—A. Sometime during the afternoon.

Q. You are quite sure you got it the same day?—A. Oh positive.

The witness retired.

At the request of Mr. Thompson, K.C., Mr. Garland left the room during the examination of Mr. Powell, the next witness.

E. A. POWELL sworn.

Examined by Mr. Thompson, K.C.:

Q. What was the total amount of your sales to the overnment?—A. I have not got that list with me. Around \$40,000.

Q. What was the total amount of your sales to the Government?—A. I have not seen the amount since I was before the Public Accounts Committee before.

Q. What was the commission on it?—A. Twenty-eight per cent.

Q. In dollars and cents how much?—A. Around \$9,000.

Q. Do you not recollect the exact amount?—A. No, I do not.

Q. In what time did you make that profit?—A. The first was about the twelfth of August. I do not know when the last requisition was in. I do not remember the date.

Sir CHARLES DAVIDSON: November the eighteenth.

Examination resumed by Mr. Thompson, K.C.:

Q. You are employed as a clerk in the office of the Carleton Drug Company are you not?—A. Yes.

Q. In receipt of a comparatively small salary?—A. Yes.

Q. What was your salary at the time that this first Government business turned up?—A. Eighteen a week.

Q. Had you any means to speak of?—A. No, not of my own, no.

Q. What would your assets amount to?—A. Well I could not give you that definitely.

Q. You mean to say you do not know what your assets were in August of last year?—A. No, I could not say just now.

Q. Did you have one thousand dollars in cash?—A. No, not in cash.

Q. Were all your means in the Union bank account that you had opened at that time?—A. What is that?

Q. Were all your means, all your moneys in the Union bank in August of last year?—A. No.

Q. Did you have other moneys that were not there?—A. Yes.

Q. To what extent?—A. Well I have not figured that up. I cannot tell you just now.

Q. Approximately how much?—A. Well I cannot answer that question.

Q. Had you one hundred dollars outside of the bank deposit?—A. Yes.

Q. Had you two hundred dollars?—A. I cannot say how much I had.

Q. Where did you have it?—A. I think that is too personal to mention that.

Q. I think it is a proper question, Mr. Commissioner.

Sir CHARLES DAVIDSON: You had better answer, Mr. Powell.

The WITNESS: Well the most of it is invested in property.

Examination resumed by Mr. Thompson, K.C.:

Q. Were the bulk of your moneys in the Union bank in August of last year?—A. No.

Q. How much did you have in the Union bank in August last year?—A. Very little. I cannot tell you how much.

Q. You say your assets were approximately a thousand dollars or less?—A. More than a thousand dollars. I cannot tell you how much.

Q. Could you give an estimate?—A. No, I cannot.

Q. Were your assets of such a speculative nature that you are unable to state what they would be worth at that time?—A. No. I cannot give any definite answer to that.

Q. Had you ever been engaged in any business other than that of a drug clerk?—A. No.

Q. How long have you been a drug clerk?—A. About five years.

Q. How long have you been with the Carleton Drug Company?—A. A little over a year and a half.

Q. What were you paid when you engaged with them?—A. I think it was fourteen.

Q. And after a year and a half you had worked up to \$18. Is that correct?—A. Yes.

Q. Had you ever been engaged in buying and selling drugs other than as a clerk in a shop?—A. No.

Q. Had you ever had any business with either Bauer and Black or W. J. Shaver prior to this government contract?—A. I had not, only through the store.

Q. I am referring to your personal dealings?—A. No.

Q. What was the occasion of your first interview with Shaver with reference to this government contract?—A. That was when he came out to the store.

Q. That was the occasion was it?—A. Yes.

Q. Did he go there alone?—A. I think he did, as near as I can remember.

Q. I think you said before the Public Accounts Committee that he arrived with Mr. Garland?—A. I think I said Mr. Garland was there at the time. I could not be positive as to that fact.

Q. Did Mr. Shaver speak to you or did Mr. Garland introduce him?—A. Well, Mr. Garland introduced him.

Q. What did Shaver say to you?—A. I had overheard part of the conversation, they were talking about—

Q. They had been talking to one another before they spoke to you?—A. Yes.

Q. What was that conversation about?—A. Well I think it was regarding, I thought as near as I could see through it that Shaver wanted Mr. Garland, that he was going to take that—

Q. He asked Garland if he was going to undertake the contract?—A. Something to that effect. I was busy at the time.

Q. But that is part of the conversation you overheard?—A. Yes.

Q. And what did Garland say? Did you hear his answer?—A. I do not know as I did.

Q. You evidently knew, however, that they were talking about this government contract?—A. Yes. I understood they were talking about it. From what I overheard they were talking about this contract. I may have heard what Mr. Garland said; I could not say.

Q. Do you recollect it now?—A. No, I do not.

Q. You were evidently cognizant of the fact that government contracts were going for drugs?—A. I heard them talking about it, yes.

Q. Did you hear anything about it before that conversation?—A. I might have.

Q. Did you?—A. I cannot say.

Q. Are you sure you cannot say? Did not Garland tell you before Shaver arrived that a government contract was going for medical supplies?—A. I do not think he did.

Q. Did Garland discuss the question of supplying the Government with medical supplies with you in any shape or form before Shaver arrived?—A. I do not think he did.

Q. Do you say he did not?—A. Well I cannot recollect, but I do not think he did.

Q. At the time that Shaver arrived did you not know that there was a contract going either to you or to Garland or to the Carleton Drug Company for supplies to the Government?—A. No, I did not know it was going.

Q. Will you say that you had no knowledge or intimation whatever about any contract for supplies being handed out to Shaver or Mr. Garland, or about to be handed out?—A. Repeat that question please.

Q. Will you say that you were quite unaware that any contract for medical supplies for the Government was going to be handed out to Shaver or Garland or the Carleton Drug Company or yourself?—A. I do not know anything about it. I might have understood that there would be some bought but I did not know anything about it coming in that way.

Sir CHARLES DAVIDSON: What is that?

Mr. POWELL: I might have understood at the time that there would be orders going to somebody but I did not understand anything about this other.

Examination resumed by Mr. Thompson:

Q. Was this conversation that you overheard the first intimation to you that either Shaver or Garland had secured a contract?—A. Yes.

Q. That was the first intimation to you and after they had their conversation together Garland introduced Shaver to you?—A. Yes.

Q. What did Shaver say?—A. He explained that he was looking after these orders.

Q. That he was what?—A. That he was working on this and he was down getting orders and wanting to know, explaining—I do not know who said it—asked me if I would take it, look after it.

Q. That he was down looking after orders?—A. Well, that he knew there was orders going through.

Q. Yes, continue?—A. And he wanted to know if I would look after the business here in Ottawa, look after these orders.

Q. Did he explain what looking after the order meant?—A. Well, I cannot say just what was said in that matter.

Q. Did he outline what your duties would be?—A. Yes, he told me that the goods would be sold to me and I was to sell them to the Government.

Q. Did he state at what terms they would be sold to you?—A. On the usual terms.

Q. Did he say what the usual terms were?—A. I do not know as he did. I understand what their terms were.

Q. Did you ask him what the terms were?—A. I may have. I cannot say.

Q. Did you?—A. I cannot say.

Q. Did you ask him how you would pay for those goods?—A. I do not think there was much said about that.

Q. Did you ask him how you would pay for the goods?—A. I do not know as I did.

Q. Are you prepared to swear you did not ask him how you would pay for the goods?—A. I cannot say definitely, I know there was not very much said but it was so long ago I cannot recall what was said.

Q. Was the amount of the order stated by Mr. Shaver or Mr. Garland on that occasion?—A. No.

Q. Had you any idea on that occasion what the value of the order would be?—A. No.

Q. Did it not occur to you that you might have some difficulty in paying for goods which Bauer & Black would ship to you?—A. Well I do not know as it did.

Q. How did you expect to pay for them?—A. They give me a certain length of time and I expected by getting the cheque from the Government in time to meet the draft.

Q. Was that discussed at that time?—A. I do not think it was.

Q. Will you say it was not?—A. I could not.

Q. Will you say positively it was not?—A. As far as I can recollect I do not think it was discussed.

Q. Is that the most definite answer you can give me?—A. It is.

Q. You see, Mr. Powell, at the time they called to see you they had this order for field dressings. Did they not say that they had?—A. I did not understand it that way.

Q. Did not Shaver say that field dressings to the extent of 30,000 were going to be requisitioned?—A. He may have said something about it. He did not say anything about having the order.

Q. Is it not probable he did say something about field dressings?—A. He said he was looking after some orders but I do not know that he said what they were.

Q. You think he left it quite indefinite as to what the nature of the order would be?—A. I think so.

Q. And were you perfectly willing to accept the responsibility of buying these goods from Bauer and Black without knowing whether the Government would accept them?—A. I took that chance anyway.

Q. Now, Mr. Powell, did you take any chance?—A. Yes, I took the chance of the Government's accepting it.

Q. Did you take any financial chance whatever?—A. I do not understand what that means.

Q. If the Government had refused to accept some of those goods would the loss have been yours?—A. I would have returned them to the company.

Q. Were you doing the financing of this business yourself?—A. Yes.

Q. Entirely yourself?—A. Yes.

Q. Through what bank?—A. The Union bank.

Q. What financing did you do through the Union bank?—A. I deposited cheques as they came in and paid the drafts.

Q. Did you ask the Union bank to give you a letter as to your financial standing?—A. I do not think I did.

Q. Did you or did you not ask the bank for such a letter?—A. I did not as far as I can remember.

Q. Did Shaver ask you anything about your financial standing?—A. I do not think so.

Q. Will you say he did not?—A. No.

Q. You say he did not ask you anything about your financial standing. When the goods and the invoice arrived from Bauer and Black I understand that you did not open the packages?—A. No.

Q. And that what you did was to prepare your own invoice to the Government?—A. Yes.

Q. And further for that purpose you had your own invoice paper prepared?—A. Yes.

Q. Who suggested to you that you should get your own invoice paper?—A. My own suggestion. I did not have any other to use.

Q. Did anybody at all suggest that to you?—A. I do not think so.

Q. Well now, Mr. Powell, you know whether anybody did or not. Did Mr. Garland tell you to get your own invoice paper so as to not confuse that business with the business of the Carleton Drug Company?—A. No I am quite positive I did not have any paper to use.

Q. Of course you did not because you were not in business. Did Garland tell you you had better get your own invoice paper or bill head so as not to confuse your business with that of the Carleton Drug Company?—A. I do not remember him telling anything like that.

Q. Will you say he did not?—A. As far as I know he did not.

Q. Will you say he did not advise you to do that?—A. He did not tell me to do it.

Q. Did he discuss that question with you?—A. I cannot say whether he did or not.

[Drugs—Powell.]

Q. Will you say that he did not discuss it?—A. I discussed all these things with him but I cannot say now what it was he—

Q. Where did you have your invoice paper prepared?—A. At the Crown Lithographing Company.

Q. Did you pay for it by cheque or by cash?—A. I think they had a draft. If I remember right I think they drew on me through the bank.

Q. Your financial dealings are not so large that you cannot carry these various items in your memory. Do you remember the amount that you paid for that lithographed paper?—A. No, I do not.

Q. Have you any idea what it was?—A. There was other stuff got and I could not say what it amounted to.

Q. Other stuff got from whom?—A. The Crown Lithographing Company.

Q. By you?—A. Yes.

Q. What was the other stuff?—A. In some of the orders later on there was some labels.

Q. Did you pay for those yourself?—A. Yes.

Q. By cheque or by cash?—A. By draft.

Q. By your own cheque? Did you give your own cheque in payment?—A. They drew on me through the bank.

Q. And you accepted that, payable where?—A. At the Union bank.

Q. After the invoices and the goods arrived you started preparing your own invoices?—A. Yes.

Q. But I presume you had some conversation with Mr. Garland about the goods that were going to arrive?—A. No doubt I may have discussed it with him.

Q. Did you discuss it with him?—A. Yes.

Q. And when they did arrive, as you have very little knowledge of wholesale prices, did you call Mr. Garland into consultation when you were making up your invoices?—A. I think likely I did.

Q. You think likely you did. Did you not call him into consultation?—A. Yes.

Q. You did. And is it not a fact that you and he prepared the invoice together to the Government? While you wrote the invoice out he discussed what advance should be made?—A. Yes.

Q. That is about the fact, is it not?—A. That is about it.

Q. And that continued practically through all the invoices?—A. Not them all, because he was not there sometimes.

Q. No, he was not there. But this was an entirely new matter to you, was it not? Dealings on a scale of that nature?—A. Yes.

Q. And were you not very much at sea as to what advance you should make?—A. Well, in some cases I was.

Q. Did you have any knowledge whatever of wholesale prices in the matter of drugs and medical supplies?—A. Yes.

Q. You had?—A. Wholesale prices. Not on some of this stuff, which was special stuff, but on the general line of wholesale stuff I had.

Q. What you say is that when this first consignment arrived you practically sat down with Mr. Garland, and as you continued to write your invoice you and he discussed what advance it would stand?—A. Yes.

Q. And then, when it was completed, you forwarded it on to the Government?—A. Yes. I had the invoices from the company at that time.

Q. And it was from those that you made up your invoices at advanced prices?—A. Yes.

Q. And did that practice continue with each succeeding invoice?—A. Yes. Of course, he was not there every time in some cases.

Q. You told us what your procedure was with reference to the first invoice. Did you follow the same course with reference to the next invoice?—A. Yes.

Q. And so on with those that succeeded?—A. What do you mean?

Q. What I mean is you discussed the prices with Garland as you prepared your invoices?—A. In some cases.

Q. And did he not, in fact, look over all the invoices?—A. They were there; he may have.

Q. Do you not know, as a fact, that he looked over all the invoices before you sent them out?—A. For what purpose do you mean?

Q. Never mind what the purpose is, is it not a fact that he looked over all your invoices before you sent them out?—A. Yes. Pardon me, not them all, he did not see them all.

Q. How many invoices would you say he did not see that you sent to the Government?—A. I cannot say that, but there was some times that the goods came in when he was not there and they were invoiced again before he came back.

Q. You mean to say that you prepared some invoices in triplicate so quickly after the goods came in that Garland did not see them?—A. It did not take very long to prepare them.

Q. Can you say how many he did not see?—A. No, I cannot say as to that.

Q. With regard to those invoices he did not see, had you previously discussed what advance you would make over and above Bauer and Black's prices?—A. I think in that case there was just a repetition of what was on the invoices before.

Q. I understand now. So that in those cases you were guided by your previous invoices?—A. Yes they were the same goods, a different shipment.

Q. And if an invoice came in with any supplies which you had not previously quoted a price on you would consult him about that?—A. I think I did.

Q. Very natural that you should?—A. Yes.

Q. Now your invoice paper is rather nicely prepared, Mr. Powell. Who was it that suggested the various descriptions that you have got there "Agent for Bauer and Black", etc.?—A. What was the question?

Q. Who suggested that form of invoice that you have got there, the various headings? Did you discuss that with Garland before you had it printed?—A. I think I did.

Q. And he finally approved of the form in which it was settled?—A. Yes.

Q. I think you said before that Garland suggested that you should have your own invoices so as not to confuse it with the Carleton Drug Company. Did Garland suggest that?—A. I do not know whether he did or not.

Q. Will you say that he did not?—A. I cannot say.

Q. Did Garland prepare the draft of the words in that invoice?—A. I do not think so. He may have suggested them but I do not think he prepared it.

Q. Were you the draftsman or was he?—A. I cannot recall that.

Q. Would you say that he did not prepare the wording of the invoice?—A. He may have prepared some of it but I do not know who made out the last draft of it.

Q. Never mind who actually wrote out the last draft. Who prepared the draft in the first instance, you or he?—A. I think perhaps he did.

Q. Now, after the first shipment was sent to the Department there was some little delay in getting payment was there not? Getting paid by the Department?—A. Yes.

Q. And I presume you were rather anxious to get paid promptly because you were getting the five per cent discount from Bauer and Black?—A. Yes and that the drafts would be coming in.

Q. And that the drafts would be coming in and had you any money to meet these drafts if they came in before you were paid by the Government?—A. No, I had no money in the bank to meet them.

Q. As you were paid by the Government from time to time what did you do with the cheques?—A. I deposited them.

Q. Where?—A. In the bank.

Q. What bank?—A. Union bank.

Q. Which branch?—A. Corner of Somerset and Division.

Q. Were all the cheques placed in that bank?—A. Yes.

[Drugs—Powell.]

Q. Did you receive any cheques from the Government which were not placed in that account?—A. No.

Q. Were the cheques payable to your order?—A. Yes.

Q. Does this bank-book which my learned friend has handed to me represent the total deposits?—A. Yes.

Q. Current account. You had a savings account also?—A. I had a small bank account before that.

Q. You had a small account before that in the savings?—A. Yes.

Q. Were any Government cheques paid into the savings?—A. No.

Q. Are you quite sure?—A. They were all deposited in the current account.

Q. Did you open a current account in the Union bank, Somerset street branch, before this transaction with the Government and Bauer and Black?—A. No.

Q. Did you open up current account for the purpose of that business?—A. Yes.

Sir CHARLES DAVIDSON: You did that personally.

Mr. POWELL: Yes.

Examination resumed by Mr. Thompson, K.C.:

Q. Did you discuss with Garland what you would do with the cheques that came in from the Government?—A. I do not think so.

Q. Will you say you did not?—A. I suppose I fully understood what to do with them. I do not see why I should—

Q. That is not the point, I asked you whether you did?—A. Not that I know of.

Q. What was the understanding about what you would do with the Government's cheques?—A. Well, I naturally supposed that I would deposit them.

Sir CHARLES DAVIDSON: You said a moment ago that there was a full understanding or something to that effect as to what you should do with the Government cheques.

Mr. POWELL: I meant that I understood that myself without any information from anybody.

Examination resumed by Mr. Thompson:

Q. Did Garland tell you that you should open an account in the Union bank?—A. No, I do not think so.

Q. Are you sure?—A. He may have suggested that I deal through that bank.

Q. There was a very good reason, was there not, why you should deal through that bank?—A. Not that I know of outside of the fact that the bank was the one we deal through with the store; in fact, the only bank I ever dealt with in the city.

Q. Is the Union bank the banker for the Carleton Drug Company?—A. Yes.

Q. I find here in this bank book, which I will put in as an exhibit, on September 5 a deposit of \$421.01. What does that money represent? Is that a Government cheque?—A. Yes.

(Bank book filed and marked as exhibit 18.)

Q. Was that the occasion on which you opened the account for the first time?—A. Yes.

Q. Did you know of a letter written by the manager of that branch as to your financial standing?—A. No.

Q. Did you ever ask the manager of that branch or of any other branch of the Union bank to give anybody a letter as to your financial standing?—A. No.

Q. If such a letter was given by this manager or any other manager of the Union bank you knew nothing about it?—A. No.

Q. When did you first know about it?—A. I do not know that I heard of it before this morning. I do not know as it came out in the Committee before. I do not remember when it came out.

Q. It did not come out in the Public Accounts Committee, so that you think this is the first occasion on which you heard of it?—A. I think so.

[Drugs—Powell.]

Q. Was it a surprise to you?—A. I do not know. It would be quite natural, I suppose. I never thought of it.

Q. Would it be quite natural for a manager of a bank to write a letter that you were financially responsible to the extent of nearly \$30,000?—A. I do not know that.

Q. Do you consider yourself financially responsible to that extent?—A. I do not know.

Q. Are you good for \$30,000?—A. Not myself.

Q. Looking over these items in the bank book, I find that you made a number of withdrawals. Did you issue any cheques?—A. I issued some—yes.

Q. Did you issue any cheques payable to bearer?—A. No.

Q. Are you sure?—A. Quite sure.

Q. Did you issue any large cheques on that account except cheques issued to pay for these goods?—A. What is that question again?

Q. Did you issue any cheques for comparatively large amounts for any purpose except to pay for the goods shipped by Bauer & Black?—A. No. except that I was wanting to withdraw myself.

Q. What was the largest amount you ever drew from this account for your own purposes?—A. I drew several times; I do not know—

Q. About how much?—A. I do not know what the largest is.

Q. Your expenses are not very large, are they, Mr. Powell?—A. No.

Q. You are apparently living within your salary, are you not?—A. Yes.

Q. Did you have any large personal expenses for which you required to draw any considerable amount of money from this account?—A. No, I do not know as I did.

Q. I think that before the Public Accounts Committee you said that for the purpose of cartage and other things of a like nature you necessarily had to draw some sums of money?—A. Yes.

Sir CHARLES DAVIDSON: That was a matter of \$50.

Mr. THOMPSON: It was a matter of \$50 all told, I think, he said.

Sir CHARLES DAVIDSON: Would Bauer & Black have to pay the cartage?

Mr. THOMPSON: They were to deliver at the Militia Stores free of expense.

Examination resumed by Mr. Thompson:

Q. Have you got your cheques you issued on this account?—A. I have not.

Q. Where are they?—A. I discarded them; I did not keep them.

Q. When?—A. At the end of the month when they came back.

Sir CHARLES DAVIDSON: Do cheques come back or are they demanded?

Examination resumed by Mr. Thompson:

Q. Were they handed back to you or did you ask for them?—A. I might have asked for them and got them back; I got a number back.

Q. Is it not a fact that you did ask for them?—A. I cannot say I did.

Sir CHARLES DAVIDSON: It is not the custom of banks to hand out cheques.

Mr. HILL: Yes, they do it here I know.

Examination resumed by Mr. Thompson:

Q. Would you send your books over to be balanced every month?—A. Yes.

Q. Did you always destroy the cheques as soon as you received them?—A. They might have been around for a while.

Q. When did you destroy the last one?—A. I cannot just say.

Q. Did you destroy them within a month or so?—A. That is the—

Q. The last cheque?—A. Not within a month or so—no.

Q. Did you destroy the batch within two months?—A. No, I destroyed them, I think, as soon as they came in or shortly afterwards.

Q. Have you got a cheque book?—A. No.

Q. Where did you get your cheques which you wanted to issue against the account?

—A. I used the ones I had in the store.

Q. Were these loose cheques or in a book?—A. They were in a book.

Q. Did you enter up upon the stub of the cheque what the cheque was for?—A. No.

Q. Did you do so in any instance?—A. No.

Q. Is that the book that is used by the Carleton Drug Company?—A. No, they have a separate book.

Q. Have you got that book?—A. No, it is at the store.

Q. Have any other cheques been taken out of it except those you issued?—A. Yes.

Q. How many?—A. I cannot say. It is a book that has been used. People coming in and wanting a cheque would take one out.

Q. Is that a Union Bank cheque book?—A. Yes.

Q. On November 18 you drew \$420. What was that cheque for?—A. Let me see that. (Bank book shown to witness.) I cannot say what account that was to pay. I paid some one in the city by cheque.

Q. I would like you to be careful about these answers because the city accounts apparently which you paid have the names entered up here by the bank in the book. For instance, on the 21st November, you paid the Crown Lithographing Company, \$8; that is entered up; and the Bauer and Black cheques are entered up; the Parke Davis cheques are entered up; Ferris the carter and Islie and Company are entered up; they are all entered up except the four items. I want an explanation of this because that all occurred within one day. On the 18th you drew \$52.31; you have already stated that you had some few expenses and we will let that go. On the same day, however, you drew a cheque for \$420 and there is no name entered opposite to it. What did you pay with that money?—A. I do not remember.

Q. Now, Mr. Powell, you personally had a small account in the Union Bank in the savings, you open an account in the Union Bank and you enter into financial transactions immensely greater than you had ever had to do with before; is not that a fact?—A. Yes.

Q. Would not the sum of \$420 look pretty large to you?—A. I do not know that it would.

Q. Do you usually carry around \$420?—A. No, not usually.

Q. Have you any books of account, ledgers, journals, cash books or different books of that kind?—A. No.

Q. Did you keep any books?—A. Not pertaining to that account—no.

Sir CHARLES DAVIDSON: Have you made no entry in any book of these different accounts and payments?—A. I kept track of them separately, not in books.

Sir CHARLES DAVIDSON: Where are those memoranda?

Mr. POWELL: I do not understand that question.

Sir CHARLES DAVIDSON: Do not answer anything you do not understand. Ample opportunity will be given to you to understand.

Examination resumed by Mr. Thompson:

Q. Have you any account book in which your financial dealings with the Government, Bauer and Black, and so on are entered up?—A. No.

Q. Have you any book of any sort where we can trace any items or payments covered by this bank book?—A. No.

Q. Are you sure?—A. The only things—I do not understand that question.

Q. Let me start afresh. You are employed in the Carleton Drug Company and you know that they keep books of account, do you not?—A. Yes.

Q. Have you any little ledger or memorandum book showing your financial dealings in this case?—A. No, I have not.

Sir CHARLES DAVIDSON: Did you keep the receipts?

Mr. POWELL: I have kept some of the receipts—yes.

Examination resumed by Mr. Thompson:

Q. Did you not keep them all?—A. No.

Q. Because you were very careful of Bauer & Black's invoices and the invoices you rendered to the Government and did you not also keep the receipts of the Crown Lithographing Co., Ferris, and Leslie & Co.?—A. I kept them for a certain length of time, but I have discarded most of them now. I have not kept them all.

Q. Why did you destroy some and not the others?—A. For no definite reason.

Q. Purely whimsical?—A. Just because I did not think there was any use of keeping them.

Q. As you received these receipts, did you put them on your file?—A. I did—yes.

Q. So that the receipts which were destroyed had been filed and then taken off the file?—A. Yes, I had taken them off because I thought we would not need them.

Q. What guided you in your perusal of the receipts as to what you should keep and what you should destroy? For instance, you have the receipts of Russell & Son, John Garland & Co., several from the Grand Trunk Railway Company, and my learned friend says that you have some others over in his office. What guided you?

Mr. HILL: Not quite; I think I have; I would not be sure though.

Examination resumed by Mr. Thompson:

Q. What guided you in your action as to what you would destroy and what you would not destroy?—A. There was nothing.

Q. Why did you keep the Garland receipt and not the other receipt?—A. I have no reason for that.

Q. No reason whatever?—A. No reason whatever.

Q. Is that the best answer you can give?—A. It is, because I perhaps overlooked it when discarding others and it was not discarded.

Q. Did you intend to destroy all your receipts?—A. I did not know that it was necessary to keep them.

Q. Did you intend to destroy all your receipts?—A. Yes.

Q. When did you destroy the others?—A. Some time ago; I cannot say just now.

Q. Was it a month ago?—A. No, before I was up on the other investigation.

Q. Let us go back to this withdrawal on the 18th November of \$420; is that cheque payable to cash or bearer or yourself?—A. It was payable to myself or cash; I do not remember which.

Q. What did you do with the cash?—A. I cannot recall what I did with that.

Q. Do you mean to say that you drew out an amount equalling about nine months of your salary in a lump sum and you cannot tell us now what you did with the money? Do you want the commissioner to believe that?—A. I might have kept that money for a certain length of time; I do not know just what I did with it.

Q. Why did you draw it out?—A. I do not know now what my reasons for it were.

Q. Had you occasion to make any large expenditure by cash?—A. No.

Q. Why, therefore, should you draw out an amount which was equal to about nine months of your salary from this account in the Union bank, which was opened solely and entirely for this government business?—A. I do not remember why I drew that out.

Q. Do you know what you did with it?—A.—

Q. Come now, Mr. Powell, you surely recollect what you did with that amount of money?—A. I do not remember; I cannot recall what I did with that \$400.

Q. Is that the best answer you can give?—A. Yes.

Q. That was on the 18th November that you drew that amount?—A. Yes.

Q. On the following day, in a similar manner apparently, you drew \$1,200; that made \$1,620. What did you do with that cash? Are you prepared to say what you did with it?—A. I cannot say.

Sir CHARLES DAVIDSON: You cannot say? Are you quite sure of that?

[Drugs—Powell.]

The WITNESS: There are some cases I did draw out, I held the money for a while and put it back again to meet the drafts.

Examination resumed by Mr. Thompson:

Q. Mr. Powell, I am afraid that explanation will not do in this instance, as I will show you later. Up to the point I have got, in two days you have drawn an amount which equals five years of your salary and you now tell me you do not know what you did with the cash?—A. I may have deposited it in the savings.

Q. We will see about that later. You have already told us that all the moneys were deposited in this account connected with the Government contract?—A. Yes, all the cheques from the Government were deposited there.

Q. What occasion would you have to draw as large a sum as \$1,200 from this account? No answer?—A. I do not know that I had any occasion to draw it.

Q. Why did you draw it? Cannot you answer?

Sir CHARLES DAVIDSON: I am compelled to say that the manner in which you give your evidence is exceedingly painful for the present.

The WITNESS: What was that question?

Examination resumed by Mr. Thompson:

Q. Do you not know why you drew the sum of \$1,200?—A. I do not know what purpose I used it for. I do not—

Q. Do you know why you withdrew it?—A. I must have drawn that money and given it to somebody else.

Q. Did you not draw it to give it to somebody else?—A. I may have; I do not know.

Q. Is not that the fact?—A. I do not know.

Sir CHARLES DAVIDSON: I want to give you this warning, that if you propose to trifle with your oath, and to trifle with this Commission, you will find yourself doubly mistaken.

Examination resumed by Mr. Thompson:

Q. Is it not the fact that you did draw that sum of \$1,200 for the purpose of giving it to somebody else?—A. Yes.

Q. Did you not draw it at somebody else's suggestion?—A. Yes.

Q. Now, we are getting on better, Mr. Powell. And does not the same apply to the sum of \$420?—A. I cannot say regarding the \$420.

Q. But you can say as to the \$1,200?—A. Yes.

Q. At whose suggestion did you draw the \$1,200? We are getting on very much better now, Mr. Powell, and it would be a pity to spoil it. See if you cannot recollect?—A. I think Mr. Garland's.

Q. To whom did you give the \$1,200?—A. I think I may have given it to him.

Q. It is a large sum of money for a boy in your circumstances, is it not?—A. Fairly large.

Q. Do you not recollect definitely to whom you gave the \$1,200?—A. I gave it to Mr. Garland as far as I remember.

Q. It was at his suggestion you drew the money out of the bank?—A. Yes, he wanted to get some money.

Q. On the 18th November you drew \$420; on the 19th November you drew \$1,200, which you say you gave to Mr. Garland, and again, on the 19th November, you drew the sum of \$800. Was that drawn at Mr. Garland's suggestion?—A. I think it was.

Sir CHARLES DAVIDSON: Do you only think or do you know?

The WITNESS: I know it was.

Examination resumed by Mr. Thompson:

Q. Did you give it to Mr. Garland?—A. Yes.

Mr. THOMPSON: This account is not continued down to date and that is why I am so anxious to have the documents produced. I had a telephone message a moment ago

[Drugs—Powell.]

cases the cheques would come before the drafts were due so that everything would be met in due course.

Q. Was it a matter of surprise to you that a young man like Powell should be dealing in medical supplies to that extent when he was only a drug clerk?—A. It was not a surprise to me when he told me that he had got the orders. He told me that he had got orders and I did not express surprise one way or the other. I never thought anything about it.

Q. But might he not have kept the cheques after receiving payment?—A. No, because he was willing to assign the cheques to the bank if it was necessary to do so. With the cheques the funds are in our hands.

Q. Did you ask him to do that?—A. I asked him if we required it, would he do it. He said that the cheques would all be put in before the drafts fell due. It was never necessary to have an assignment.

Q. Mr. Powell only had a small savings bank account, as you told us, prior to this; were you willing to give such a letter without further inquiry as to his standing?—A. Under the circumstances I was, when he was willing to assign the cheques. We do that in the case of Government orders where he can show a certified order and is willing to assign the cheque to the bank. We consider that is very good security because we have the funds in our own hands.

Q. Did anybody else ask you to write such a letter?—A. No, I have no recollection of any one asking me to write such a letter.

Q. W. J. Shaver, agent of Bauer & Black, states that at the time this transaction was going through and he appointed Powell as agent, he was discussing the matter with Powell and Garland, or with Garland alone, and said something about Powell's financial standing or his trustworthiness and something was said to the effect that—Oh, Powell was all right and they would fix that up. Shaver states that in the course of a very short time, and certainly on the same day, Garland or Powell produced a letter to the effect that Powell was financially responsible to the extent of \$20,000 or \$30,000 and that this letter was signed by the manager of some bank—he does not know which. I presume it was your bank. With these facts called to your recollection, do you still say that you sent the letter to Bauer & Black?—A. I cannot say that I sent it; it was addressed to Bauer & Black.

Q. Whom would you have handed it to?—A. As far as my memory serves me, I think it went out in the mail. I am not sure who took it; I might have handed it to Powell personally.

Q. As against your having mailed it, Shaver who was in a great rush about this transaction states that he took the requisition for supplies to Chicago and took this letter and handed it to his chief?—A. Possibly it may have been handed to Powell; I cannot recollect.

Q. Do you mean to say you kept no copy of it?—A. I went through my copy book but I cannot find it.

Q. It is rather an important letter?—A. It is out of the bank routine in a way.

Sir CHARLES DAVIDSON: All the more reason why you should keep a copy of it.

Examination resumed by Mr. Thompson:

Q. You are sure you kept no copy?—A. I am sure I wrote the letter.

Sir CHARLES DAVIDSON: He states that he gave this letter in response to a letter, as I understood it, received by mail from Bauer & Black. How could that be?

Examination resumed by Mr. Thompson:

Q. Have you got Bauer and Black's letter?—A. I would have to look that up.

Sir CHARLES DAVIDSON: That does not agree with the general features of the evidence.

Mr. ROWAN-LEGGE: It is some time ago now and I would have to look the matter up to go through my record and see what I have, but I am pretty certain that I got a letter from Bauer & Black.

[Drugs—Rowan-Legge.]

Examination resumed by Mr. Thompson:

Q. Will you look that up and we will continue your examination at the next sitting?—A. —

Sir CHARLES DAVIDSON: I hope you will make a diligent search for that letter.

Mr. ROWAN-LEGGE: The one from Bauer & Black?

Sir CHARLES DAVIDSON: The letters to and from Bauer & Black.

Mr. ROWAN-LEGGE: Yes.

Mr. THOMPSON: And also the deposit slips of E. Powell's savings account.

Mr. ROWAN-LEGGE: Yes.

Sir CHARLES DAVIDSON: And also all the cheques.

Mr. ROWAN-LEGGE: The cheques are delivered up at the end of each month.

The witness retired.

E. A. POWELL, recalled:

Sir CHARLES DAVIDSON: Sir Richard McBride, whose name was incidentally mentioned by the Auditor General, desires to take the opportunity of his presence in the city to give his evidence and the Commission will rise at four o'clock and resume at half past four.

Examination resumed by Mr. Thompson:

Q. We discussed these three items of \$420, \$1,200 and \$1,800, and you said you gave other sums of money to Mr. Garland?—A. Yes.

Q. Did you give money to him prior to these dates?—A. I cannot tell unless I see the account.

Q. I will show you the book now. Take your book and tell us which items indicate moneys withdrawn which you gave to Garland. On the 28th September there is a withdrawal of \$100 which the witness points to. Why did you withdraw that—is that for the purpose of payment to Mr. Garland?—A. I cannot say positively. I think perhaps I did.

Q. Is that as close as you can come to it?—A. Yes.

Sir CHARLES DAVIDSON: Who else had you in your mind?—A. I did not give any to anybody else. Sometimes I took out some myself and put it back later.

Examination resumed by Mr. Thompson:

Q. Do you think you put that \$100 back because you see that on the same day you withdrew \$50?—A. No, not both for myself.

Q. Is it likely that you gave that \$100 to Garland?—A. I think it is quite likely I did.

Q. Are there any other items? I see on the 20th October an item of \$100. Was that withdrawn for the same purpose? Why did you withdraw that \$100?—A. I gave that \$100 to Mr. Garland.

Q. I see that on the 20th October there is another \$100.25?—A. He got that.

Q. Did he get any more?—A. I see that on the 10th November, 1914, there was a withdrawal of \$300 without any name opposite to it. Was that given to him?—A. Yes.

Q. Then on the 18th November there is a small one of \$52.31; was that for yourself or Garland?—A. That was for myself.

Q. That about closes the list of cheques which are not indicated as being paid to anybody?—A. I might have used one or two of the small ones myself.

Q. But the ones you used yourself were for such incidentals as a man in your circumstances might require or in connection with cartage and lithographing?—A.

cases the cheques would come before the drafts were due so that everything would be met in due course.

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Sir CHARLES DAVIDSON: That does not agree with the general features of the evidence.

Mr. ROWAN-LEGGE: It is some time ago now and I would have to look the matter up to go through my record and see what I have, but I am pretty certain that I got a letter from Bauer & Black.

[Drugs—Rowan-Legge.]

Examination resumed by Mr. Thompson:

Q. Will you look that up and we will continue your examination at the next sitting?—A. —

Sir CHARLES DAVIDSON: I hope you will make a diligent search for that letter.

Mr. ROWAN-LEGGE: The one from Bauer & Black?

Sir CHARLES DAVIDSON: The letters to and from Bauer & Black.

Mr. ROWAN-LEGGE: Yes.

Mr. THOMPSON: And also the deposit slips of E. Powell's savings account.

Mr. ROWAN-LEGGE: Yes.

Sir CHARLES DAVIDSON: And also all the cheques.

Mr. ROWAN-LEGGE: The cheques are delivered up at the end of each month.

The witness retired.

E. A. POWELL, recalled:

Sir CHARLES DAVIDSON: Sir Richard McBride, whose name was incidentally mentioned by the Auditor General, desires to take the opportunity of his presence in the city to give his evidence and the Commission will rise at four o'clock and resume at half past four.

Examination resumed by Mr. Thompson:

Q. We discussed these three items of \$420, \$1,200 and \$1,800, and you said you gave other sums of money to Mr. Garland?—A. Yes.

Q. Did you give money to him prior to these dates?—A. I cannot tell unless I see the account.

Q. I will show you the book now. Take your book and tell us which items indicate moneys withdrawn which you gave to Garland. On the 28th September there is a withdrawal of \$100 which the witness points to. Why did you withdraw that—is that for the purpose of payment to Mr. Garland?—A. I cannot say positively. I think perhaps I did.

Q. Is that as close as you can come to it?—A. Yes.

Sir CHARLES DAVIDSON: Who else had you in your mind?—A. I did not give any to anybody else. Sometimes I took out some myself and put it back later.

Examination resumed by Mr. Thompson:

Q. Do you think you put that \$100 back because you see that on the same day you withdrew \$50?—A. No, not both for myself.

Q. Is it likely that you gave that \$100 to Garland?—A. I think it is quite likely I did.

Q. Are there any other items? I see on the 20th October an item of \$100. Was that withdrawn for the same purpose? Why did you withdraw that \$100?—A. I gave that \$100 to Mr. Garland.

Q. I see that on the 20th October there is another \$100.25?—A. He got that.

Q. Did he get any more?—A. I see that on the 10th November, 1914, there was a withdrawal of \$300 without any name opposite to it. Was that given to him?—A. Yes.

Q. Then on the 18th November there is a small one of \$52.31; was that for yourself or Garland?—A. That was for myself.

Q. That about closes the list of cheques which are not indicated as being paid to anybody?—A. I might have used one or two of the small ones myself.

Q. But the ones you used yourself were for such incidentals as a man in your circumstances might require or in connection with cartage and lithographing?—A.

And I had some expenses in connection with filling certain of these items in the requisitions.

Q. Now we come down to the 9th March, 1915, and I see that on the 9th March you deposited \$3,400 in your savings account. At that time you opened a savings account?—A. Yes.

Q. You opened a savings account on the 9th March and on that date you made your first deposit of \$3,400?—A. Yes.

Q. The manager says that he thinks that was cash; where did you get the cash?—A. From Mr. Garland.

Q. On the 10th March I find a deposit of \$2,000; where did you get that cash?—A. From Mr. Garland.

Q. So that on the 10th March you had \$5,400 to your credit in the savings account. On the 11th March you made a further deposit of \$900; where did you get that cash?—A. From Mr. Garland.

Q. You had, therefore on the 11th March \$6,300 in your savings account as shown by this statement?—A. Yes.

Q. On the 27th March you drew out \$6,300; was that the cheque you sent addressed to the Chairman of the Public Accounts Committee?—A. Yes.

Q. At whose suggestion was that cheque drawn by you for \$6,300?—A. It was at Mr. Garland's suggestion.

Q. You opened this savings account as the agent of Bauer & Black at Garland's suggestion?—A. I opened that when he returned the money to me.

Q. What did he say about returning the money?—A. I do not remember what passed.

Q. Were you not surprised?—A. He told me that he was returning the money and I had better open a savings account.

Q. Did he not say why he was returning the money?—A. Not that I recollect.

Q. Are you sure?—A. I cannot say any different now; I do not think he gave any reason for returning it.

Q. Now, Mr. Powell, just stop and consider for a moment. The money which Garland returned to you in cash, and which you placed in an account in the savings department of the Union Bank, represented the profit you made on the contract with the Government, did it not?—A. Yes.

Sir CHARLES DAVIDSON: Not that he made but the profit that he had received.

Examination resumed by Mr. Thompson:

Q. It was the profit you had actually received was it not? Your profit was, roughly, \$9,000?—A. Roughly speaking.

Q. And the Government withheld from you \$2,600?—A. Yes.

Q. So that \$6,300, according to the letter you wrote to Mr. Morphy, represented the cash profit you had in hand?—A. Yes.

Q. With those facts before you, when you opened an account for the purpose of receiving the money from Garland, when these large amounts of \$3,400, \$2,000 and \$900 were paid to you by Garland in cash?—A. Yes.

Q. And when they exactly, with the exception of a dollar or two, represented the profit you had in hand from the transaction with the Government?—A. Within a few dollars.

Q. Recollecting all that, can you not say now why it was that Garland returned you the money? What conversation led up to the returning of the money?—A. I cannot say there was any. He told me that he was going to return me the money and he did.

Q. And at his suggestion did you not cheque it out again to W. B. Morphy, Chairman of the Public Accounts Committee?—A. Yes.

[Drugs—Powell.]

Q. With all this before us is it not a fact that with this Government business going on, you were to get \$100 or \$200 and Garland was to get the profit?—A. Nothing was said about it.

Q. Nothing whatever?—A. No.

Sir CHARLES DAVIDSON: Do I understand you solemnly to swear there was no explanation given to you as to why you were handed that money back?

Mr. POWELL: No.

Sir CHARLES DAVIDSON: You do not swear?

Mr. POWELL: I do not understand the question yet.

Sir CHARLES DAVIDSON: Do you swear that there was no explanation of any kind whatever given to you as to why he handed that money back?

Mr. POWELL: Oh, Mr. Garland just informed me he was going to hand the money and gave it to me.

Sir CHARLES DAVIDSON: Without saying why?

Mr. POWELL: Yes.

Sir CHARLES DAVIDSON: And you did not ask him why?

Mr. POWELL: I do not think there was anything said about it that I know of.

Sir CHARLES DAVIDSON: And he accompanied the payment with a statement that you were to pay it back to the Government? Is that it?

Mr. POWELL: Not just then.

Sir CHARLES DAVIDSON: Well, then, do not fall from grace again, Mr. Powell, because you have been doing very well in the last half hour. Speak freely.

Mr. POWELL: Do you mean—you see he returned it.

Sir CHARLES DAVIDSON: What was the statement?

Mr. POWELL: He advised me later to return the money.

Examination resumed by Mr. Thompson:

Q. And was this short little account with large items which you opened in the savings account opened at Mr. Garland's suggestion (exhibit 9)?—A. I think it was.

Sir CHARLES DAVIDSON: You are excused until Monday. I have to expect that in the meantime you will not speak to anybody either directly or indirectly as to your evidence.

The witness retired.

The Commission adjourned until 4.30 o'clock.

The Honourable Sir RICHARD MCBRIDE, Premier of British Columbia, sworn:

Mr. THOMPSON: You are the Prime Minister of British Columbia, Sir Richard McBride?

Sir RICHARD MCBRIDE: Yes.

Mr. THOMPSON: Last year, shortly after the outbreak of the war, you gave your cheque, or arranged for funds, to purchase two submarines from the Electric Boat Company, of New Jersey.

Sir CHARLES DAVIDSON: I would like to have this evidence introduced with a statement of why Sir Richard McBride is here, and why we adjourned to hear his evidence.

Sir RICHARD MCBRIDE: I ascertained this morning, when passing through the city, that this Commission was sitting, and I was desirous to take advantage of this circumstance in order to make a statement, because I feel, on account of the publicity that

[Submarine—McBride.]

had attached to the procurement by the Dominion Government, through me, of these submarines, that such a step was absolutely warranted. I am here to say that I appreciate very much the courtesy of the Commission in giving me an opportunity to come at this hour of the day to make this statement, as I am obliged to leave for the West to-morrow.

In respect to the purchase of these submarines, I am prepared to assume full responsibility. Immediately before war was declared, and when the news sent officially from Europe portended the declaration of war, because of the fact that there were two German ships in our local waters, there was naturally a great deal of commotion among the people, especially of Victoria and Vancouver. They appealed to me to see what might be done in order to afford some protection to these coast cities, and more especially was this highly desirable because the only means of communication we had with Ottawa and London was by way of the C. P. R. and any step that might be taken by the enemy, that could have threatened these terminals or impaired their usefulness in any way at all, would have been of almost irreparable damage to the province and to the Dominion. We are 3,000 miles away from Ottawa, and it is not always possible to make communications here as quickly as one would like, in cases where matters of emergency have to be given attention to.

I undertook, from my own judgment of the situation, to accept the responsibility for the purchase of these vessels, and I carried out the operation and was quite prepared at the time—and I want to make this statement now—to have the province of British Columbia foot the bill, if in their wisdom the Federal authorities thought that operation was an unwarranted one.

It is rather difficult to make persons living here in Ottawa understand just exactly what the feeling among the populace of British Columbia was about this time. I do not think this is the time or the place for one to say very much about the defences, such as they are, which we have along the Pacific seaboard. I have frequently expressed myself on that point before war was declared, but I do believe I can go so far as to say that the procuring of these submarines was a very formidable addition indeed to the defences of our country. The moneys for their purchase amounted to \$1,150,000, and an official cheque, one cheque, was made out by the Treasury and Auditor General's Departments. This was entrusted by me to the senior naval officer, at the time Commander Pilcher, and through Commander Pilcher it was paid over to Mr. Paterson, representing the Seattle Dry Dock and Construction Company, and so far as my information is concerned they secured every cent of that money through the Bank of Commerce.

A statement has been made, and I believe it has gained some currency through the Auditor General for Canada, that the business looked suspicious, and I want in as most positive language as I can use, to say that any statement of that kind made by this official is unwarranted, in fact, and that there is absolutely no foundation for it.

I believe it would be quite competent, to have Mr. Paterson, who represents the Seattle Dry Dock and Construction Company, come before the proper authority and give his full statement of the case, and, since it has been stated that the vessels are not efficient, I think this is a very desirable course, indeed, to follow.

Now sir, if it be of any moment to your Commission, I would like to say to you, on the strength of official statements made by Lieutenant Jones and by Commander Keyes, both of whom have had a considerable experience in submarines, that these two boats are modern, up-to-date, and highly efficient. Lieutenant Jones is still at Esquimalt, and Commander Keyes—

Sir CHARLES DAVIDSON: Of the Royal Navy?

Sir RICHARD MCBRIDE: Of the Royal Navy, and both of whom have had considerable experience with the navy, in the old land.

Before the money was passed over to Mr. Paterson for the purchase of the vessels, Lieutenant Jones spent several hours going carefully over them, examining all their

[Submarine—McBride.]

equipment, their machinery and the general disposition of them, so as to assure himself that what was being purchased would be of use in our waters. He was accompanied by another man, a Mr. Ryan, who has been for some years in the Parliament Buildings, and who has an appreciable knowledge of machinery and equipment of that kind.

Lieutenant Jones was instructed by me, or asked by me, through the Senior Naval Officer, Commander Pilcher, to make a minute examination of the vessels before the cheque was paid over. The vessels are now in Esquimalt harbour and they are open for the investigation of any unbiased person who wants to look them over and see just exactly in what shape they are.

The Construction Company, the Fore River Construction Company, from whose establishment the plans of these vessels are said to have been issued, is a very reputable concern. I am told that the first Holland submarine boats, on the Holland patent, were built by them, and they are still building such vessels for the United States navy. There has been a question raised as to the price. I can only gauge the question of price from conferences I had with Lieutenant Pilcher at the navy yard, and from whom I learned that a similar vessel in the old country generally costs upwards of £120,000. I had not, of course, an opportunity of inspecting these ships, but at all events the statement of Mr. Pilcher gave me an opportunity to approximate some idea of the value of these vessels.

There was a conversation by long distance telephone between Seattle and Victoria, and through some mistake I understand Mr. Barnard was told the vessels could be secured for \$375,000 each. But when the negotiations were opened direct with Mr. Paterson, the price was fixed. And, of course, we had no time to lose, because if we had not secured the vessels then we could not secure them after the declaration of war, and with our two cities being threatened with enemy vessels in nearby waters I did not hesitate over the question of price. My first consideration was to do all in my power to give protection to these very important coast centres.

MR. THOMPSON: Did Mr. Barnard negotiate as to the price?

SIR RICHARD MCBRIDE: Well, Mr. Barnard was in Victoria at the time, and as he is the Federal representative from our capital city it was only right that he should be conferred with respecting the situation. I do not hesitate to say that there was a great deal of excitement among the people, on account of the unpreparedness of these two communities for war conditions. I do not need to dwell on that, but anyhow, Mr. Barnard was called into conference.

MR. THOMPSON: Did he negotiate with Paterson as to the price?

SIR RICHARD MCBRIDE: He had a conversation over the telephone.

MR. THOMPSON: With Paterson?

SIR RICHARD MCBRIDE: Well, either with Paterson or with Captain Logan.

MR. THOMPSON: Who is Captain Logan?

SIR RICHARD MCBRIDE: Captain Logan is Lloyds' representative in Victoria, and it was through Captain Logan we first learned of the fact that we might get these vessels.

MR. THOMPSON: I want to get at who carried on the negotiations with Paterson, or with the Seattle Construction and Dry Dock Company as to the price?

SIR RICHARD MCBRIDE: Captain Logan went to Seattle and he carried on the negotiations there.

MR. THOMPSON: Did he report that \$1,150,000 would be the price?

SIR RICHARD MCBRIDE: He reported over the telephone that that would be the amount.

MR. THOMPSON: He reported?

[Submarine—McBride.]

Sir RICHARD MCBRIDE: Exactly so, and that was the day before war was declared and from our official advice it might be declared at any moment, and there was not a moment to spare.

Mr. THOMPSON: Captain Logan is the one who would speak as to these negotiations.

Sir RICHARD MCBRIDE: Yes, and he can be got in Victoria, he is a resident there.

Mr. THOMPSON: I understand that the Seattle Company were the owners of these vessels?

Sir RICHARD MCBRIDE: They represented as nearly as I have been advised the Fore River Company who controlled the patents really, not the owners.

Mr. THOMPSON: Was it not the Electric Boat Company of New Jersey that built them?

Sir RICHARD MCBRIDE: That is the same company, I think.

Mr. THOMPSON: As I understand it, they forwarded the parts to the Seattle Construction and Dry Dock Company, which company assembled them for the Chilean Government.

Sir RICHARD MCBRIDE: I think that a great deal of the technical part of these vessels was made by the Electric Boat Company of New Jersey and sent out to be assembled there, but at the same time the Seattle Dry Dock and Construction Company have very efficient yards and can undertake to build and complete these vessels in their entirety, so I am advised.

Mr. THOMPSON: Quite so, but was not the Seattle Dry Dock and Construction Company merely the employees, so to speak, of the Electric Boat Company of New Jersey; were they not hired by them to assemble the parts?

Sir RICHARD MCBRIDE: I believe that to be the case, but I did not know at the time.

Mr. THOMPSON: In other words, they were paid for their work.

Sir RICHARD MCBRIDE: I believe that to be the case, but, Mr. Thompson, I did not know it at the time. I knew from Logan that Paterson was a very reputable and responsible man. I could take Logan's word, because he is a man of excellent standing in our community.

Mr. THOMPSON: Did you know at the time as to what the Chilean Government thought of these vessels?

Sir RICHARD MCBRIDE: Only from what Captain Logan had told me. The Chileans, I am informed, had sent out crews to take them over, but Captain Logan's advice to me was that the Chilean Government had failed to come up with the money, which, of course, was a rather large amount, and failing the payment of which the company would not make delivery of the ships.

Sir CHARLES DAVIDSON: What was the contract price?

Sir RICHARD MCBRIDE: I really do not know what the contract price of the Chileans was, I had no means of ascertaining at the time.

Mr. THOMPSON: We could get that from Paterson, if Paterson is willing to come across to Canada.

Sir RICHARD MCBRIDE: Paterson said that under the circumstances it was a reasonable price to pay.

Sir CHARLES DAVIDSON: That is, the sum that you paid.

Sir RICHARD MCBRIDE: Yes, this conversation took place, as nearly as I can remember, very shortly before the declaration of war.

Sir CHARLES DAVIDSON: Have you any reasonable knowledge at the moment as to the price the Chilean Government was to pay?

Sir RICHARD MCBRIDE: I have not, except that I have seen in the newspapers certain statements that were made in the House of Commons, based upon information sent from Seattle, to the effect that the price paid by Canada was excessive.

[Submarine—McBride.]

Mr. THOMPSON: Paterson then, is really the only person who can give us definite information as to that?

Sir RICHARD MCBRIDE: Exactly, and I am quite satisfied that there ought to be no difficulty in getting hold of Mr. Paterson.

Mr. THOMPSON: Would you ask him to come across to the Canadian side in the event of the Commission requiring him?

Sir RICHARD MCBRIDE: I shall be delighted to, or he can make a statement on oath over there. It is likely also that some information may be got direct from the Electric Boat Company's office in New York city, I think they have their head office in New York city. You might get from them a full statement.

Mr. THOMPSON: They would probably supply it at Paterson's request or probably at your request.

Sir RICHARD MCBRIDE: I should think they would supply it at my request, and I would only be too pleased to make the request of them.

Sir CHARLES DAVIDSON: Do so, Sir Richard.

Sir RICHARD MCBRIDE: I will.

Mr. THOMPSON: There are a number of questions I thought of asking Sir Richard but his answers could only be based on hearsay.

Sir CHARLES DAVIDSON: Of what tenor would your questions be?

Mr. THOMPSON: It was really as to why the Chilean Government did not purchase, and that would be hearsay on Sir Richard McBride's part.

Sir RICHARD MCBRIDE: I cannot speak at first hand about that. My only consideration at the time was to get hold of these vessels if I could.

Mr. THOMPSON: At any price?

Sir RICHARD MCBRIDE: Exactly.

Mr. THOMPSON: Considering the emergency?

Sir RICHARD MCBRIDE: Considering the emergency.

Mr. THOMPSON: Even if you had to pay considerably more than they were worth?

Sir RICHARD MCBRIDE: Precisely, that was no consideration as against the life and the property that was to be saved.

Mr. THOMPSON: There is just one question I may ask you—do you know of any rebate or money being paid to any private individual or any official by way of commission?

Sir RICHARD MCBRIDE: Absolutely not one cent.

Sir CHARLES DAVIDSON: Directly or indirectly?

Sir RICHARD MCBRIDE: Directly or indirectly.

Sir CHARLES DAVIDSON: Either as a matter of commission—

Sir RICHARD MCBRIDE: Or otherwise.

Sir CHARLES DAVIDSON: Or as a matter of contribution to election funds, because that has been mentioned?

Sir RICHARD MCBRIDE: I can say positively that I know of no commission that was paid directly or indirectly to any person or persons, corporation or corporations, in respect to this operation.

Sir CHARLES DAVIDSON: Or contribution?

Sir RICHARD MCBRIDE: Or of contribution. I understand that the Auditor General made a visit to British Columbia, and I want to express my very keen regret that when he was there I was unable to see him and give him all the information I could, because I would be only too pleased to supply him with all the information I had in respect to this transaction.

Sir CHARLES DAVIDSON: Mr. Thompson, the Auditor General, in his evidence, made reference to some correspondence. I have asked the Auditor General a moment since if he has that correspondence at present. I think it is desirable we should see it, for it may lead up to some further questions.

To the Auditor General:

Sir CHARLES DAVIDSON: May it be said, Mr. Auditor General, that you now hand to Mr. Thompson the correspondence referred to in your examination before the Commission?

Mr. FRASER (Auditor General): Yes.

Mr. THOMPSON: Shall I read the correspondence, sir?

Sir CHARLES DAVIDSON: I have not seen it; it is the first time it has been produced?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: Perhaps you had better read it.

Mr. THOMPSON: The first of this batch of letters handed to me by the Auditor General is dated the 29th of August, 1914, from the Auditor General to the Deputy Minister of the Naval Service.

Sir CHARLES DAVIDSON: In order to fix the date, Sir Richard, can you mention the date on which this purchase was accomplished?

Sir RICHARD MCBRIDE: I shall do so, as near as I may be able to get to it; I think that we were officially informed that war was declared on the evening of the day that this transaction happened.

Sir CHARLES DAVIDSON: When was your provincial cheque passed?

Sir RICHARD MCBRIDE: The day war was declared, I cannot be precise as to the very hour. The cheque was issued before war was declared, and the transaction carried out.

Sir CHARLES DAVIDSON: Was it a few hours before war was declared, or a day or two before?

Sir RICHARD MCBRIDE: It was not a day or two days, it was a few hours before. It came very close to the official declaration of war, because since then the State Department has carried out certain investigations, at the instance of the German Embassy, into the whole operation.

Sir CHARLES DAVIDSON: Do you mean the State Department of the United States?

Sir RICHARD MCBRIDE: Yes, I have had one of their officials to see me.

Sir CHARLES DAVIDSON: On the ground that there might be a possible breach of neutrality?

Sir RICHARD MCBRIDE: So I was informed. We had not a moment to spare in getting these vessels out of American waters into the British side.

Mr. THOMPSON: I do not know that this correspondence is of much service at the present time.

Sir CHARLES DAVIDSON: It is proper to call it to the attention of Sir Richard.

Mr. THOMPSON: The first letter on this file of correspondence, handed to me by the Auditor General, is a letter from the Auditor General to the Deputy Minister of Naval Service, dated August 29, 1914, and it reads:—

AUDITOR GENERAL'S OFFICE, 29th August, 1914.

The Deputy Minister of Naval Service,
Ottawa.

SIR,—I have to acknowledge receipt of your application No. 700 of 26th August, for the payment of \$1,150,000 to the Canadian Bank of Commerce, being amount advanced to the Provincial Government of British Columbia for the purchase of two submarines for your department.

[Submarine—McBride.]

Before dealing with this application, it will be necessary for you to furnish me with the report of the technical officers of your department mentioned in the Order in Council of 7th August, and also the bill of sale or other documents vesting the ownership in the Dominion Government. You will observe that the amount authorized in the above Order in Council is only \$1,050,000, and this amount corresponds with the amount said to have been advanced by the Provincial Government of British Columbia, as stated in the telegram of Sir Richard McBride to the Prime Minister, dated 4th August, 1914.

I should also be furnished with an explanation as to what purpose the additional sum of \$100,000 is to be applied, and also with an Order in Council authorizing the payment of this sum for such purpose.

I am, sir,

Your obedient servant,

J. FRASER,
Auditor General.

On the 4th of August there was a telegram from Sir Richard McBride to the Right Honourable Sir Robert Borden, Prime Minister, as follows:—

VICTORIA, B.C., August 4, 1914.

Right Honourable Sir ROBERT BORDEN,
Prime Minister,
Ottawa.

After consultation with Burrell and naval officers have advanced to-night one million one hundred and fifty thousand dollars to Lieutenant Pilcher, senior naval officer in command, for purchase two modern submarines lying Seattle harbour and built for Chile. All arrangements complete for their arrival Esquimalt to-morrow morning unless untold incident occurs. Congratulate Canada if this operation successful on acquisition of such useful adjunct defence of country.

R. McBRIDE.

I hereby certify that the above is a true and accurate transcription of a cipher Canadian Pacific telegraph message received by the Prime Minister from Sir Richard McBride.

A. E. BLOUNT.

At the end of that telegram it will be noted that there is a certificate of A. E. Blount to the effect that the above is a true and correct transcription of the telegram, which was sent in code.

Mr. FRASER: Allow me to make a remark there. The reason for that certificate was that the first telegram stated the sum to be \$1,050,000, and there seems to have been a misunderstanding all around, and it was so reported to Parliament.

Sir RICHARD McBRIDE: That was a telegram from my office.

Mr. FRASER: Yes.

Sir RICHARD McBRIDE: Did you see the original telegram when you were in Victoria? I am quite satisfied that if you looked at that original telegram you would find that the sum stated there was \$1,150,000.

Mr. FRASER: Mr. Blount has rectified that by saying that there was an error in the transcription.

Sir RICHARD McBRIDE: I think it would be only a decent thing for you to do to take advantage of the time you were in Victoria to look at this original telegram, and it would clean that up on the spot.

[Submarine—McBride.]

Sir CHARLES DAVIDSON: Perhaps we had better drop this discussion.

Mr. THOMPSON: The Deputy Minister of Naval Affairs writes to the Auditor General, on October 10, 1914, answering his letter of the 29th of August, 1914, as follows:—

The Auditor General,
Ottawa.

DEPARTMENT OF NAVAL SERVICE,
OTTAWA, October 10, 1914.

SIR,—I have the honour to acknowledge the receipt of your letter of August 29 last with reference to our application No. 700 for the payment of \$1,150,000 to the Canadian Bank of Commerce, being amount advanced to the Provincial Government of British Columbia for the purchase of two submarines for this department.

Owing to a clerical error the purchase price mentioned in the copy of the telegram attached to our application was shown as \$1,050,000, whereas the actual price is \$1,150,000.

I enclose herewith a certified copy of the telegram received by the Premier, which I would ask you to substitute for the copy forwarded with our application.

I have the honour to be, sir,

Your obedient servant,

G. J. DESBARATS,
Deputy Minister.

Mr. THOMPSON: On the 24th of September, 1914, the Auditor General wrote to the Manager of the Canadian Bank of Commerce, Victoria, B.C., as follows:—

AUDITOR GENERAL'S OFFICE,
OTTAWA, September 24, 1914.

SIR,—I have an application from the Naval Department to pay the Canadian Bank of Commerce the sum of \$1,150,000, advanced by the bank in connection with the purchase of two submarines.

As I have not sufficient information before me to enable me to authorize the payment I have to request that you will let me know to whom the advance was made and in whose favour, and for what amounts the several drafts were drawn, and where they were payable.

I am, sir,

Your obedient servant,

J. FRASER,
Auditor General.

The Manager,
The Canadian Bank of Commerce,
Victoria, B.C.

Mr. THOMPSON: The Manager of the Canadian Bank of Commerce at Victoria, on the 1st of October, wrote to the Auditor General as follows:

THE CANADIAN BANK OF COMMERCE,
VICTORIA, B.C., 1st October, 1914.

J. FRASER, ESQ.,
Auditor General,
Ottawa, Can.

DEAR SIR,—Referring to your letter of the 24th September regarding payment of \$1,150,000, I have taken the matter up with the Government here, and will write you later.

Yours truly,

Sgd. F. L. CRAWFORD,
Manager.

Mr. THOMPSON: That was followed by a letter on the 26th of October from the Manager of the Canadian Bank of Commerce, Victoria, as follows:—

THE CANADIAN BANK OF COMMERCE,
VICTORIA, B.C., October 26, 1914.

The Auditor General of Canada,
Ottawa, Ont.

SIR,—Referring to your letter of September 24, we issued three drafts on August 6, 1914, in favour of J. V. Paterson, as follows:—

No. 84894—on the Canadian Bank of Commerce, Seattle, \$249,961.

No. 15882—on the Canadian Bank of Commerce, New York, \$500,000.

No. 3—on the Canadian Bank of Commerce, New York, \$399,437.50.

These were paid for by cheque of the Provincial Government of British Columbia, for \$1,150,000.

I am, sir, your obedient servant,

F. L. CRAWFORD,
Manager.

Sir CHARLES DAVIDSON: I suppose that was a banking operation, so far as the bank was concerned, in distributing these drafts over three banks?

Mr. THOMPSON: It was J. V. Paterson's arrangement, evidently. The money was paid to J. V. Paterson and then he evidently purchased these three drafts referred to by the Bank of Commerce, one on the Bank of Commerce in Seattle and two on New York. The two purchased on New York by Paterson amounted to \$899,000.

Sir CHARLES DAVIDSON: As I understand, Sir Richard, the cheque was paid over in Seattle; it was carried to Seattle by this naval officer, was it?

Sir RICHARD McBride: Lieutenant Jones got these vessels in neutral waters and he examined them there. Paterson was on one of them. When the examination was complete and when Lieutenant Jones was satisfied that the vessels were efficient, the cheque was paid over. I believe Paterson came along to Victoria then. As a matter of fact I saw him in the morning when he got there.

Sir CHARLES DAVIDSON: That would appear to be so, because if the submarines took Paterson back to the United States they might have been interned.

Sir RICHARD McBride: Of course, under the neutrality law, we could not have got them. We could not buy warships that were already launched and in commission.

Mr. THOMPSON: Attached to this correspondence are some details of the submarines furnished to the Auditor General by the Marine Department, giving the specifications of the vessels and so on, but I do not suppose it is necessary to read them. attached to the correspondence also, is an index.

Sir CHARLES DAVIDSON: Mr. Auditor General, are there any questions which you could suggest as being desirable to be put to Sir Richard McBride?

Mr. FRASER: No.

Sir CHARLES DAVIDSON: If there are any, I hope you will freely mention them.

Mr. FRASER: I do not know that there is anything more than Mr. Thompson has asked him and the suggestion that Mr. Paterson, who is the one who can clear up the suspicion or rumour, should be examined.

Sir CHARLES DAVIDSON: What was the suspicion and what were the rumours?

Mr. FRASER: That there was a very large commission paid.

Sir CHARLES DAVIDSON: Did you hear anything further than that?

Mr. FRASER: There were some rumours that I would not care to put on record here; I do not think it would be fair to do so.

Mr. THOMPSON: You considered them not substantiated?

[Submarine—McBride.]

Mr. FRASER: Not substantiated.

Mr. THOMPSON: Not substantiated at all events sufficiently to make a statement with regard to them before the Commission?

Mr. FRASER: Yes.

Sir CHARLES DAVIDSON: Is this the whole of the correspondence which you have in your department respecting submarines?

Mr. FRASER: Yes.

Sir CHARLES DAVIDSON: Private or otherwise; have you private correspondence?

Mr. FRASER: I had some, but not in connection with any of the people dealing with the matter at all.

Sir CHARLES DAVIDSON: Of what character?

Mr. FRASER: Sometimes people might have been giving me some information.

Sir CHARLES DAVIDSON: Have you pursued that information?

Mr. FRASER: As far as I could.

Sir CHARLES DAVIDSON: And?

Mr. FRASER: Without results, as I say. I think the only man who can clear it up is Mr. Paterson.

Sir CHARLES DAVIDSON: If there is any question you can put to Sir Richard at the present time it can be freely put, and I would desire you to do so.

Mr. FRASER: I would have no hesitation in stating these things to which I have referred, but it would not be fair to do so; it would lead to endless controversy.

Sir CHARLES DAVIDSON: I do not think it would be proper to introduce names.

Mr. FRASER: Permit me to say, in reply to the remarks of Sir Richard, about my trip to British Columbia, that I will be prepared to discuss anything I have done in connection with it at any time. I spoke very freely to Mr. Bowser, and told him the rumours and everything else, in order to show him the necessity for getting me some document to show that Mr. Paterson had received the amount of the cheque. At that time I had absolutely nothing in the way of a voucher that would warrant me in issuing my certificate for the payment of the amount, and after about half an hour's conversation I got a receipt from Mr. Paterson to Sir Richard McBride for the money. Sir Richard's secretary did not wish to give it up in his absence, and I said there could be no payment made until I got it, and they gave it to me.

Sir RICHARD MCBRIDE: Was that receipt signed by Pilcher or by Paterson?

Mr. FRASER: By Paterson. There was a memorandum on one page of the receipt, there was a letter from yourself to Pilcher, introducing Mr. Ryan, as the bearer of the cheque.

Sir RICHARD MCBRIDE: Yes, he took it down to Esquimalt.

Mr. FRASER: Then, on the other side, there was a receipt from Paterson for \$1,150,000. Up to that time I had nothing but the first telegram, which said \$1,050,000, and on which the Government acted. They passed an Order in Council and reported it to Parliament as being the price. I think Sir Richard will see that I would not be justified in paying out \$1,150,000 without making some inquiry as to the difference.

Sir RICHARD MCBRIDE: If you will allow me, Mr. Commissioner, to address Mr. Fraser, I will say: Mr. Fraser, I can see that this circumstance excited some considerable suspicion in your mind, and rightly so, as the Auditor General and the person responsible for the accounting of the Government departments, but I would conclude from the correspondence, which Mr. Thompson has just read, that that mistake occurred in the offices at Ottawa; I would infer that the telegram came through intact, mentioning \$1,150,000, but that the mistake was in sending the copy along to some other department, where they omitted to put in the \$100,000.

[Submarine—McBride.]

Mr. FRASER: It was in cipher code and the mistake apparently was made in decoding.

Mr. THOMPSON: Mr. Fraser, have you any observations to make as to the complaint of Sir Richard with reference to not having an interview with him in Victoria?

Mr. FRASER: I had no opportunity. Sir Richard had the opportunity if he wanted to find anything from me, because he was afterwards in Ottawa here.

Mr. THOMPSON: I mean, during your visit to British Columbia.

Mr. FRASER: Sir Richard was not there then.

Sir RICHARD MCBRIDE: Mr. Commissioner, if you will allow me, the point occurred to me, of course, when I made the statement a moment ago, that if I had been there perhaps it would have been some benefit to the Auditor General to have interviewed me personally. This operation was, in a measure, of a confidential character, and it had to be of such a character at that particular time. These are war times, you will understand, and there are things that you cannot with propriety disclose to the public and especially to the enemy, but I might have been able to write to the Auditor General to satisfy his mind on some of these points, and I do feel, Mr. Fraser, that when you were in Victoria, considering your high official position, you might have gone to the telegraph office, or gone to my secretary, and seen what that telegram stated, if only for your own peace of mind.

Mr. FRASER: I got that point settled before going to Victoria, when Mr. Blount gave the certificate that a mistake had been made in the transcription, and that point was then out of my mind completely. Then there was the answer of the Bank of Commerce to my letter. I wrote asking a very simple question as to the disposition that had been made of the drafts that were purchased, and I received a reply that they would have to consult the Provincial Government before they could give me any information. Then there was the absence of a report from the naval official, a report that is mentioned in the Order in Council and a report which I have been unable to get to this day, and which I have been told did not exist. All these things, everything connected with the transaction, so far as I was concerned, tended to increase the suspicion instead of allaying it. And at the time when you were in Ottawa here, and Mr. Burrell called to see me, pressing me to pay, perhaps that was after you went away, stating that they were very anxious to have the matter settled up, I told him the suspicions and the rumours and asked him to have them cleared up and to get me some document or other that would show that these vessels were transferred to the Dominion Government, or something in the shape of a voucher. I had nothing. I did not have your cheque, Sir Richard. I have seen a copy of it since. Instead of receiving assistance to settle the matter, I received practically nothing, and the Finance Department was pressing me to have the account settled, so that they could adjust their accounts, and it was more to accommodate them that I made the trip to British Columbia than anything else. I said: I will go out and see what I can find, and if I can get a voucher, anything that I can pass on, I will settle the matter, but otherwise it would have been in an unsettled condition still.

Sir CHARLES DAVIDSON: How did these vessels become vested in the Dominion Government?

Sir RICHARD MCBRIDE: They were taken over by Lieutenant Jones.

Sir CHARLES DAVIDSON: I mean as to the question of title?

Sir RICHARD MCBRIDE: He simply took physical possession of them, and hoisted on each of them the white ensign, the navy flag, and brought them into our harbours.

Sir CHARLES DAVIDSON: There must have been some evidence of title, what was the evidence of title?

Sir RICHARD MCBRIDE: There was no bill of sale made that I know of, there was no time for formalities, Mr. Commissioner.

Sir CHARLES DAVIDSON: They were simply handed over physically?

[Submarine—McBride.]

SIR RICHARD MCBRIDE: Yes. There was no time for any of the usual trimmings, so to speak, every moment counted. Perhaps if some of the gentlemen here had been out there, they would appreciate what the situation was. All I have to say as a Canadian is, that I look with very great regret now upon the line of conduct pursued by some men who forget everything else in their anxiety to attach wrong doing to this transaction. It does not sharpen a man's ambition to serve his country when he finds people actuated by political pique or bias, ready and only too willing to ascribe to him all sorts of despicable and damnable motives.

MR. FRASER: I hope you do not include me in that?

SIR RICHARD MCBRIDE: I hope not, Mr. Auditor General. I would not say so. But I understand you have made the statement officially, that you looked upon the transaction as a suspicious one, and I think that is very regrettable.

MR. FRASER: I do not recollect having made that statement, but I have mentioned the circumstances that certainly made the transaction suspicious, in connection with the other information that I had received, the public reports in the Seattle papers.

SIR RICHARD MCBRIDE: And you, as Auditor General for Canada, are willing to take a newspaper report at any time?

MR. FRASER: Oh not at all.

SIR CHARLES DAVIDSON: Well, gentlemen, if there are no other questions to be put to Sir Richard McBride the Commission stands adjourned until Monday morning, at ten o'clock.

MR. FRASER: Pardon me, while Sir Richard is here, I wish to say that if he wishes that I should relate the conversation that took place between myself and his colleague, I have no hesitation in relating it.

SIR CHARLES DAVIDSON: I think not, Mr. Auditor General, if it is a matter of fact, then it should go in as evidence.

MR. FRASER: I shall give it to Sir Richard himself.

SIR CHARLES DAVIDSON: You can give it to Sir Richard if you wish, but we are here to deal with facts.

SIR RICHARD MCBRIDE: Certainly, I do not know what it is, but I would certainly like to get it.

The Commission adjourned until Monday morning, at ten o'clock.

OTTAWA, MONDAY, June 28, 1915.

PRESENT:

Honourable Sir CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met at ten o'clock this morning.

[Submarine—McBride.]

AUBREY ROWAN-LEGGE, bank manager, already sworn, recalled:

By Mr. Thompson:

Q. I was asking you the other day, Mr. Legge, about a letter which you addressed to Bauer & Black as to Powell's financial stability?—A. Yes.

Q. Have you been able to find a copy of that letter?—A. No, I have not got it.

Q. You stated that you thought that letter was to Bauer & Black, in response to a request by them, have you got their letter to you acknowledging that letter?—A. There is no such letter there at all. There is no trace of any such letter.

Q. If they had written such a letter, is it not altogether likely you would have it on the bank files?—A. Certainly.

Q. As you have not got it on the bank files, is it not altogether probable no such letter was addressed to you?—A. Yes.

Q. As you gave such a letter, can you recollect by whose request it was given?—A. If it was not by the firm, it was a request from Mr. Garland or Mr. Powell.

Q. But we have eliminated from the discussion that it was at the request of the firm?—A. Yes.

Q. It must have been a request by Garland or by Powell?—A. Yes.

Q. Can you recollect whether you saw Powell about this contract or about that account that he opened in the name of E. Powell, agent for Bauer & Black, before the account was actually opened?—A. Oh, yes, on several occasions.

Q. Did he discuss the question of opening the account with you?—A. Yes.

Q. As agent for Bauer & Black?—A. I do not know that it was as agent for Bauer & Black, he just discussed the opening of the account.

Q. Did he say for what purpose the account was opened?—A. Yes.

Q. Did he state the nature of the business he was doing with the Government?—A. Yes. I would like to make a statement about this letter. I see that the press has evidently got a wrong impression about it, or at least it sent out reports that this letter was a letter of credit. There was no letter of credit given at all, the letter simply stated—

Sir CHARLES DAVIDSON: We have not yet heard that the letter cannot be found; we have not heard as to his ability to produce this letter which he wrote.

Mr. TILLEY: He could not produce that as it was original; he might have been able to get a copy.

Mr. THOMPSON: I asked him that question.

Sir CHARLES DAVIDSON: He was to look for it.

By Mr. Thompson:

Q. Have you looked for a copy of the letter?—A. There is no copy at all.

Q. Did you find any record of any correspondence with reference to it?—A. No, there would be no correspondence, it was just a letter addressed to Bauer & Black. The only reason I think possibly a copy was not taken was that it was not at the request of Bauer & Black but at the request of either Mr. Garland or Mr. Powell and that it was written and handed right out without copying. But I would like to make a statement about this letter, because there has been a wrong impression apparently left about it. It is said that there was a letter of credit issued. There was no letter of credit given. The letter simply stated that I had known Mr. Powell and as far as I knew he was trustworthy, and that I knew he was to get orders from the Government, and that if so any draughts drawn by Bauer & Black, satisfactory arrangements would be made whereby these drafts would be met by the bank as they fell due. At the time I understood that this would not be all in one draft, it would be in sundry small amounts, so that there was no credit necessary for the transaction at all.

Mr. THOMPSON: I may state that I did not get a wrong impression about that.

Mr. ROWAN-LEGGE: No, but that is the impression given by the press reports. It was so reported by the press, and this impression did get abroad.

By Mr. Thompson:

Q. You think Powell may have asked you for a letter?—A. Possibly he may.

Q. Did Garland discuss this contract with the Government?—A. Yes.

Q. He did?—A. He did.

Q. Did he say that Powell was getting it?—A. Well he did not say he was getting it, but expected to get it.

Q. Did he discuss this contract with you more than once?—A. Oh yes, I think on several occasions.

Q. Did he intimate to you in any way whether he had an interest in that contract?—A. No, there was no information of that kind given.

Q. Or in the profits?—A. No there was no intimation of that sort at all.

Q. Did he at any time state that to you?—A. No, there was no information given to me at all.

Q. Did Garland guarantee Powell's fidelity, or give any guarantee to your bank with reference to Powell, before you gave the letter of recommendation?—A. None whatever.

Q. You, on Friday last, produced two accounts of E. Powell, agent of Bauer & Black, one current account and one savings, and Powell informed us that he has another account in the savings in your bank?—A. Yes.

Q. Have you produced that?—A. Yes.

(Account referred to filed as Exhibit No. 22, Drugs.)

Q. This Exhibit 22, which you now produce, as I understand it, is a ledger statement of E. Powell's personal account in the savings department of the Somerset Street branch of your bank?—A. Yes.

Q. What balance does it show?—A. \$5.46.

Q. What was the maximum balance he ever had?—A. \$105.32.

Sir CHARLES DAVIDSON: Having these two accounts, one current and the other savings, why were there certain other accounts opened?

By Mr. Thompson:

Q. Do these three accounts cover all the accounts which Powell has, either in his own name, or as agent, or as trustee, in your branch?—A. That is all.

Q. As he already had a current account and a savings account in your branch, why was that further savings account opened in his name, as agent for Bauer & Black?—A. I do not know any reason, except possibly on account of its being in connection with that business, that possibly the idea was to keep it separate.

Q. Whose idea was it to keep it separate?—A. Mr. Powell's, I suppose.

Q. Did he discuss the opening of a new account with you?—A. No, I do not think so.

Q. It was rather a large amount for deposit?—A. That is the reason it would be in the savings.

Q. Have you any recollection whatever as to why that fresh account was opened?—A. None whatever, I do not think there was any reason stated why it was opened.

Q. Did he tell you he wanted it opened in the name of E. Powell, as agent of Bauer & Black?—A. No, he did not.

Q. Did you open it in that style of your own motion?—A. Yes, just as distinguishing who E. Powell was.

Q. How did you know that this money, which he was then depositing, was being deposited by him as agent for Bauer & Black instead of for himself personally, and to be deposited in his own private savings account?—A. We had no reason for knowing, more than the fact of putting Bauer & Black on the top of the page more to distinguish who this E. Powell was.

Q. But he had already had a savings account in your bank?—A. I know that.

[Drugs—Rowan-Legge.]

Q. How did you know that the money which he was depositing in the new account was in his hands as agent for Bauer & Black?—A. I did not know that, it was simply a head on the sheet to distinguish who Powell was, he was agent for Bauer & Black.

Q. There was already an E. Powell account in the savings?—A. At that time I was under the impression that that account had been closed altogether. There had no entries gone through for some years. It was merely a balance of interest that had remained there.

Q. Is that why the account was opened in that manner?—A. I would not state it was, I probably think it was, the reason I concluded the account was closed, and we would have to run through the ledgers to see where it was.

Q. Did you know where Powell secured the sum of \$3,400 which he deposited in that savings account?—A. We have absolutely no way of telling where money comes from.

Q. Did he tell you where he got it?—A. No, he did not.

Q. Did he discuss that question in any way with you when he opened the account?—A. No, he did not.

The witness retired.

J. LORNE ROCHESTER, of the city of Ottawa, already sworn, recalled:

By Mr. Thompson:

Q. You were asked on Friday to prepare a statement showing the profits made by Powell on his transactions?—A. Yes.

Q. Will you tell the Commissioner what the profits amounted to?—A. The profits amounted to \$8,708.73.

Sir CHARLES DAVIDSON: Another statement makes it \$8,900.

The WITNESS: There were some odd amounts supplied to the Government that were not included in these invoices of Bauer & Black.

By Mr. Thompson:

Q. Were those extra items you speak of included in Powell's invoices which were rendered to the Government under the bill head of E. Powell, agent for Bauer & Black?—A. I expect so.

Q. Did you examine the invoices to ascertain that?—A. The only invoices I examined were the ones his lordship gave me to look over and make a statement as to them.

Q. These also bore the bill-head, "E. Powell, agent for Bauer & Black"?—A. Yes.

Q. Have you calculated what the percentage was?—A. The percentage was twenty-nine per cent.

Q. In view of the circumstances under which this business was done, which we discussed the other day when you were giving evidence, what do you say as to the reasonableness of that profit?—A. I consider the profit quite fair under the circumstances. The Government were evidently bound to buy from a middleman and under these circumstances the only parties that they could go to for these goods were either a retail druggist or an agent.

Q. Supposing the Government was not buying, or had not decided to buy, as you suggest, through a middleman, what would you say as to the reasonableness of that profit?—A. They could have bought the stuff a great deal cheaper, there is no question about that.

Q. You think that is a fair profit?—A. For a middleman, yes.

Q. And you have looked at it in a fair unbiased manner?—A. I have.

Q. When did you retire from business, Mr. Rochester?—A. About two years ago.

Q. Where did you carry on business?—A. At the corner of Sparks and Bank street.

Q. When you retired from business did you sell out to Garland or to the Carleton Drug Store?—A. Oh, no, they had nothing to do with it whatever.

Q. Did they have anything to do with the purchase of your business or your stock?—A. No.

Q. Did they buy any of your stock?—A. No, not a cent's worth.

Q. Are you a shareholder in the Carleton Drug Store?—A. I did have.

Q. Are you a shareholder now?—A. I am not a shareholder at the present time. At the time the company was organized, incorporating the drug business, it is requisite to have three druggists on the directorate. In that way, my name appeared on the directorate as one of the druggists holding one share, I never held more than one share, which was not purchased.

Q. Did you not own a drug store out on Wellington street?—A. I owned a drug store there.

Q. Which drug store?—A. Mr. Garland's drug store.

Q. The drug store that he is in now?—A. Yes.

Q. Did he take over your lease?—A. He bought the drug store.

Q. Did he take over your lease?—A. Some years ago, yes.

Q. Did you own the property?—A. I did not own the property, no.

Q. How many years ago was it that he took over that store?—A. That must be seven or eight years ago.

Sir CHARLES DAVIDSON: What was the date of the first invoice?

The WITNESS: The date of the first invoice was August 15, 1914.

Sir CHARLES DAVIDSON: And what was the date of the last invoice?

The WITNESS: The last invoice was in October.

Sir CHARLES DAVIDSON: How many weeks.

The WITNESS: About two months.

Sir CHARLES DAVIDSON: And you consider it a reasonable profit?

The WITNESS: I consider the profit is reasonable.

Sir CHARLES DAVIDSON: Wait a moment, you consider it a reasonable profit to make \$9,000 in two months on a transaction of this amount?

The WITNESS: I consider it is reasonable. A man in business would have to make twenty-five per cent to cover his overhead expenses, that is a gross profit of twenty-five per cent, not a net profit.

Sir CHARLES DAVIDSON: I am speaking of the \$9,000.

The WITNESS: That is gross profit.

By Mr. Thompson:

Q. I pointed out to you the other day that Powell would have no overhead charges as he was not carrying on business and had no rent to pay for his store, and I asked you to take this into consideration; did you do so?—A. Yes.

Q. And you still say it is a fair profit?—A. The reason for my claiming it is a fair profit is that Powell knew if the Government bought from any other source, other than from him, they would have to charge at least thirty per cent on account of overhead expenses being twenty-five per cent; you cannot run a drug business under twenty-five per cent.

Q. Do you know what Powell thought about it at all?—A. I am figuring he would figure the same as any other business man with regard to the thing.

Mr. THOMPSON: All right.

The witness retired.

Statement produced by the witness Rochester, as to profits, filed as Exhibit 23.

[Drugs—Rochester.]

E. POWELL, drug clerk, of the city of Ottawa, already sworn, recalled:—

Examined by Mr. Thompson:

Q. Will you look at your bank book, Exhibit 18, and state exactly the total amount of money you paid to Bauer & Black?—A. According to this, it is \$31,519.60.

Q. How much did you draw for your own personal use?—I can only recall drawing \$50.

Q. How much did you pay out by cheque in order to pay cartage and other expenses in connection with the contract?—A. \$364.64.

Q. On what date did you make the first payment of cash to Garland?—A. September 5.

Q. What year?—A. 1914.

Q. How much did you pay Garland on that day?—A. \$50.

Q. On what date did you make any other payment to him, what was the next date on which you paid him money?—A. September 28, 1914.

Q. How much did you pay him on that day?—A. \$100.

Q. What was the next date on which you made any payment to him?—A. October 20, 1914.

Q. How much did you pay him on that day?—A. \$100.

Q. On what date did you make the next payment to Garland?—A. On the same date, October 20, 1914, \$44.

Q. What was the next date on which you made a payment to Garland?—A. On October 24, 1914.

Q. How much did you pay him on October 24, 1914?—A. \$100.25.

Q. What was the next date on which you paid money to Garland?—A. November 2.

Q. How much did you pay him on November 2?—A. \$3,000.

Q. Was that paid in cash to Garland?—A. Yes.

Q. What was the next date on which you paid money to Garland out of this account?—A. On November 10.

Q. How much did you pay Garland on that day?—A. \$300.

Q. What was the next date on which you paid money to Garland?—A. November 18.

Q. How much did you pay him then?—A. \$52.31.

Q. When did you pay him any other money?—A. On the same day.

Q. How much did you pay him on the same day?—A. \$420.

Q. What was the next date on which you paid money to Garland?—A. On November 19.

Q. How much did you pay him on the 19th November?—A. \$1,200.

Q. When did you next pay money to Garland?—A. On the same day.

Q. How much did you pay him on the same day, namely, 19th of November?—A. \$1,800.

Q. Did you pay any other money to Garland?—A. Yes. According to this there is another cheque of \$2,000 on the 22nd of November.

Q. Is that all?—A. That is all.

Q. Is that all the money you paid to Garland?—A. Yes.

Q. Was all that money which you have just stated drawn from your current account in the Somerset Street branch of the Union Bank?—A. Yes.

Q. Was it drawn by you on these dates at Garland's request?—A. Yes.

Q. Did you hand it to Garland at his request?—A. No, I did not hand it to Garland himself.

Q. You did not hand it to Garland himself?—A. I did not hand it to Garland.

Q. Then my questions with regard to these payments, as to on what dates you paid money to Garland, and you gave me twelve different items that you paid to Garland, you have to be asked over again, because you now say you did not pay money to Garland personally?—A. Not in all cases.

Q. In which cases did you not pay the money to Garland personally. Let us get at it in another way; which sums do you state positively you did pay to Garland personally?—A. I do not think there was any that I gave directly to Garland, I left them for him with somebody else.

Q. I asked you specifically on what dates you drew the money from your current account and paid the money to Garland, and you gave me twelve different items, and you now state you did not give the money to Garland himself, I would like you to explain that?—A. The money was for Garland, but I did not hand it to him myself.

Q. How do you know it was for Garland?—A. Because it was at his request I drew it.

Q. What did he tell you to do with the money?—A. Sometimes it was left at the store for him.

Q. Did he tell you to leave it at the store?—A. He told me to give it to somebody else for him.

Q. Do you recollect which items he told you to leave at the store for him and which items were left at the store for Garland?—A. I cannot say which ones, I cannot recall that.

Q. Can you tell me which sums you paid to Garland personally and directly?—A. I did not give him any directly.

Q. To whom did you give the sums of money which you withdrew from the bank and which you did not leave at the store, I want the names of those persons?

Mr. Thompson, after consultation with Mr. Tilley and Mr. Hill, counsel for Mr. Garland.

Mr. THOMPSON: I do not want to confuse the witness, but my learned friend Mr. Tilley informs me that certain amounts which were drawn, as indicated by the witness, were left at the store at Garland's request, for the purpose of paying bills or accounts, and that his client, W. F. Garland, will admit the receipt of the various sums detailed already by this witness.

Mr. TILLEY: Substantially.

Mr. HILL: Approximately.

By Mr. Thompson:

Q. Mr. Rowan-Legge has produced here three accounts which you opened in his branch, one a small personal savings account, another a savings account in the name of E. Powell, agent for Bauer & Black, and the other, a current account, "E. Powell, Bauer & Black"; do these three accounts cover all the accounts you had in that bank?—A. Yes.

Q. Have you got any account in any other bank?—A. Yes.

Q. Were any moneys directly or indirectly received from the Government, or from any other person, in respect to this transaction, paid into such other account or accounts?—A. No.

Q. Are you positive about that?—A. Positive, everything was done from this one account here.

Q. Do you recollect the day on which Donaldson first went down to your place of business to inspect Bauer & Black's invoices, or to discuss the account with you?—A. I cannot give the exact date, it was some time about the first of September.

Q. That would be about the date of your letter to Brown, would it not?—A. Which letter is that?

Q. You wrote to Brown on the 1st of September, stating that you could not make the price any lower than 23 cents?—A. He was there before that letter.

Q. Are you sure?—A. I think so.

Q. Then you wrote on the 3rd September to Brown, in which you said that you had reduced the price to 21 cents, would it be after that?—A. That is the letter I have reference to.

Q. Did Donaldson call after that letter was written. You said in that letter "this is the very lowest that I can do because as you are aware there is a specially prepared

[Drugs—Powell.]

package Bauer & Black had to make." This reduces it from 23 cents to 21 cents?—A. Exactly. I think it was before that letter.

Q. He therefore must have called on you, according to your recollection, between the 1st of September and the 3rd of September?—A. Yes.

Q. How do you fix that date as the time when he did call?—A. Well he was sent out by Mr. Brown regarding the price on the field dressings, when they were sent in, at 23 cents.

Q. My recollection is that Donaldson said he merely discussed the price of field dressings on that occasion?—A. Yes.

Q. Did you offer to show him your Bauer & Black invoices?—A. I had them there.

Q. What do you mean by saying you had them there?—A. I had them right there.

Q. Right where?—A. We were in the office, I had them there.

Q. Were they hanging on the wall?—A. No.

Q. Were they on the desk?—A. Yes.

Q. Were they exposed?—A. Yes.

Q. To full view?—A. Yes.

Q. Was Donaldson close to you?—A. Yes, he was right in the office.

Q. Could he see the invoices?—A. They were not all exposed, but they were lying on the desk, and if he wanted to see them he could.

Q. How would he know that these were Bauer & Black's invoices, did you tell him that they were?—A. Well, I do not know about that, the heading was right on them and he could see them.

Q. He could see if he was curious enough to examine into your private affairs, but did you tell him that these were Bauer & Black's invoices?—A. I do not think there was much said about the invoices on that occasion.

Q. There was nothing said about Bauer & Black's invoices then?—A. Just the price was discussed of the field dressings.

Q. Did he ask to see the invoices?—A. I cannot say that he did.

Q. Can you say he did not?—A. I do not think he did.

Q. Did he call on any other occasion?—A. Yes.

Q. How long after?—A. A few days after.

Q. How many days after?—A. It was not very long, I cannot give the exact date, but it was before this other large cheque went through.

Q. How do you state that with certainty, which large cheque do you refer to?—A. The draft.

Q. The draft had come in on you from Bauer & Black, is that so, and it was before the cheque which was paid?—A. Which cheque?

Q. The second cheque from the department, amounting to \$11,863.50. It was before you got that money?—A. Yes.

Q. Did Donaldson call because you were rather anxious about payment?—A. Yes.

Q. Is that the way you fix the date approximately of his second visit?—A. I remember I was in a great hurry. There was a draft came in and there was great hurry to get the money from the department and Mr. Brown sent some one over to check over the invoices.

Q. But you are quite sure Donaldson called about that time?—A. Yes.

Q. Did you show him the invoices of Bauer & Black?—A. Yes.

Q. Did he examine them?—A. Yes.

Q. Did he on that occasion make any pencil notes on the department invoices?—A. Yes, he checked them over with the invoices he had with him.

Q. Did he make any pencil notes on that occasion on the invoices he had with him?—A. Yes.

Sir CHARLES DAVIDSON: That is the second visit.

The WITNESS: Yes.

Mr. THOMPSON: He fixes the date about September 8 or 10.

By Mr. Thompson:

Q. Were the invoices from Bauer & Black for the field dressings on your Bauer & Black file?—A. Yes.

Mr. THOMPSON: That is all, Mr. Commissioner.

Sir CHARLES DAVIDSON: The witness is to return.

Mr. THOMPSON: The witness temporarily retires.

The witness temporarily retired.

WILLIAM F. GARLAND, member of Parliament, sworn:

Examined by Mr. Thompson, K.C.:

Q. You are member of Parliament for the county of Carleton, Mr. Garland?—

A. Yes, sir.

Q. You are the president of the Carleton Drug Company, are you not?—A. Yes.

Q. And you are the employer of E. Powell?—A. Yes.

Q. Do you recollect meeting W. J. Shaver early in August of last year?—A. Yes.

Q. About the time that war was declared, or shortly after war was declared, you met him?—A. Yes, it was the first Monday in August, I think.

Q. Do you recollect where you met him?—A. At the Chateau Laurier.

Q. What time of the day did you meet him?—A. Some time in the morning. I would judge a little after nine o'clock, or between nine and ten o'clock.

Q. Did you have any discussion with him at that time?—A. Yes, we talked about some war supplies that were coming out, and he said his firm would like very much to get them.

Q. In consequence of your discussion, what did you and Mr. Shaver do?—A. He got a cab and we went down to see Colonel Jones on Emmett street.

Q. I will retrace my steps a little, how did you come to meet Shaver at the Chateau Laurier?—A. He telephoned to me that he was in town and he wanted me to go down and see him.

Q. And you say that he called a cab and you and he drove down to see Colonel Jones?—A. Yes.

Q. Did you see Colonel Jones on that occasion?—A. Yes.

Q. Did you enter his room together?—A. Yes.

Q. Were Colonel Jones, you, and W. J. Shaver all present during the interview?—A. Yes.

Q. Are you quite sure that you were there during the whole interview?—A. Yes.

Q. Do you recollect Colonel Jones stating that the Canadian Government would not buy from Bauer & Black, that he would like it done that way but that the department had to buy through a local agent?—A. No, Colonel Jones, to my knowledge, did not say that.

Q. What did he say?—A. Colonel Jones said he would have to buy from some Canadian establishment as the Dominion Government could not deal with a neutral country in time of war, and he turned around in a jocular way and said to me; this is a reciprocity government.

Q. Did you discuss with Colonel Jones what he meant by buying through a Canadian agency?—A. No I did not, because I had always understood that in a direct way all these wholesalers sold through Canadian agencies, Johnson & Johnson sell through Gilmour Brothers, and Seaboury & Johnson sell through the National Drug.

Q. Did you have any discussion with Colonel Jones about medical supplies for the forces, being on the contraband list, and prohibited from being exported from the United States?—A. I do not remember that.

[Drugs—Garland.]

Q. Was not that discussed?—A. I cannot say, I do not remember if it was. There may have been something like that, but I did not pay any attention to it or I do not recollect it now, this is nearly eleven months ago.

Q. What was meant by stating that Bauer & Black could not sell to a neutral country?—A. It was that this Canadian Government could not buy from a neutral country.

Q. Could not buy from a wholesale house residing in a neutral country?—A. That is what I understood, I did not pay much attention to that on account of shortly before that reading President Wilson's address with regard to neutrality.

Sir CHARLES DAVIDSON: With respect to certain supplies, I suppose?

The WITNESS: Of course, my lord, I did not know what the supplies were at that time; no requisitions were out whatever.

By Mr. Thompson:

Q. You knew that medical supplies were referred to?—A. I imagined it would be bandages and stuff like that. I did not know it was field dressings. I never knew of field dressings before.

Q. But you knew that Colonel Jones was referring to medical supplies for the forces?—A. I would not say medical supplies, I would say medical dressings.

Q. Did you receive from E. Powell on the 24th of October the sum of \$100.25?—A. the sum of \$50?—A. No, to my knowledge I did not.

Q. Did you receive from E. Powell, on the 28th of September the sum of \$100?—A. Not to my knowledge, either.

Q. Did you receive from E. Powell, on the 20th of October, 1914, the sum of \$100?—A. Not to my knowledge.

Q. Did you receive from E. Powell on the 20th of October the sum of \$44?—A. Not to my knowledge.

Q. Did you receive from E. Powell on the 24th of October the sum of \$100?—A. Not to my knowledge, either.

Q. Did you receive from E. Powell, on the 2nd of November, the sum of \$3,000?—A. I did not receive it from him directly; I can explain I did get it though.

Q. Did you receive it from him indirectly?—A. Yes.

Q. Did you tell E. Powell to draw the sum of \$3,000 from the current account of E. Powell, agent of Bauer & Black, in the Union bank, on the 2nd of November?—A. I do not follow that question.

Q. I will repeat it. Did you tell E. Powell to draw the sum of \$3,000 from the current account of E. Powell, agent of Bauer & Black, in the Union Bank, on the 2nd of November?—A. Yes.

Q. Did you know that the money in the Union Bank, to the credit of E. Powell, agent of Bauer & Black, was money received from the Dominion Government in respect of the contract for medical supplies?—A. Yes.

Q. You stated that you received this sum of \$3,000 indirectly, what do you mean by that?—A. I owed a note to a party for \$1,200 and Mr. Powell wrote a cheque to that party.

Sir CHARLES DAVIDSON: Who was the party, state the name?

By Mr. Thompson:

Q. Who was the party to whom the \$1,200 was paid?—A. My mother.

Q. Did you on the 19th day of November receive the sum of \$1,800?—A. Mr. Thompson, I received sums which total altogether up to \$6,300.

Q. Then we had better get at it by items?—A. I do not know that I can follow up by items.

Q. Did you get the sum of \$1,800 from Powell on the 19th of November?—A. I think that makes up the \$3,000, with the \$1,200.

Q. Did you receive \$1,800 on the 19th of November, 1914?—A. Yes.

[Drugs—Garland.]

Q. Did you request him to withdraw it from his current account in the Union Bank?—A. Yes.

Mr. THOMPSON: I see that Powell has lumped together several of the cheques, and that accounts for the apparent discrepancy in Powell's statement; this is apparently the only occasion on which he gave the amounts in that way.

By Mr. Thompson:

Q. You knew, I presume, that that money was received by Powell from the Canadian Government?—A. Yes.

Q. And was in respect to the contract he had with Bauer & Black for medical supplies?—A. Yes.

Q. On November 10, did you receive a sum of \$300 from Powell?—A. I cannot recollect the small sums outside of one of \$400.

Sir CHARLES DAVIDSON: \$400 or \$420?

The WITNESS: \$420.

By Mr. Thompson:

Q. Did you receive that sum of \$420 from Powell on the 18th day of November, 1914?—A. Yes.

Q. And you knew it came from this same account and that the money was received by Powell from the same source?—A. Yes.

Q. On the 27th of November did you receive a sum of \$2,000 from E. Powell?—A. Yes.

And from the same account?—A. Yes.

Q. You knew he was drawing it at your request?—A. Yes.

Q. On the second day of November, 1914, did you receive \$3,000 from E. Powell?—A. Yes. In answering this question I am taking it for granted that I got it the same day.

Q. Well, we will say approximately on the 2nd of November?—A. Yes.

Q. And you knew he was withdrawing it from the same account already referred to?—A. Yes.

Q. And that the money was received by him from the source I have already referred to?—A. Yes.

Q. Powell said that he checked out to you at your request, and that you actually received from the account that I have named, approximately the sum of \$9,166.56?—A. Yes.

Q. Can you explain the difference between that sum and the sum of \$6,300 which you have already said you received?—A. The difference between the \$6,300 and the \$9,000 was taken out and put into his current account to pay for the goods from Bauer & Black, inasmuch as the Government withheld the payment of that.

Q. That accounts for the difference?—A. Yes.

Sir CHARLES DAVIDSON: That accounts for \$2,601.77.

The WITNESS: Yes, that is the amount that the Government held.

By Mr. Tilley:

Q. The Bauer & Black draft was \$2,800?—A. About that. There were other goods that were not paid, from what I understand.

By Mr. Thompson:

Q. On the ninth day of March, 1915, did you pay E. Powell the sum of \$3,400?—A. Yes.

Q. Did you on the 10th day of March pay E. Powell \$200?—A. Yes.

Q. Did you on the 11th day of March pay him the sum of \$900?—A. Yes.

Q. That makes a total of \$6,300, does it not?—A. Yes.

Q. Did you on the 27th of March request E. Powell to give you a cheque for the sum of \$6,300 to return to the Government or to Mr. Morphy, Chairman of the

[Drugs—Garland.]

Public Accounts Committee?—A. It was a few days before the cheque was returned that I asked him to return it.

Q. You asked him for such a cheque for that amount approximately about that date?—A. I asked him for that cheque before his accounts came up before the Public Accounts Committee. It was before whatever time the sitting of the Public Accounts Committee was, whatever day that is.

Mr. THOMPSON: I will ask the manager of the bank to ascertain what the date of the cheque was.

Sir CHARLES DAVIDSON: You state it was a few days previous to the meeting of the Public Accounts Committee. Powell was examined before that Committee on the 22nd of March, 1915.

The WITNESS: I think it would be about that time.

By Mr. Thompson:

Q. Did Powell give you the cheque for \$6,300 the day you asked him for it?—A. No.

Q. Did he give it to you the day after?—A. Yes.

Sir CHARLES DAVIDSON: Powell paid the cheque over to the Government, as I understand.

By Mr. Thompson:

Q. Did Powell make out a cheque for \$6,300 on his savings bank account at your request?—A. Yes.

Q. Did he hand it to you?—A. Yes.

Q. You wrote the letter which appears in the record of proceedings of the Public Accounts Committee addressed to Mr. Morphy, Chairman of the Public Accounts Committee?—A. Yes.

Q. Did Powell write that letter at your request?—A. Yes, I did not word it for him, I told him roughly what to say.

Sir CHARLES DAVIDSON: That letter would fix the date absolutely.

Mr. THOMPSON: That letter appears on page 146 of the evidence taken by the Public Accounts Committee and it bears date, Ottawa, March 25, 1915. The letter reads:—

OTTAWA, March 25, 1915.

Mr. H. B. MORPHY, M.P.,

DEAR SIR,—In view of the policy of the Government in buying direct from the manufacturer, I do not consider it honourable to keep this profit to my own credit in the bank, but enclose check for same in favour of the Department of Militia and Defence.

Please have invoice, etc., returned to me.

Thanking the Committee for their kind hearing,

Yours very truly,

E. POWELL.

You requested him for a cheque on the 24th of March and it was handed into the Committee on the 25th of March?—A. Yes.

Q. You state you received the cheque from him on the 25th of March?—A. The morning of the 25th of March, yes.

Mr. THOMPSON: Subject to what Mr. Legge may report, that is all I have to ask the witness.

Sir CHARLES DAVIDSON: Are you finished, Mr. Thompson?

Mr. THOMPSON: Yes, sir.

Sir CHARLES DAVIDSON: What statements, if any, did you make to Powell on handing him over these sums of money?

The WITNESS: My lord, I did not make any statement. Perhaps I may have said this was the money he did give me out; that is all to the best of my recollection.

Sir CHARLES DAVIDSON: Did you make any explanation as to why it was to be paid over to the Government in the form of a \$6,300 cheque?

The WITNESS: I had been advised by some of the leading members of the Government to get that money back if I could, and I told him about it, and I said that they might perhaps get after him, and I thought it was better for him to do it.

Sir CHARLES DAVIDSON: Will you ask, Mr. Thompson, if there was any question about the five per cent in that interview with Brown.

By Mr. Thompson:

Q. You went with Mr. W. J. Shaver from Colonel Jones' office over to see Mr. H. W. Brown, the director of contracts?—A. Yes, sir.

Q. Was any question of any percentage discussed at that time?—A. No, I only introduced Mr. Shaver to Mr. Brown, and I sat to one side, and he gave him the estimated cost and requested Mr. Shaver to try and keep within that estimate.

Q. When the department refused to pay Powell the sum of 23 cents for field dressings, I think you called to see Mr. Brown to expostulate?—A. At his request, I called.

Q. Was your visit not after Powell had reduced the sum to 21 cents?—A. No.

Q. Do you remember the discussion with Mr. Brown as to the amount of profit E. Powell was making on that transaction?—A. I did not discuss it with Mr. Brown at all. He did all the talking and I listened to him.

Q. Did you not state that Powell's profit was only five per cent?—A. No, I never talked prices with Mr. Brown, because I could not do it.

Sir CHARLES DAVIDSON: Why?

The WITNESS: Because I had dealings with him before I was a member of Parliament, and I would not like to say why.

By Mr. Thompson:

Q. Did you say that he was making five cents on the field dressings?—A. No.

Q. Did you discuss either prices or percentages in any respect with him?—A. No. If I remember rightly I told him I was going to see the Auditor General.

Q. Did you say that Mr. Powell's price was as low as he could make it?—A. No.

Q. What did you discuss with Mr. Brown on that occasion?—A. I did not discuss prices whatever. He told me about the high prices.

Q. What was the subject of the discussion?—A. He talked about everything.

Q. Then why did you go to see him?—A. I called to see what he had to say about field dressings, I did not go down to tell him what I had to say.

Q. You absolutely deny that the question of five per cent on the field dressings or five cents on the field dressings, as Powell's profit, was discussed in any way?—A. Yes, I positively deny it.

Sir CHARLES DAVIDSON: Do you make the same observation as to the first interview, when you introduced Shaver?

The WITNESS: I did not discuss prices then.

Sir CHARLES DAVIDSON: Did you hear the whole conversation on that occasion?

The WITNESS: Practically none of it, my lord.

The witness retired.

W. J. SHAVER, druggist, already sworn, recalled:

By Mr. Thompson:

Q. Did you hear Mr. Garland's testimony?—A. I did.

Q. Does that refresh your recollection of your visit to Colonel Jones?—A. Well, my memory is clear on that.

Q. You were not clear on Friday as to whether Garland was present at the interview all the time, or whether he came in after you were there.—A. Yes.

Q. You agree with him that you drove up together from the Chateau Laurier in a cab?—A. I think that is correct.

Q. You did not remember that?—A. Oh yes, but I did not know whether Garland came in when I was there or whether we went in together.

Q. After having heard Mr. Garland's testimony is your memory refreshed at all as to what Colonel Jones said about dealing with your house?—A. Well, it was not our house particularly.

Q. It was not your house?—A. It was not our particular house, it was the method of doing business.

Q. Was it the method of doing business?—A. Oh yes, it was not about our house or any other house.

Q. Garland stated that that discussion was on the subject of the Canadian Government buying from a neutral country?—A. That is what I mean. It was not anything particularly about Bauer & Black or any other house, it was the principle.

Sir CHARLES DAVIDSON: What was said about that?

The WITNESS: The press get these reports somewhat mixed.

Sir CHARLES DAVIDSON: What was said at that interview?

The WITNESS: Well, there was not very much said, any more than——

By Mr. Thompson:

Q. It was a very effective conversation apparently, anyway, because it led to a pretty good contract; Garland said he introduced you?—A. That is right, I think.

Q. And I presume you did not waste much time telling Colonel Jones what you came to see him about?—A. I told him immediately, surely.

Q. It must have been in connection with that discussion on your part and your stating the object of your visit that this question arose as to the manner of the Canadian Government doing business?—A. Yes, that is right.

Q. After hearing Mr. Garland's testimony, do you agree with him, or do you disagree with him, as to what Colonel Jones was referring to?—A. He may have been referring to anything, I do not know what was in his mind.

Q. I understood you took it to mean that it was the principle of the Canadian Government to only deal through a local agent, is that correct?—A. I took it to mean that, yes.

Q. Have you anything further to add on that subject?—A. No, I have not, Mr. Thompson.

Q. You went across with Garland to see Mr. Brown, the director of contracts?—A. Yes, I went to see Mr. Brown.

Q. Garland was present during the interview, was he not?—A. Yes.

Q. On that occasion was anything said as to the five per cent profit?—A. No sir.

Q. To anybody?—A. No sir.

Q. Anything said about the five per cent discount to anybody?—A. No sir.

Q. Did you tell Brown that if you had been able to deal with the Canadian Government directly, you would have let them have the five per cent discount?—A. No. I did not say anything about that, it was not discussed at all.

Sir CHARLES DAVIDSON: Does that refer to the Jones interview?

Mr. THOMPSON: No, sir, this is the Brown interview.

By Mr. Thompson:

Q. At any time during that interview was there anything discussed or any mention made of the five per cent discount to or from any person?—A. Not that I can remember.

The witness retired.

Mr. THOMPSON: That concludes the evidence, sir, in this matter.

Sir CHARLES DAVIDSON: You have got to bring back Powell, have you not?

Mr. THOMPSON: I asked him to step aside and I may require him again.

Sir CHARLES DAVIDSON: He had better return at two o'clock.

Mr. THOMPSON: Come back at two o'clock, Mr. Powell.

Mr. THOMPSON: The next case I intend to proceed with is the binocular contract. I propose to call the witnesses in a somewhat unusual order, but it will appear later on as to why that is done. The logical order would be to call Mr. Matthew Ellis, the first witness. I will call him later. For the purpose of having the record clear and understandable, I will state that it will appear in evidence that the P. W. Ellis Company of Toronto were instructed by the Minister of Militia to purchase or secure a certain number of binoculars for the Canadian forces, the Ellis Company being allowed 10 per cent on their purchases. I make that statement, so that the connection of Ellis and his foreman or employee Mason, may appear.

It appears to me that it could serve no good purpose in this investigation to bring evidence as to the whole of the contract that the Ellis Company had with the Dominion Government, or to bring evidence as to all these transactions.

One of the contractors, however, was the Keystone Supply Company of Ottawa, or rather T. M. Birkett, trading under the name, style and firm of the Keystone Supply Company. I think that in justice to Mr. Birkett this case ought to be investigated.

On the 12th of April he wrote to the Prime Minister the following letter, which I read from Hansard, page 2687, and which letter was read by the Prime Minister in the House of Commons:—

OTTAWA, April 12, 1915.

Right Hon. Sir ROBERT BORDEN, G.C.M.G.,
Prime Minister of Canada,
Ottawa, Ont.

DEAR SIR,—I note by the public press that a resolution has been adopted by the Public Accounts Committee, recommending that the purchase of binocular glasses by the Department of Militia and Defence be referred to the Department of Justice for its consideration.

As one of the contractors, I am very anxious that my dealings with the Ellis Company of Toronto should be thoroughly investigated by a judicial officer at the very earliest possible moment. I was not represented by counsel before the Public Accounts Committee, and I did not have an opportunity of presenting my side of the case in as complete a manner as I would have liked. If I have been guilty of any impropriety either legally or morally, then I am extremely desirous that an impartial tribunal should so declare, and in such an event, it will give me great credit to make all the amends possible in connection with the matter.

I would therefore deem it a great favour if you would kindly arrange to have the Department of Justice expedite this matter, and if the same is referred to a judicial officer, such as one of the judges of the Exchequer Court, for inves-

[Drugs—Shaver.]

tigation, I will facilitate and expedite the investigation, in so far as it is in my power. I would feel under very great obligation if such action could be taken immediately.

I beg to remain, sir,

Your obedient servant,

T. M. BIRKETT, JR.

The binocular contract was investigated very thoroughly by the Public Accounts Committee, and so far as I can ascertain there was no suggestion that the Ellis Company received any sum of money other than the allowance of ten per cent which was provided for in their contract with the Militia Department.

However, there is some doubt about the Birkett contract and in view of Mr. Birkett's letter, and in view of the doubt, and of his dealings with the Ellis Company in connection with the contract, I propose to investigate that particular item. The first witness I call will be Alexander Taylor.

Mr. Tilley of Toronto and Mr. Hammet P. Hill appeared for Mr. Birkett.

ALEXANDER TAYLOR, of the city of Ottawa, sworn:

Examined by Mr. Thompson:

Q. What is your occupation, Mr. Taylor?—A. Hardware clerk.

Q. Where are you employed?—A. At Thomas Birkett Son and Company.

Q. How did you first become interested in the question of binoculars?—A. John Bilsky approached me.

Q. When?—A. The latter end of August, I would judge.

Q. Where?—A. In the rotunda of the Russell House.

Q. What time of the day was it?—A. I would judge about a quarter after ten o'clock at night.

Sir CHARLES DAVIDSON: Let me interrupt you a moment, Mr. Thompson, what do you think about the application of having Mr. Beament appear for Bilsky?

Mr. THOMPSON: I think that is all right, sir.

Sir CHARLES DAVIDSON: Is Bilsky going to be involved in this matter at all?

Mr. THOMPSON: Bilsky was one of the most prominent witnesses in connection with this contract.

Sir CHARLES DAVIDSON: You may discuss the matter with Mr. Beament. If he is involved at all, he should have counsel; if he is not, do not let us be encumbered with counsel—I do not think the word "encumbered" is the word I should have used, perhaps I could make a better choice of a word.

Examination of Alexander Taylor resumed:

By Mr. Thompson:

Q. You met him at ten o'clock at night in the rotunda of the Russell House in Ottawa in the latter part of August?—A. Yes, sir.

Q. What did he say to you?—A. He seen me talking to certain parties, and he asked me if I was well acquainted with them.

Q. Whom did he ask you if you were well acquainted with?—A. Colonel Hurdman, Colonel Halleck, and John McCann, of the contract branch of the Militia Department.

Q. What did you tell him?—A. I told him I only knew them through business.

Q. What did he say to you?—A. He said he wished he knew them.

Q. Did he tell you why?—A. Yes, then he told me why he would like to know them.

[Binoculars—Taylor.]

Q. What did he say?—A. That he had a lot of binoculars for sale, and he could not get sale for them.

Q. What did you say?—A. I did not pay any attention to it; we discussed other things, and I went away from him and went home.

Q. That is all the discussion you had with him on that occasion?—A. With Mr. John Bilsky, yes.

Q. Did you discuss binoculars with any other persons on that occasion?—A. No, sir.

Q. What was the next step, so far as you are concerned?—A. I would judge about three weeks later, when coming from lunch one day from the shop, I came out over the bridge at the Grand Trunk, and I saw Mr. Sam. Bilsky going down when I was going up—

Sir CHARLES DAVIDSON: What relation is he to the other?

The WITNESS: His brother. I do not know whether he approached me or I approached him, but the subject came up.

By Mr. Thompson:

Q. Can you recollect who spoke first?—A. I cannot.

Q. What occurred?—A. He said to me afterwards, whether he said it first or not I don't know; I think you and T. M. could do something about binoculars for us.

Sir CHARLES DAVIDSON: Who is "T. M."?

The WITNESS: T. M. Birkett and I were going to place the binoculars for him.

Sir CHARLES DAVIDSON: For whom?

The WITNESS: For Mr. Bilsky.

By Mr. Thompson:

Q. Was this John Bilsky or Sam Bilsky?—A. Sam.

Q. He said, I think, you and T. M. are going to place the glasses?—A. Yes, we're going to place the glasses.

Q. Did he actually say what glasses?—A. I put it a little differently, that he meant that we were going to sell the glasses to the Government for him.

Q. Was he the Bilsky who had spoken to you before?—A. No, his brother.

Q. What did you tell him?—A. I told him I had never thought anything more about it.

Q. What next did you do?—A. Well, I do not know.

Q. Was there any other discussion about binoculars on that occasion?—A. Yes, he told me that he had a considerable quantity of binoculars in New York and that the Government wanted them bad, and that they had to have them, and he asked me to consider this question and that I could make money out of it.

Q. Did he say how many glasses he had in New York?—A. Large quantities.

Q. Did he tell you the names of the people who had them?—A. I cannot say, no, I would not judge so.

Q. I want to get the full conversation that you had with him?—A. I would not think he did. He did not call them binoculars, he called them glasses.

Q. Was that all your discussion with him on that occasion about glasses?—A. I would think so. I had to go to work and it was close to one o'clock; to the best of my knowledge, yes.

Q. Are you sure there was nothing more said about buying binoculars or glasses on that occasion, or as to how you would buy the glasses?—A. Yes, he told me how he would buy them and how he was going to get them.

Q. I want the full conversation that you had on that occasion about binoculars or buying binoculars and so on, what was said, repeat the conversation if you can?—A. It is pretty hard to repeat it, it is a long while ago, it is hard to repeat it all over again. I was only with him a short time but he said he had these glasses and I think

[Binoculars—Taylor.]

he talked prices, I think he said that the glasses could be bought over there at from \$26 to \$28.

Q. That is your recollection?—A. Yes.

Q. And what else?—A. And that the Government had to have them, and that no person else could get these glasses but him, and that they would have to get them eventually, and I think he said that he had tried to place them through different other people and he could not get a sale.

Q. Can you fix the date of that interview?—A. I cannot give you the date but I could give you the date in this way that it was the Monday before I went to New York, I went to New York the following Saturday.

Q. What next did you do?—A. I spoke to Mr. Birkett Tuesday morning about it.

Q. What did you say to him?—A. I told him what Mr. Bilsky told me, that he had binoculars for sale and he wanted to know if we could not place them.

Q. Did you have any other discussion then?—A. I asked Mr. Birkett what part I would have in it. He asked me what Bilsky wanted and I said Bilsky wanted one-half.

Q. Now that is something you did not tell us before about your conversation with Bilsky. You said nothing about Bilsky wanting one-half. I want you to tell me the whole interview?—A. That happened at dinner time.

Q. That happened and was said on the occasion of your interview with Bilsky on the street?—A. Yes, sir.

Q. And after you told Birkett that Bilsky wanted one-half, what did he say?—A. He said he would look into it.

Q. Was there any question about financing it?—A. At that time, no, there was no question of finance, outside of Bilsky was to fetch them here and all he wanted was us to place the glasses.

Q. Who?—A. Mr. Birkett and I.

Q. Did you settle that among the two of you?—A. That was the conclusion I formed from the conversation.

Q. With whom?—A. With Mr. Bilsky.

Q. And that you reported to Birkett?—A. Yes.

Q. Did you do anything further?—A. Do you mean after I spoke to Mr. Birkett?

Q. Yes?—A. No.

Q. What was your next connection with this transaction?—A. Going to New York.

Q. Going to New York?—A. Yes, sir.

Q. We have not got to your trip to New York yet, how did you come to go to New York?—A. Between that time I was told the deal was off on account of him not being able to procure the money.

Q. Who told you that?—A. Mr. Birkett, junior.

Q. What was the next you had to do with the binocular business?—A. To go to New York.

Q. Who told you to go to New York?—A. Mr. Birkett asked me would I go.

Q. When did he ask you?—A. At half-past two o'clock on Saturday afternoon.

Q. Do you remember the date?—A. No.

Q. Did he tell you what he wanted you to go to New York for?—A. Yes, to pay for the glasses.

Sir CHARLES DAVIDSON: To pay for them?

The WITNESS: Yes.

By Mr. Thompson:

Q. The glasses had not been ordered?—A. No, Mr. Bilsky went over with me.

Q. Did he tell you he was going to buy glasses?—A. Mr. Birkett or Mr. Bilsky did. Mr. Birkett told me first the deal was off.

Q. Did you know you were going to buy glasses?—A. Yes, when I went to New York.

Q. Between the time of your interview that you spoke of, with Birkett, and the time that Birkett asked you to go to New York, did you know of any further discussion or arrangement?—A. I know that Mr. Birkett and Mr. Bilsky met several times, yes.

Q. And the upshot of it was that Birkett asked you to go to New York?—A. Yes.

Q. Did he tell you what he wanted you to do?—A. Yes, to go to New York and pay for the glasses after Mr. Bilsky bought them.

Q. Did he say how many?—A. Up to 400.

Q. Did he tell you what you were to pay for them?—A. No, not exactly at that time, on the following Monday he sent me a telegram.

Q. When you left Ottawa to go to New York, did you know anything as to what you would pay for the glasses?—A. When I left for New York I was only to do what Mr. Bilsky told me.

Q. You were just to do what Bilsky told you?—A. Yes.

Q. Did you have any interview with Bilsky, before you went to New York?—A. I went to New York with him.

Q. Did you have any interview with Bilsky before you left here for New York?—A. Yes, a small one.

Q. Where?—A. In his office.

Q. How did that meeting come about?—A. When Mr. Birkett and I went down to meet him. We met him in the office.

Q. Did Birkett tell you to go to Bilsky's office?—A. Mr. Birkett and I went together.

Q. You went together?—A. Yes sir.

Q. Did he tell you what you were going there for?—A. Yes.

Q. What reason did he give for going to Bilsky's office?—A. That we were going over to meet Mr. Bilsky and he wanted an agreement with Mr. Bilsky.

Q. An agreement with regard to what?—A. A division of the profits on the sale.

Q. Of the profits?—A. Of the profits on the sale of glasses.

Q. Did you meet Mr. Bilsky at Bilsky's office?—A. Yes sir.

Q. Which Bilsky is this to whom you are now referring?—A. Mr. Sam Bilsky.

Q. Was there a discussion as to the agreement for the division of profits?—A. There was.

Q. Did you finally arrive at an agreement?—A. They did, I left the office and went away.

Q. When did you see either of them again?—A. When I came back and when I had signed the agreement with them.

Q. Was the agreement ready when you got there?—A. Yes sir.

Q. Is it the agreement which I now produce?—A. To the best of my knowledge, yes.

Q. Is that your signature?—A. That is my signature, yes sir.

(Agreement filed as Exhibit No. 24—Binoculars.)

Mr. THOMPSON: Shall I read the agreement, my lord?

Sir CHARLES DAVIDSON: Please.

Mr. THOMPSON: The agreement reads:—

September 26, 1914.

We, the undersigned, agree to supply 400 field glasses to the Militia Department for their use.

The following words are then stricken out:—

With two dollars deducted from price for incidentals.

The profits to be divided as follows: \$2,000 to S. Bilsky, and balance in equal parts to T. M. Birkett and Alex. Taylor.

[Binoculars—Taylor.]

Then the following words are stricken out:—

The \$2 above mentioned to be borne half by S. Bilsky and quarter each by Birkett and Taylor.

And then follows the initials "S.B.", "T.M.B.", "A.T."

Signed at Ottawa, this September 26, 1914. Witness—JACK BILSKY.

It is signed by Sam Bilsky, Alex. Taylor, T. M. Birkett.

By Mr. Thompson:

Q. When that agreement was signed, what did you do?—A. I went down to the Grand Trunk station, bought a ticket and went to New York.

Sir CHARLES DAVIDSON: Are you going to press the examination as to these erased lines?

Mr. THOMPSON: I will come back to that, perhaps I had better do it now, I will clean that up now.

By Mr. Thompson:

Q. Were these lines erased before the agreement was signed, or after it was signed?—A. When I signed that agreement the lines were erased and Mr. Bilsky's signature was to it.

Q. Was there any discussion in your presence about the erasures?—A. No.

Q. That is all you know about it?—A. Yes.

Q. Did you ask them why they had erased these words?—A. Please ask me that second last question over again.

Q. Was there any discussion in your presence about the erasures?—A. No, not to my knowledge.

Q. Did you ask them why these words had been erased?—A. No, sir, I did not.

Q. When you came back to Bilsky's shop you signed the agreement?—A. Yes.

Q. And you left with Bilsky to go to New York?—A. Yes.

Sir CHARLES DAVIDSON: Was the agreement drawn in your absence?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: In the interval of your absence they prepared this agreement?—A. Yes, sir.

Sir CHARLES DAVIDSON: Did you ask them any question as to why these two dollars were to be divided?

The WITNESS: No, sir.

By Mr. Thompson:

Q. Had they discussed any of the terms of the proposed agreement before you left the shop?—A. They had. Mr. Bilsky was to get \$5 a glass, and finally I understood they came down. There was some argument about it. The first agreement was Mr. Bilsky was to pay all expenses and finance it, and then it came down to a question that Mr. Bilsky was to get five dollars, and there was some argument about Mr. Bilsky's expenses.

Q. Did all that discussion take place in Bilsky's place?—A. To the best of my knowledge, yes.

Q. Can you give us any further details of that discussion?—A. No.

Q. You then left with Bilsky and went to New York, what did you do when you arrived in New York?—A. We went to the hotel and had breakfast and we took a taxi and went to a man named Stein, Milton Harris' head man.

Q. Before you left to go to New York had you seen the class of glasses that were required?—A. Didn't know a thing about them.

Q. You had never seen the glasses at all?—A. No.

Q. You knew nothing about the style of glasses they were purchasing?—A. I knew nothing about it whatever.

Q. And you were not interested except that there was a chance for you to make a little money?—A. Yes, sir.

Q. So that when you went to Milton Harris' office you were absolutely ignorant about the fine points of the glasses, what were good and what were bad?—A. I would not know one if it were shown to me.

Q. That is quite frank what occurred in Milton Harris' office?—A. I went to Mr. Stein's house on Sunday morning.

Sir CHARLES DAVIDSON: Who was Stein.

The WITNESS: I understand he is head man for Milton Harris.

By Mr. Thompson:

Q. He was introduced as such?—A. Yes.

Q. What occurred at Mr. Stein's house?—A. I went in, I suppose we were there an hour. I remember this part, that Mr. Stein said it might be a little hard to get glasses that they were over in New York very heavy with them.

Q. Was there any discussion about the prices you were going to pay for glasses?—A. Not to my knowledge, no sir.

Q. Did you tell Stein what you would pay for glasses?—A. I did not discuss the question with Stein at all that day.

Q. Did you know what you would pay for glasses if he brought some binoculars in?—A. At first I was to take and do exactly as I was told by Mr. Bilsky.

Q. So if Bilsky came to you and said: here is a glass, it is going to cost \$100, would you have paid \$100 for it?—A. Oh no.

Q. Why?—A. Because our contract called for \$52 delivered in Ottawa.

Q. There evidently was some discussion before you left Ottawa, as to price—A. Of course I was not instructed about it. Mr. Bilsky was to do it. For instance, there were 14 glasses came in with Mr. Bilsky, but if he had a glass there worth \$1,000 I was not supposed to know it. I was to pay Milton Harris whatever Bilsky told me.

Q. You were the purse-carrier?—A. Yes, I was there to pay for them and nothing more.

Q. You state positively that your sole occupation down there, and the sole object of your visit, was to pay over to Milton Harris or whatever person Bilsky contracted with?—A. Wherever Mr. Bilsky bought the glasses.

Sir CHARLES DAVIDSON: I suppose there was some limit which would have left a profit on the \$52?

The WITNESS: I suppose there was some limit.

By Mr. Thompson:

Q. Would you know what price Bilsky was paying for the glasses?—A. Not necessarily, no. He was buying glasses.

Q. And you were to hand over whatever money he told you to?—A. That was all I was to do.

Q. That discussion took place on Sunday at Stein's house?—A. Sunday morning.

Q. Then what was your next move?—A. The next morning we got to Milton Harris' office I would judge a little after nine o'clock.

Q. Who got there?—A. Well, Mr. Bilsky and I.

Q. What did you do?—A. I was introduced to Mr. Harris.

Q. What did you say to him?—A. I did not say much, Mr. Bilsky said it.

Q. He was the talker?—A. Yes.

Q. What did he say?—A. He said I was over there with \$4,000 in drafts, payable in New York at par.

Q. Did he say for what purpose?—A. To buy binoculars.

Q. Did he say what sort of binoculars were required?—A. I should judge so.

Q. What did he say about them?—A. I did not follow him much at all.

[Binoculars—Taylor.]

Q. You were not interested?—A. I was not interested, I was just there to pay for the glasses.

Q. Provided that Bilsky told you all you had to do was to shell out your \$4,000?—A. That is all, but the first thing they did was to find out whether my money was good; they took me down to the bank.

Q. Were you properly identified?—A. I was not.

Q. Were they eventually satisfied that your money was good?—A. They were.

Q. Then were the binoculars forthcoming?—A. To the extent that on Monday night, that Bilsky came home with 14, and when I went home on Wednesday night, to the extent of ten.

Q. Do you of your own knowledge know what efforts Bilsky made to secure binoculars on that Monday morning and all that day Monday?—A. Do you mean his own personal efforts?

Q. Yes?—A. Only to hustle up Milton Harris.

Q. Did you and Bilsky camp on Milton Harris' quarters all day?—A. As far as binoculars went, yes sir.

Q. Did you stay there all day with the exception of leaving to get your meals?—A. We were there the biggest part of the day, we were there anyway up to half-past twelve, to the best of my knowledge we were there until then, and we went away, and I think we walked over Brooklyn Bridge and back.

Q. What were you at Milton Harris' for?—A. Watching for results.

Q. When they ascertained that your money was good, did they not produce the binoculars?—A. They did not, they went to other places.

Q. But Milton Harris said he did not have any?—A. He did not have one on the place.

Q. Did you not ask Bilsky a question to the effect: can you not get glasses some place else?—A. He told me Milton Harris could get all the glasses we wanted.

Q. Did you ask Bilsky if he knew of any other place where you could get glasses?—A. I do not think I did.

Q. In fact your sole job down there was to hold the money until Bilsky told you to pay?—A. That was my job.

Q. Did you hear Bilsky ask any other person than Milton Harris if they could supply binoculars?—A. The only person I heard Mr. Sam Bilsky talk to about binoculars was Mr. Stein and Mr. Milton Harris.

Q. I inferred from what you said that Bilsky returned to Ottawa?—A. On Monday night.

Q. Did he tell you to stay there?—A. He did.

Q. What did he say to you?—A. That there would be more glasses coming.

Q. Did he say where they would be coming from?—A. From Milton Harris.

Q. Did he tell you to go back to Milton Harris?—A. He did.

Q. What instructions did he give you as to payment?—A. Whatever Milton Harris said.

Q. Whatever Milton Harris asked in the way of payment, you were to hand the money over?—A. I was to hand the money over.

Q. In other words, Milton Harris was standing in Bilsky's place?—Yes, sir.

Q. So far as your orders were concerned?—A. Yes, sir.

Q. Did you go back the following day?—A. Yes.

Q. At what time?—A. About half-past nine in the morning or a quarter to ten.

Q. How long did you stay there?—A. Most of the day.

Q. And what results followed?—A. That night about half-past five I had ten binoculars.

Q. Did you ask Milton Harris whether he could produce any more?—A. He told me he would have 100 for me the following Saturday.

Q. Do you recollect what he told you as to the number he would have on the previous day when Bilsky was there?—A. He did not state figures but I was given to understand he could get lots of them.

Q. Did Milton Harris tell you how much you had to pay for the binoculars?—
A. Different glasses different prices.

Q. Did he tell you the limit of the sum, or, item by item, how much you had to pay?—A. I generally got his bill and got it receipted.

Q. Did he give you invoices?—A. Yes.

Q. And you paid him according to the invoices?—A. Yes.

Q. You fetched the glasses back here?—A. Yes, ten.

Sir CHARLES DAVIDSON: Where are the invoices?

Mr. THOMPSON: I was going to put them in a little later on.

Q. Did you look at the glasses?—A. No, I did not examine them; out of curiosity I may have looked at some.

Q. You did not know whether they were good or indifferent?—A. Did not know anything about them.

Q. You did not know anything about that? They were the glasses sold to you by Milton Harris?—A. They were got from Milton Harris.

Q. When you arrived back in Ottawa what did you do with the glasses?—A. I gave the invoices to Mr. Birkett.

Q. What did you do with the glasses?—A. They were in bond.

Q. Did you have anything more to do with them?—A. No.

Q. Did you get them out of bond?—A. No, sir.

Q. Do you know what became of the glasses of your own knowledge?—A. Not that I seen—no, sir.

Q. Did you have anything further to do with this contract?—A. Yes, I did. On one occasion Mr. Birkett was away. He left I think it was five blank cheques signed for me. A letter or telegram came along which said that Harris had so many glasses worth \$1,310. I sent a draft down to New York to pay for them.

Q. Did you go to New York on more than one occasion?—A. Yes, twice.

Q. When was the second visit?—A. The Saturday after the Wednesday night I came home.

Q. Whom did you go with?—A. A man named Kehoe. He was not interested except to see New York—Lawrence Kehoe.

Q. He was not interested?—A. Only to see New York.

Q. Did you go under Mr. Birkett's instructions?—A. Yes, sir.

Q. What were the instructions that he gave?—A. When I was in New York I left with Milton Harris \$1,310 as a deposit on 100 glasses.

Q. What were your instructions when you left the second time?—A. To go back and get the glasses.

Q. What glasses?—A. These 100 I left I was to get.

Q. In respect to which you had left this deposit of how much?—A. \$1,310.

Q. When you arrived in New York what did you do?—A. Went to the hotel—took an automobile, went to the hotel, had breakfast and took the sub down to Maiden Lane.

Q. Is that where Milton Harris' place of business is?—A. Yes, Milton Harris' place of business.

Q. What did you do at Milton Harris'?—A. I met Mr. Stein; Mr. Harris was not in.

Q. What did you say to Mr. Stein?—A. I asked him how things were. He said: Very bad.

Q. Did he understand what you meant by that question?—A. It was in regard to glasses.

Q. Did you ask him how many he had secured?—A. I did.

Q. What did he say?—A. None.

Q. In other words, during five days, he had secured no glasses whatever?—A. Not a glass.

[Binoculars—Taylor.]

Q. Did he say he was going to secure them?—A. He said the chances look very bad.

Q. Eventually then, Mr. Taylor, as a result of your two excursions to New York during this period, you found that the glasses were pretty difficult to secure?—A. Very, very hard.

Q. Did you go around any of the shops to try and buy any?—A. I looked into a few shops.

Q. You asked them if they had any to sell?—A. Yes.

Q. Had they any to sell?—A. Some.

Q. Did you buy any of them?—A. No.

Q. Why?—A. \$45 and \$50.

Q. Was that too high for you?—A. Yes, sir. We would have to pay 25 per cent duty and any way I was not particular about buying. This was the second trip.

Q. If Milton Harris had asked you to pay \$45 would you have paid it?—A. I had seen these glasses in the window, I told Mr. Harris, and he said they wanted that money for them. He said they could not buy them at a price which would give a profit to us.

Q. Had you personally placed any limit on the price?—A. Yes ; on Monday afternoon I got a telegram with a limit.

Q. On the occasion of your second visit?—A. The first visit.

Q. That is what I was trying to get right along.—A. I thought I had stated that question.

Q. No, you said your sole occupation was to pay whatever price Mr. Bilsky told you?—A. I got a telegram—

Q. What did Mr. Birkett tell you on that occasion?—A. To buy glasses as long as we clear.

Q. What did you understand that to mean?—A. As long as we could place them with the Government and not lose any money.

Q. Was that your only limit?—A. Yes, sir.

Q. Did you make any mental calculation as to what that limit would be?—A. I figured \$38 in New York.

Q. Were you willing to go as high as \$38?—A. Yes.

Q. Did these instructions still hold good on the occasion of your second visit?—A. Yes.

Q. Did you tell Milton Harris on the occasion of your second visit that \$38 was your limit?—A. I cannot say I did but he seen the telegram I got.

Q. Did you show it to him?—A. Yes, sir.

Q. I did not understand that. So that, on the occasion of your second visit when you went to get the glasses or get your money, I presume you got your money and not your glasses?—A. Not a glass.

Q. Did you return at once?—A. No, I left New York Sunday night. You mean to return to Ottawa?

Q. Yes.—A. Sunday night I left New York.

Q. Did you report to Mr. Birkett there were no glasses to be had?—A. I wired him as soon as I crossed the line.

Q. Was that all you had to do with the glasses?—A. No, except that \$1,310 deal.

Q. You brought the money back with you?—A. Yes, that is all I had to do with it.

Q. Do you carry any binoculars in your business?—A. No, sir, we do not.

Q. Where is the office of the Keystone Supply Company?—A. I do not know.

Q. It is really in the air, is it not?—A. I know nothing about it.

Q. Apparently the Keystone Supply Company is really T. M. Birkett, is it not?—A. I never heard it discussed except in the Public Accounts Committee and that is what he said.

Q. Did you know that Mr. Birkett was carrying on business under the name of the Keystone Supply Co.?—A. Yes.

Q. Do you know whether he has actually ever done any business under that name?—A. I do not know actually.

Q. You are employed in their office?—A. I am employed in the sales room.

Q. Are you more or less a confidential man there?—A. To a certain extent.

Q. You know a lot about their business?—A. Yes.

Q. You have been there a number of years?—A. Twenty odd.

Q. I suppose that in the business they would be rather free in their discussions and talks with you as to their business and so on?—A. Certainly.

Q. Had you the run of Mr. Birkett's own office?—A. Certainly not.

Q. Would you ever be in there?—A. Yes, I have had the keys of his desk when he was out of town.

Q. You are familiar with his office?—A. Yes.

Q. Did you ever see any binoculars in his shop?—A. In his shop?

Q. In his shop?—A. Yes, I did.

Q. How many?—A. I could not say; there was a bunch came up from Montreal one day.

Q. After you had made the contract?—A. Yes.

Q. That is to say after Birkett had his contract from Ellis?—A. Yes.

Q. But just about the time he had got the contract, or a day or two before he got the contract, did you see one or two sets of binoculars in his office?—A. No, sir, I did not.

Q. Do you know whether T. M. Birkett or the Keystone Supply Co., a day or two before he got the contract from Ellis, had purchased either one or two binoculars?—A. Not to my knowledge, but I do not think so.

Q. You were really very little interested in the business except that you thought it was a chance of making a little money?—A. I was anxious to see it go through.

Q. Did you have any negotiations with Mr. Mason?—A. I only met Mr. Mason for about two minutes when Mr. Birkett called me over and introduced me to him.

Q. Where?—A. In our warehouse.

Q. What date was that?—A. That was in the same week I went to New York—I would judge on the Tuesday.

Q. That was the occasion of your first visit to New York?—A. No. Remember, on the Monday Bilsky met me on the bridge and the following Saturday I went to New York. It was on the Tuesday of that week to the best of my knowledge.

Q. About what month or day of the month?—A. The beginning of September or the end of August.

Mr. TILLEY: Monday was the 21st of September.

The WITNESS: That would be the 22nd.

Examination resumed by Mr. Thompson, K.C.:

Q. Did you meet Mr. Mason in the warehouse?—A. Certainly.

Q. About the 22nd of September?—A. Yes, sir.

Q. Was there any discussion with Mason there?—A. I was out and I came in and Mr. Birkett called me over and introduced me to Mr. Mason. We walked inside, and Mr. Birkett said to me: Mr. Mason has just confirmed the order of 400 glasses to us.

Q. Had you had any order for glasses before that order for 400?—A. Not to my knowledge.

Q. But you had already gone to New York?—A. No, this was the Tuesday before going to New York.

Q. Before any visit to New York?—A. Yes.

Q. And before any contract with Bilsky?—A. Yes.

Q. What did Mason say?—A. I guess I shook hands and said: How do you do,

[Binoculars—Taylor.]

or something like that. Mr. Birkett and Mr. Mason were talking, and I stayed only for a minute and went away.

Q. How do you fix the date of that interview as Tuesday?—A. No, pardon me, it's Wednesday. It would be either Tuesday or Wednesday—I am not very certain. It was either Tuesday or Wednesday, the 21st or 22nd or 23rd of September.

Q. Before you went to New York?—A. Yes, sir.

Q. Are you absolutely sure of that?—A. Positive.

Q. No possibility of a mistake?—A. I do not think so. That is just before I went to New York, either on Tuesday or Wednesday, between five and six o'clock, in the warehouse.

Q. Did you, when you were with Bilsky in New York, or on the way to New York, have any discussion with him or tell him that you had met Mason?—A. I might have—I could not say for certain.

Q. Do you recollect whether you had or not?—A. I do not.

Q. You went to New York a few days after the contract was confirmed by Mason as you say?—A. Yes.

Q. You cannot recollect if you discussed that with Bilsky?—A. I rather think I did but I do not remember the incident of saying to Mr. Bilsky that I had.

Q. So that your recollection is rather indefinite as to whether you did mention it or not?—A. It is.

Q. But you are quite sure that the interview with Mason was approximately on the 22nd or 23rd of September?—A. Positive.

Q. You are perfectly positive about that?—A. Yes, positive.

Q. So that your view would be that it would be a day or two after that interview that you and Birkett and Bilsky met together in Bilsky's office and signed the agreement which has been put in as an exhibit?—A. A day or two after I met Mason we signed that agreement in Bilsky's office.

Q. Do you know of any prior agreement which Mr. Birkett had with Mason or Ellis in regard to the supply of binoculars?—A. No, sir.

Q. Did he ever speak to you about a contract such as that?—A. This is the first contract to my knowledge.

Q. He may have a prior contract?—A. I do not think so.

Q. You think there was just one agreement?—A. Just the one agreement.

Q. Before we close, there are one or two questions I overlooked in discussing your New York visit. Bilsky, when examined before the Public Accounts Committee, page 305, discussing the New York visit says:—

Q. You have already told us that Harris agreed to furnish them all the way from \$25 to \$28?—A. That is right. Mr. Harris still could supply that order if Mr. Birkett wanted to pay around \$30 or \$35.

What do you say as to that?—A. I was never asked. When the telegram came in I opened the telegram and handed it to Bilsky and then it was handed to Harris. They knew about that telegram; they knew the price.

Q. There was no price mentioned in the telegram?—A. Yes; "Buy glasses if we can clear."

Q. Did you give that to Bilsky?—A. Yes, sir.

Q. Mr. Taylor, at any time during the negotiations starting from the time of your interview in the Russell rotunda until you went to Bilsky's—

Sir CHARLES DAVIDSON: Do you appear for Mr Bilsky?

Mr.. T. A. BEAMENT: Yes, sir.

Sir CHARLES DAVIDSON: Do you think his interests may be affected by this inquiry?

Mr. BEAMENT: I do not know that I am prepared to go as far as that, but he thinks so. I am perhaps not sufficiently conversant with the evidence taken before the Public Accounts Committee to say.

Sir CHARLES DAVIDSON: In any event you would like to hold a watching brief?

Mr. BEAMENT: Yes.

[Binoculars—Taylor.]

Examination resumed by Mr. Thompson:

Q. Starting from the time of your interview in the Russell rotunda down to the time the agreement was decided in Bilsky's office, will you tell me what, if any, discussion there was as to the financing of this contract?—A. The first discussion was that they were to be financed by Bilsky.

Q. When?—A. On that Monday I met him; on the 21st September.

Q. The Monday that you met him outside of his shop?—A. No, on the bridge in front of the Grand Trunk station.

Q. Did he say that he would finance it or did you say that you would?—A. I understood that the glasses could be fetched here by him.

Q. What was understood about the financing?—A. I had nothing to do with the financing end of it.

Q. I do not care whether you had or had not to do with the financing of it—what was said on that occasion about the financing?—A. He said that he could finance them. He said that he would fetch them here.

Sir CHARLES DAVIDSON: There was an understanding about the financing?

Examination resumed by Mr. Thompson, K.C.:

Q. Was the question of the amount of the financing discussed?—A. Not with me.

Q. Do you know of any other discussion between yourself and Bilsky, yourself and Birkett, or Birkett and Bilsky as to the financing?—A. Mr. Birkett told us that the deal was off, that he could not finance it and it had fallen through.

Q. When did he tell you that?—Friday before the Saturday I went to New York.

Q. You had the discussion with Bilsky on the bridge on Monday?—A. Yes.

Q. And it was on Friday that Birkett told you that the deal was off?—A. Yes, the following Friday.

Q. Why?—A. They could not obtain the money.

Q. Who could not?—I understand Birkett and Bilsky.

Q. Did he tell you he could not obtain the money?—A. He said they could not obtain the money.

Q. Was there any other question of finances discussed?—A. Yes, he said he would like to get it.

Q. On that occasion?—A. Yes, on that occasion.

Sir CHARLES DAVIDSON: Did the witness state where he got the money that he took to New York?

Mr. THOMPSON: I will come to that later.

Examination resumed by Mr. Thompson, K.C.:

Q. Was there any other discussion about finances?—A. Not with me.

Q. But before you went to New York, you were pretty well supplied with money?—A. The first time I went to New York I had \$4,000.

Q. Who gave it to you?—A. Mr. Birkett.

Q. Did Mr. Bilsky give you any?—A. Not a cent.

Q. Did you hear any discussion between Bilsky and Birkett as to the expenses?—A. Yes.

Q. When?—A. The day the agreement was signed.

Q. What was the discussion?—A. I did not pay much attention to it. The agreement was—

Q. I want to know what was said? A. They were going to pool the expenses.

Q. That was their agreement?—A. That is what they were talking about when I left the office and went away.

Q. Do you know anything about an agreement between Bilsky and Birkett that Bilsky was to lay down his glasses here at a certain price?—A. I do not.

[Binoculars—Taylor.]

Q. Did Bilsky say anything to you about that on the Monday when you were on the bridge?—A. Certainly; he could get all the glasses he wanted laid down in Ottawa.

Q. He said that he could get all he wanted laid down in Ottawa?—A. He said that he had control of a large quantity of glasses.

Q. What did he say about laying down glasses in Ottawa when you were on the bridge?—A. I think I have told you most of it. It is pretty hard to remember, you know; it is a long while ago.

Q. You did not say anything about laying down glasses when I asked you the first time. You did not tell me that he stated that he could lay down the glasses here?—A. No, I did not say that, but I did state the other.

Q. Did he say that?—A. Yes.

Q. Did he state at what price he could lay them down in Ottawa?—A. He quoted different prices—\$26 for some plus a 10 per cent commission. We were to get them at different prices but he knew exactly what the Government wanted and had them in his hands.

Q. At any rate you did not pay much attention to the long list he gave you as to prices, rebates and commission whatever they were?—A. It did not interest me outside of my profit.

By Mr. Tilley:

Q. Did he say anything to you on the bridge as to whether Mr. Birkett was to put up any, and if so, how much money? Did he tell you whether Mr. Birkett would be called upon to put up any money?—A. No, he did not.

Q. What did he say?—A. Just what I have told Mr. Thompson.

Q. What?—A. That he would finance the glasses.

Q. He—who?—A. Mr. Bilsky.

Sir CHARLES DAVIDSON: As a matter of fact, did he?

The WITNESS: No sir.

Sir CHARLES DAVIDSON: Why did you pay him \$2,000?

The WITNESS: I did not.

Sir CHARLES DAVIDSON: Why did the transaction pay him \$2,000?

The WITNESS: I was only taking half of Mr. Birkett's profits. I would judge the reason he got \$5 a pair was on account of him having an option on these glasses and knowing where we could get them.

Sir CHARLES DAVIDSON: Did he have an option on them as a matter of fact?

The WITNESS: No.

Sir CHARLES DAVIDSON: What was the value of his services? He did not finance, he had not an option, he did not control them—why did you give him \$2,000?

The WITNESS: We understood he had.

Sir CHARLES DAVIDSON: But when you discovered he had not?

The WITNESS: That was not up to me.

Sir CHARLES DAVIDSON: Were you a clerk in the employ of Birkett?

The WITNESS: I am a clerk in the employ of Mr. Birkett.

Sir CHARLES DAVIDSON: Why did you get half the profit; why did you not do this work for your salary?

The WITNESS: This is not the firm of Thomas Birkett & Son; it is T. M. Birkett.

Sir CHARLES DAVIDSON: But you were drawing your salary?

The WITNESS: I was on my holidays.

Sir CHARLES DAVIDSON: How much did you get out of it?

The WITNESS: \$644.66.

Sir CHARLES DAVIDSON: And you had your holiday besides?

The WITNESS: Yes sir.

[Binoculars—Taylor.]

Examination resumed by Mr. Thompson, K.C.:

Q. Do you know whether Bilsky was actually paid \$2,000 or \$5 per glass?—A. He was paid \$5 per glass for 118 glasses.

Q. Is that the number of glasses procured?—A. That is the number of glasses that were procured through Milton Harris.

Q. Through Bilsky?—A. Through Bilsky, yes.

Q. You paid him not \$2,000 but \$5 per glass which came through his efforts?—A. Yes sir.

Mr. THOMPSON: Two of the witnesses whom I shall eventually call, sir, and whose instructions are necessary for myself in regard to the next witness, and who arrived from Toronto this morning are here and I should like an opportunity of a short interview with them. Possibly we might adjourn now until a quarter to two or two o'clock.

Sir CHARLES DAVIDSON: We better have the hour fixed at two o'clock.

At 12,25 o'clock the Commission took recess for luncheon.

After recess.

On resuming after recess.

ALEXANDER TAYLOR, recalled.

Examination resumed by Mr. Thompson, K.C.:

Q. At the time you met Birkett and Mason in the Birkett warehouse, did Mr. Birkett have a contract for 400 binoculars?—A. Yes, sir.

Q. Are you sure?—A. Mr. Birkett called me over, introduced me to Mr. Mason and said: Mr. Mason has just confirmed the order for 400 binoculars.

Q. Are you sure he said that?—A. Positive.

Q. Are you perfectly positive that that was the 22nd or 23rd of September?—A. Yes, sir.

Q. Was not that meeting in Birkett's office a day or two before you went to New York to bring back the money?—A. No, sir, I went twice in the same week, understand.

Q. To New York?—A. Yes, sir; at least I left on the Saturday and went back on the Friday night of the following week.

Q. Was not the occasion of your meeting Mason in the warehouse of Birkett prior to your second visit to New York?—A. No, sir.

Q. Are you sure it was not the day before?—A. Positive.

Q. Did not you speak at that meeting about the fact that you were going to New York, and express your intention of going to New York to get your money back?—A. Not to Mr. Mason—no, sir.

The witness retired.

Mr. W. F. GARLAND, Member of Parliament, recalled.

At the request of Mr. Thompson, K.C., the following questions and answers in Mr. Garland's previous examination were read to the witness by the official reporter:

By Mr. Thompson:

Q. Do you remember the discussion with Mr. Brown as to the amount of profit E. Powell was making on that transaction?—A. I did not discuss it with Mr. Brown at all, he did all the talking and I listened to him.

Q. Did you not state that Powell's profit was only 5 per cent?—A. No, I never talked prices with Mr. Brown because I could not do it.

[Drugs—Garland.]

Sir CHARLES DAVIDSON: Why?

The WITNESS: Because I had dealings with him before I was a Member of Parliament, and I would not like to say why."

Examination resumed by Mr. Thompson:

Q. You said in that answer that you would not like to say why. Did you mean to attribute any improper conduct to Mr. Brown or any corruption on his part?—A. I had had personal disagreements with him before I was elected member.

Q. Is that what you were referring to in your answer to the question which has just been read?—A. Yes.

Q. And only that?—A. And through these disagreements I would not take him into my confidence whatever.

Q. Was it simply and solely a matter of personal dislike?—A. Not exactly personal dislike. I found he did not tell the truth when I had a disagreement, and I never depended upon him at all.

Q. Had you any reference in that statement to any improper conduct on the part of Mr. Brown?—A. None whatever.

Q. Now, Mr. Garland, Mr. Powell drew from the bank something over \$9,000 which he paid to you and which you admitted receiving?—A. Yes.

Q. I understand you subsequently made a deposit in Mr. Powell's current account of how much?—A. Upon one occasion \$690 and another \$1,800.

Q. This, together with the \$6,300 which you handed to Powell to place in his savings account makes up the total amount you received from Powell, does it?

Sir CHARLES DAVIDSON: \$9,166.56.

The WITNESS: I did not say I got \$9,000. I say I got \$6,300 and \$2,490, making \$8,790. These two cheques are the ones he gave back. He may have spent some small amount.

Examination resumed by Mr. Thompson:

Q. You think Powell did not pay you \$9,155.56?—A. No, I think it was \$2,490 and \$6,300, making \$8,790.

Q. There is a difference between your statement and that of Powell of about \$376. Can you account for that difference?—A. No, sir, I understand Mr. Powell paid some local money out for local articles; I do not know.

Mr. TILLEY: He said \$364.

The WITNESS: He may have paid that \$364 out of that \$376 for all I know.

Examination resumed by Mr. Thompson, K.C.:

Q. You admit therefore receiving from Mr. Powell, \$8,790 or thereabouts?—A. Yes.

Q. Did you receive that for your own personal use?—A. I did not receive it personally myself at all—no.

Q. Who did receive it?—A. Those parties I told you of this morning.

Q. You only mentioned one?—A. I can give the names of the other parties I think.

Sir CHARLES DAVIDSON: Give them.

The WITNESS: \$400 to a man named Boyd.

Examination resumed by Mr. Thompson:

Q. Who is Boyd?—A. He is a man I owed this money to. I paid him \$400.

Q. In respect of ordinary trade, was it?—A. I think it was a note of mine for trade.

Sir CHARLES DAVIDSON: It was an ordinary personal liability?

[Drugs—Garland.]

Examination resumed by Mr. Thompson:

Q. It had nothing whatever to do with this contract?—A. No; that was for trade. I think there was \$3,000 of that paid to a man by the name of Halpenny. I think it was \$1,700 and \$1,300. I think his initials are R.F.; I am not sure.

Q. Was that in respect of trade?—A. Trade.

Q. It had nothing whatever to do with this contract?—A. No.

Q. Had he an interest in this contract in any way?—A. No. The other \$1,700 I do not remember who I gave that to. I got \$1,700 which makes the balance.

Q. Cannot you recollect what you did with the other \$1,700?—A. No, I cannot, Mr. Thompson.

Q. As to part of the moneys which you did not receive personally, the \$1,700 which you spoke of—A. It was for trade too.

Q. It was money which you received and paid out for trade purposes?—A. Yes, it was for trade purposes.

Q. You are quite sure about that?—A. Yes.

Q. There are still between \$2,500 and \$3,000 unaccounted for. Do you know to whom that money was paid?—A. I do not think so the way I figure it; that went back into the bank.

Q. Did you put that balance in your own name?—A. No, it was put back into his account.

Q. But after it was drawn out and paid to you?—A. I did not understand what you meant. I think it was invested in realty.

Q. Invested in real estate?—A. Yes.

Q. Did it, first of all, go into your own bank account?—A. No, it went direct to the man I was dealing with.

Q. Did you pay him in cash?—A. No, it was paid by cheque; it was paid with Powell's cheque.

Q. You handed him Powell's cheque?—A. Yes.

Q. Is that the way the transaction was carried out?—A. I am sure about this; that is the way this went.

Q. It was on account of trade or personal reasons that the money was paid out?—A. That is my explanation.

Sir CHARLES DAVIDSON: What were you to pay Powell for all this trouble he took?

The WITNESS: There was no understanding.

Sir CHARLES DAVIDSON: Did you pay him anything?

The WITNESS: No, for the simple reason, my lord, that the account was never closed up.

The witness retired.

E. A. POWELL, recalled.

Examined by Mr. Thompson:

Q. You appeared, Mr. Powell, before the Public Accounts Committee?—A. Yes.

Q. Do you recollect your statements before that committee?—A. Yes.

Q. I had better read into the notes the statements made on that occasion as they appear at page 58 of the report of the evidence taken before the Public Accounts Committee:—

Q. You delivered the goods to the department?—A. Yes.

Q. I see. Well, then, I suppose all this time you were still under salary with the Carleton Drug Company?—A. Yes.

Q. This was additional work you were doing?—A. Yes.

Q. Was anybody else interested in this contract besides yourself?—A. No.

[Drugs—Powell.]

Q. Does the whole sum of \$8,000 deposited in the bank belong to you personally?—A. Yes.

Q. Nobody else has any claim on it?—A. No.

Q. You understand what I mean; is anybody directly or indirectly interested in that sum?—A. No.

Q. Have you to account to any person for any portion of it?—A. No.

Q. Is the Carleton Drug Company interested in the amount?—A. No.

Q. Is Mr. Garland interested in it in any way?—A. No.

Q. What was the arrangement that you made in the first instance with Mr. Garland? was he to allow you to make this on the side, or was it part of his business; was he to be benefited in any way?—A. No.

Q. Was Mr. Garland or the Carleton Drug Co. to be benefited by your getting this contract from the Government?—A. No.

Q. They were not. This was a side line on which you were enabled to make something?—A. Yes.

Q. Did Mr. Garland do that as a friend to you?—A. Yes.

Q. You are going through college, are you?—A. Yes.

Q. Have you any private means?—A. No.

Q. Outside of what you earn?—A. No.

Q. I see. How far have you got? Have you taken your first examination yet?—A. No; I have got my time to serve yet. I have to serve a year in Toronto.

Q. Do you go to the University or the College of Pharmacy?—A. The College of Pharmacy.

Q. Have you any means to put you through college except your salary as a drug clerk?—A. No.

Q. That is all want to ask.

You see your statements before the Commission are at direct variance with your statements before the Public Accounts Committee. Were you induced by anybody to make those statements before the Public Accounts Committee?—A. No.

Sir CHARLES DAVIDSON: No?

The WITNESS: No.

Examination resumed by Mr. Thompson:

Q. Were you persuaded to make those statements?—A. No.

Q. That is quite definite, is it?—A. Quite definite.

Q. Why should you make the statement you made when you knew it not to be true?
—A. I understood the way this question was if there was any agreement that I had to give this money up and I intended to say that nobody else could take any money.

Sir CHARLES DAVIDSON: That is not your answer before the Public Accounts Committee.

Examination resumed by Mr. Thompson:

Q. You see, Mr. Powell, at that time you had already paid Garland all the profits arising from this contract; so that some person other than yourself was interested in it. Did not you recollect that on that occasion?—A. I understood it to be that they were interested in such a way that I had to pay that money to them.

Q. That was your understanding?—A. I understood the question if there was an agreement I had to pay them the money.

Q. That is your explanation?—A. I did not have to give them a cent of the money. The money was all mine.

Q. You thought that was what the Public Accounts Committee were referring to?
—A. Yes as if there was any compulsory way I had to give the money to any one.

Sir CHARLES DAVIDSON: Was it a present you made to Mr. Garland?

The WITNESS: He just asked me for the money and I gave it to him.

[Drugs—Powell.]

Sir CHARLES DAVIDSON: You swore before the Public Accounts Committee: "Is Mr. Garland interested in it in any way?—A. No." I will not press too hard on this point or make it more painful than it is. The question at issue is if you took an oath of that kind voluntarily and without inducement or suggestions from anybody else.

The WITNESS: There was no suggestion.

Sir CHARLES DAVIDSON: No previous conversation with any person?

The WITNESS: No, not regarding that.

Examination resumed by Mr. Thompson:

Q. You had no discussion with any person as to what evidence you would give before the Public Accounts Committee?—A. No.

Sir CHARLES DAVIDSON: Not with Mr. Garland?

The WITNESS: Not that I recollect.

The witness retired.

Sir CHARLES DAVIDSON: There were some sales made by J. M. Garland & Company which are referred to at pages 60 and 64 of the evidence taken by the Public Accounts Committee.

Mr. THOMPSON: There is nothing in that.

Sir CHARLES DAVIDSON: It is of no interest?

Mr. THOMPSON: No, they are wholesale drygoods merchants here.

T. M. BIRKETT, sworn.

Examined by Mr. Thompson:

Q. What is your business?—A. I am a wholesale hardware merchant.

Q. You do business, Mr. Birkett, under the name of the Keystone Supply Company?—A. I have done some.

Q. In other words the Keystone Supply Company and T. M. Birkett are one and the same?—A. Yes, sir.

Q. Have you done any business under the name of the Keystone Supply Company other than this binocular contract with the government?—A. Yes, sir.

Q. Will you tell me how you first became interested in binoculars?—A. It was Mr. Taylor who came to me and said that he had been spoken to by Mr. Bilsky.

Q. Which Mr. Bilsky?—A. He mentioned both of them—John and Sam.

Q. What date was that?—A. That was on or about the 21st September.

Q. As a result of your conversation with Mr. Taylor what did you do?—A. Mr. Taylor said that Mr. Bilsky had a large number of glasses at his command in New York. Taylor came to me and asked me if I thought I could do any business with the Militia Department in binoculars. I asked him why, and he said that Bilsky had spoken to him and said he had a quantity in New York at his disposal that he was trying to place, but could not place and he would like if I could place them.

Q. What did you do?—A. Taylor and I talked it over with a view of splitting whatever profit there was in it between him and me.

Q. What did you do?—A. In what respect?

Q. What was the next step?—A. The next step—I asked Taylor—I said how about the financing of this undertaking; it will take quite a quantity of money and I have not got it. He distinctly told me that Bilsky was prepared to finance the matter and land the glasses in Ottawa; all I had to do was to place them.

Q. What did you do next? After your conversation, what happened next?—A. I went to Colonel Hurdman's office.

[Binoculars—Birkett.]

Q. What was Colonel Hurdman's occupation?—A. He is a Department of Militia man.

Q. What were his duties? Why did you go to Colonel Hurdman instead of to some other person?—A. It was Mr Bilsky's word that Colonel Hurdman was to be the purchaser.

Q. You went to Colonel Hurdman in consequence of information you had received?—A. Yes, sir.

Q. Did you see Colonel Hurdman?—A. Yes.

Q. What was the result of your conversation?—A. I asked him if glasses were required and he said that there were some glasses required and that the purchasing of these glasses had been handed to Messrs. Ellis of Toronto. He said that their representative was in the city to-day and if you are in a position to supply glasses they want them very badly and you can get an order. He said: I will speak to the representative when I see him; he will be here this afternoon.

Q. What date was that?—A. Either the 21st or 22nd of September.

Q. What did you do after that?—A. I did not do anything after that until I got a telephone message

Q. From whom?—A. Colonel Hurdman.

Q. What did Colonel Hurdman say to you by telephone?—A. He said that he was speaking at the request of Mr. Mason, who was sitting in his office and who wanted to know how many glasses I could procure. I told him that I was not positive, but that I thought I could procure quite a number. He wanted to know if I could procure some hundred and I said I might. He said: You can get an order up to 400 glasses. I asked him what would be the price paid for the glasses and he told me \$52. He also told me Mr. Mason would be down to see me.

Q. What next occurred?—A. Mr. Mason called and confirmed the order.

Q. What date was that?—A. That was on the same day.

Q. Where did Mr. Mason call to see you?—A. Down at the office.

Q. On the 21st or 22nd of September?—A. I think it was the 22nd.

Q. You are sure it was on one of those two dates?—A. Yes.

Q. Did he give you an order for 400?—A. Yes, sir.

Q. Are you perfectly sure?—A. We stipulated up to 400—whatever I could get up to 400.

Q. Are you perfectly sure about that?—A. Positive; he confirmed the price also.

Q. Did you not see Mr. Mason in Colonel Hurdman's office on the 22nd September?—A. No, sir; I never met Mr. Mason—

Q. Did you not call at Colonel Hurdman's office with two binoculars at a time when Mr. Mason was present with Colonel Hurdman?—A. No, sir.

Q. Did you not, on the 22nd or 23rd of September, call at Colonel Hurdman's office and were you not introduced to Mr. Mason by Colonel Hurdman?—A. No, sir.

Q. Did you not call on the 22nd or 23rd of September at Colonel Hurdman's office when Mr. Mason was there and receive an order for 100 binoculars?—A. No, sir.

Q. You deny it?—A. Yes, sir.

Q. Are you absolutely positive that you never went to Colonel Hurdman's office on or about the 23rd September, when Mr. Mason was there with one or two sets of binoculars in your hands?—A. I never carried a sample of binoculars in my life.

Sir CHARLES DAVIDSON: Was there any writing of this order up to 400?

Mr. THOMPSON: That is coming later, sir.

Examination resumed by Mr. Thompson:

Q. Had you any correspondence with the Ellis Company before the 23rd September in regard to the supply of binoculars?—A. In what respect?

Q. In regard to the supply of binoculars to the Government?—A. I cannot just recall that; I do not know.

Q. You tell me that it was about the 21st or 22nd of September that Colonel Hurdman called you up on the telephone and notified you that Mr. Mason was in town?—
A. He said he was in his office and he telephoned at his request.

Q. That is in Ottawa, is it not?—A. Yes, sir.

Q. You say that Mr. Mason called to see you at your office that same afternoon?—
A. Yes, sir.

Q. That was on the 23rd of September?—A. I think that was the 22nd—22nd or 23rd.

Q. On that occasion he gave you an order up to 400 binoculars?—A. Yes, sir.

Q. Are you perfectly positive about that?—A. Positive. In your previous question you asked me if I had had any correspondence previous to that date.

Q. Previous to the 23rd.—A. I never had any correspondence up to that time. The only thing I had to do is what I have already said, and I never met Mr. Mason in my life until he called upon me and introduced himself to me.

Q. If you received an order from Mr. Mason on the 22nd or 23rd September, up to 400 binoculars, why did you on the 1st October send the following telegram to M. C. Ellis:—

OTTAWA, Ont., October 1, 1914.

“M. C. Ellis,
Care P. W. Ellis,
Toronto, Ont.

“Have assurance for three to four hundred bioculars from fifty-two to fifty-six dollars delivery not later than twelfth; wire answer to-night.”

A. That, I think, was in reply to a telegram which I got from New York from Mr. Taylor stating that he could get an extra quantity of glasses down there.

Q. But why did you send that telegram to Mr. Ellis when you already had his authority to buy up to 400 binoculars?—A. I cannot quite state the reason for that.

Q. Does it not seem rather inconsistent with your statement that you already had an order or had authority to buy up to 400 binoculars?—A. Yes sir.

Q. You received a reply on the 1st October from the Ellis Co. in respect to that telegram:—

“T. M. BIRKETT,
Ottawa.

“We have at present all binoculars we require.

P. W. ELLIS & Co., Limited.”

Do you recollect receiving that?—A. I do.

Q. With these two telegrams to refresh your memory, do you still maintain that you received an order on the 22nd or 23rd September for 400 binoculars?—A. I do, sir. I certainly did get that order.

Q. Did you not receive an order on the 21st or 22nd of September for 100 binoculars?—A. No sir.

Q. You deny it?—A. I deny it.

Q. I just wanted to get that on the notes because we will come back to it at a later time. To come back now to your part of the transaction in regard to Bilsky and Taylor; according to your statement you received an order on the 22nd or 23rd of September for binoculars. What did you do after that?—A. Do you mean after Mr. Mason had confirmed the order.

Q. Yes, after Mr. Mason had confirmed the order.—A. Mr. Mason and I were upstairs and we came downstairs and just before he left the building I called Mr. Taylor and introduced him and told him that Mr. Mason had just confirmed the telephone message which I had previously received, or confirmed the order, giving me an order up to 400 glasses at \$52 per glass.

Q. What did you do?—A. I sent Taylor over, I think next morning, to Bilsky and told him.

[Binoculars—Birkett.]

Q. Never mind what he told Bilsky; what resulted? Did you see Bilsky?—A. Next day I sent Taylor over to Bilsky to tell him to get busy collecting the glasses that I had just obtained an order. He said that he would have to get busy with the business.

Q. Did Bilsky tell you that?—A. That is the reply Taylor brought back.

Q. I want to know, when you first came to conversation with Bilsky, what was the occasion of your first interview?—A. It was mostly by telephone.

Q. Tell me about your first conversation with Bilsky?—A. I phoned and told him I had got the order.

Q. Did you say the size of the order?—A. Yes sir.

Q. What size?—A. Up to 400 glasses.

Q. Was that on the 22nd or 23rd of September?—A. That is the order I have reference to.

Q. What more did you say?—A. I told him to get busy.

Q. What did he say?—A. He said that he would have to try to finance it.

Q. What did you say?—A. One thing led to the other. He reported to me that he could not finance it and he asked me—

Q. When did he report to you that he could not finance it?—A. About the day following.

Q. Was that a personal interview?—A. No, I think he phoned me; I would not be positive.

Q. What did he say to you?—A. He then asked me if we could not finance it together. I asked him where he banked. He said with the Union Bank, and so I agreed to go with him there, which I did, I believe, about the 25th; I went there at noon; met him there, met the manager of the bank, and we stated our case. The manager said that he would have to telephone to Toronto for authority to do that and that he would let us know in the afternoon. That afternoon he telephoned to Mr. Bilsky that he could not arrange it, that the bank would not allow it, and Mr. Bilsky phoned back to me.

Q. Then what happened?—A. Then I thought the transaction ended.

Q. Did it end there?—A. It did to an extent.

Sir CHARLES DAVIDSON: What do you mean by the transaction ended?

The WITNESS: I thought the transaction ended. I thought I would have to fall down on the order, that I would not be able to fill it.

Examination resumed by Mr. Thompson:

Q. Did you know where any binoculars could be purchased?—A. I did not have the faintest idea.

Q. Did you have any stock of them yourself?—A. None whatever. My firm had nothing whatever to do with it; it was a personal matter.

Q. What did you do?—A. I told Taylor that, and he was starting next day on his holidays. I told him definitely on Friday night, so that he could leave on Saturday with his friends. On Saturday, after I had had my lunch, I was sitting at my home and I thought I might perhaps finance it myself.

Q. What did you do?—A. I made inquiries of my own banker, and he gave me encouragement. I then telephoned to Taylor not to go away, to stay at his house awaiting a message from me, as I might want him to go to New York.

Q. What did you do next?—A. I phoned to my bank manager at his house. I explained a little over the telephone, and he was sufficiently interested to say that he would be at the Laurentian Club. We met there and went from there to his own office.

Q. Did you arrange the financing?—A. Yes, sir.

Q. Then what did you do?—A. Taylor came to the bank office and met me there and we went from there to Bilsky's office. I had a rough piece of paper in my pocket with a pencil sketch of a sort of agreement.

Q. The outline of an agreement?—A. Simply notes to that effect.

Q. What did you say to Bilsky?—A. I said to him—I am getting ahead of myself. Before I left my house I telephoned to Bilsky and told him that I would still carry out that arrangement under one condition, and that condition was that he would allow another gentleman to go to New York with him for the sole purpose of carrying the money, that I would not give it to him. He agreed to that. So I went ahead. When we got to his office Taylor came in with me and I took this temporary thing from my pocket, showed it to Bilsky, and Bilsky was quite prepared to make an agreement, and said he would have it made out.

Q. Did he have it made out?—A. He took it upstairs, had it made out and brought it downstairs in duplicate.

Q. Have you a copy of the agreement?—A. Yes, sir, on Bilsky's own letter head.

Q. Is that your copy of the agreement?—A. Yes.

(Agreement filed and marked Exhibit No. 25.)

Examination resumed by Mr. Thompson:

Q. I observe that this original exhibit which you have just produced and which has been marked as exhibit No. 25 has the wording exactly the same as the first copy of this agreement which has been filed, except that there is certain printed matter on it. It is on the letter paper of M. Bilsky & Son, jewellers, Ottawa, 20-24 Rideau street, Canada?—A. Yes, sir. I presume that is a carbon copy of this. I took the original and he kept a carbon copy.

Q. Did he bring it to you in the form in which it now is?—A. No, sir, he brought it out without the erasures.

Q. Who struck out the words which we find erased in the agreement?—A. I did.

Q. You struck it out?—A. Yes, sir.

Sir CHARLES DAVIDSON: One is not a carbon copy of the other.

Examination resumed by Mr. Thompson:

Q. Did you discuss with Bilsky the insertion of those words which were subsequently struck out at your suggestion?—A. Yes, sir.

Q. The question of inserting these two sentences had been discussed by you had it?—A. Yes, sir.

Q. And it was Bilsky's suggestion that those words should be put in?—A. I would not say that. It was made out on ground similar to that I had taken.

Q. If you took a sketch of the proposed agreement would it not be reasonable to suppose that you had those words in the sketch or some suggestion to that effect?—A. Yes.

Q. And Bilsky therefore went running off the agreement merely carried out the proposed outline that you submitted to him?—A. Well I could not say as that is exact sir.

Q. Is it not the case?—A. I could not say it was the case.

Q. Is it not reasonable to suppose so?—A. It is reasonable to suppose so.

Q. What made you change your mind about those words from the time Bilsky left you up to the time he came back?—A. Bilsky was determined to have it \$5 per glass to land those glasses here, that figured on a basis of four hundred glasses, made the two thousand which is mentioned in the agreement.

Q. Evidently when Bilsky left you to get the agreement typewritten you and he were in accord, were you not, as to the terms of the agreement?—A. Yes, sir, apparently we were.

Q. And when Bilsky returned you had changed your mind and thought that those words should be struck out?—A. I had not changed my mind but he had.

Q. But you say that you struck those words out?—A. I did, sir.

Q. Therefore you must have been the person who changed your mind?—A. No, sir, I came to a further agreement with him. Up to that time we were to pool expenses.

[Binoculars—Birkett.]

Q. Did not that agreement without the erasures represent your understanding with Bilsky when he left you in his office to go and have the agreement prepared?—A. I think so.

Q. Then did you have a further discussion with him when he brought this agreement back?—A. Yes, sir.

Q. And you therefore evidently were of a different mind when he brought this agreement back?—A. He wanted \$5 per glass; he would not take anything less. That was to be his remuneration for landing those glasses.

Q. When did he say he wanted \$5 per glass?—A. It was before the agreement was made at all.

Q. Let us see if we cannot get this straightened out and then we can get on faster. You agreed evidently when Mr. Bilsky left your presence to have this agreement copied, you evidently had agreed to pay him \$2,000?—A. If four hundred glasses were delivered.

Q. It does not say that?—A. It does not say that, but that is the understanding.

Sir CHARLES DAVIDSON: But you had no agreement in this sense with the department through Colonel Hurdman?

Mr. BIRKETT: No, sir.

Sir CHARLES DAVIDSON: You had no order of this kind?

Mr. BIRKETT: I had up to four hundred glasses.

Sir CHARLES DAVIDSON: But this says four hundred glasses.

Mr. BIRKETT: That was made out as the limit, if I could get them, what I was to get. The limit of my order as I got it was four hundred glasses.

Examination resumed by Mr. Thompson:

Q. What I want to ascertain is why you changed the agreement or suggested that this agreement should be altered when you already had arrived at an understanding with Bilsky as to what the terms would be?—A. Well, the reason for that, as near as I can tell you was that up to this previous conversation we were to pool expenses.

Q. What do you mean by previous conversation?—A. I mean when we were discussing this document. He was to get \$5 per glass and we were to pool expenses.

Q. Was that in Bilsky's office?—A. Yes, sir.

Q. But that question was apparently eliminated by the document?—A. It was discussed previous to that as well but finally in his office and when that matter was struck out Bilsky and I agreed for him to take his \$5 and instead of estimating \$2 for expenses, one-half to be borne by him and the other half by Taylor and myself combined, that he would pay all expenses he was put to and Taylor and I would pay all expenses we were put to. Therefore the \$2 was eliminated.

Q. Evidently when Bilsky returned you brought up that question of what his remuneration should be?—A. That was brought up before he went up.

Q. Why was it not embodied in the agreement?—A. He brought it in that form; we discussed it and he scratched it out.

Q. Your statement is that Bilsky did not faithfully copy out the agreement?—A. I did not say that.

Q. I understood that this was the agreement he had arrived at?

Sir CHARLES DAVIDSON: Was there any draft?

Mr. THOMPSON: He said there were rough notes. I understood the witness to say that this agreement as it stood without the elimination was the terms they finally arrived at.

Mr. TILLEY: What he said was that this document correctly represents the understanding they had when Mr. Bilsky went upstairs to have it typewritten. He brought it down in this form. It was as they had agreed on it previously but on bringing it down further discussion took place and they agreed instead of putting an estimate of \$2 for expenses, dividing half and half, that each should pay his own expenses and they struck that \$2 out.

Examination resumed by Mr. Thompson:

Q. Is that a correct statement?—A. That is my contention.

Q. Following the execution of the agreement, what happened?—A. Mr. Taylor returned to Bilsky's office. I explained about the erasion and then we completed it. After that they went straight to the station to New York.

Q. Was there any discussion over that \$2 for incidentals?—A. Discussion in what respect.

Q. Any conversation between you and Bilsky as to that \$2 for incidentals?—A. Well there was a discussion. It was estimated expenses.

Q. What was the expense?—A. The expense was to cover railway fares, express and telegraph, telephone, whatever might be in connection with bringing the glasses to the city.

Q. Was the whole or any part of that \$2 item according to your conversation with Bilsky, to be paid to any official?—A. Positively not.

Q. Was the payment of any part of that discussed in any way by Bilsky with you?—A. Not to my recollection only in the item that he was not in favour of paying a proportion of the expenses, would sooner pay his own.

Q. Did Bilsky suggest that any part of that money should be improperly paid to any official of the Government?—A. No, sir.

Q. Did you suggest that any part of that money should be paid, directly or indirectly, to any official of the Government?—A. No, sir.

Q. As I understand it, after that agreement was executed, you furnished Taylor with a certain amount of money and Taylor and Bilsky went to New York?—A. Yes, sir.

Q. And what was the next part that you played in the transaction?—A. I received a lettergram on the 28th, I think it was, of September, enumerating some glasses which could be got in New York. This telegram was a telegram which was written out by Mr. Bilsky himself and signed by Taylor and forwarded to me, to that lettergram I replied with this telegram.

Q. What was the effect of that lettergram?—A. It was to the effect that a certain amount of glasses they could get there and deliver here at certain prices.

Q. Was price mentioned in the telegram?—A. I cannot recall just now.

Q. Is this the lettergram you received from Bilsky or from Taylor (producing document)?—A. Yes, I think that is it sir.

Q. The telegram is as follows:—

NEW YORK, N.Y., Sep. 28.

T. M. BIRKETT, JR.,
Ottawa.

Immediate delivery Bausch and Lomb high-power five six by thirty sixty-seven, three eight by twenty-five fifty-five two ten by thirty-two eighty five, ten Lemair high-power changeable six to ten power ninety-two can secure forty-seven pair six- and eight-power Colomonte and equal guaranteed manufactured fifty-two dollars delivered to customer.

Bank have not received identification signature.

SANDY.

(Telegram filed and marked as Exhibit No. 26.)

Q. Who is Sandy?—A. That is Taylor.

Q. What did you reply to that?—A. I sent this telegram.

Q. Did you send the telegram to Taylor in reply?—A. Yes, sir.

Q. The telegram reads as follows:—

OTTAWA, ONT., Sept. 28, 1914.

ALEX. TAYLOR,
Care Miller Harris, Jewelers Bldg.,
Maiden Lane, N.Y.

Wire received all mentioned satisfactory if delivered at fifty-two as
[Binoculars—Birkett.]

arranged compasses all supplied can you complete order put check number in telegraph.

TOM.

(Telegram filed and marked as Exhibit No. 27.)

Q. I see that Taylor was evidently in New York about the 28th?—A. He left for New York on the 26th.

Q. Saturday the 26th. When they returned did they bring any binoculars with them?—A. Bilsky returned and brought fourteen.

Q. And what day did he return?—A. He left New York, if I remember correctly on the Monday night, which would be the 28th, arriving here the 29th.

Q. Did he show you the glasses?—A. He handed me over a bag of glasses.

Sir CHARLES DAVIDSON: How is it when they were to sell at \$52 to the Government he was authorizing Taylor to buy at \$52 in New York.

Mr. TILLEY: Not to buy at \$52, but so long as they could be delivered here.

Sir CHARLES DAVIDSON: He would be the customer in New York.

Mr. TILLEY: That was not the understanding. So long as they were delivered here at \$52.

Sir CHARLES DAVIDSON: So they were to be at such a margin as to be delivered here at \$52?

Mr. TILLEY: At \$52 delivered to the customer; that means the Government.

Sir CHARLES DAVIDSON: That might mean him.

Mr. TILLEY: I do not think that is the intention; I think they understood each other.

Examination resumed by Mr. Thompson:

Q. Bilsky brought how many glasses with him?—A. Fourteen.

Q. Did he deliver the glasses to you?—A. He did.

Q. Did you examine them?—A. No, sir.

Q. What did you do with them?—A. I went into Mr. Lapointe's office to declare them. I had no invoice, so Mr. Lapointe telephoned to the late Robert Clark, who was surveyor of customs, and received from him, provided he took the name of the article, that is fourteen binoculars, what quantity there were of binoculars.

Q. Then you got them through the customs?—A. He allowed me to take delivery and I was to go back and pay the duty as soon as I received the invoice.

Q. When you got them through the customs what did you do?—A. Sent them to Colonel Hurdman's office.

Q. Sent or took?—A. I am not positive, but I think I took them myself.

Q. Do you recollect seeing Colonel Hurdman there?—A. I am not positive whether he was there or not. I took them up in the original package and left them there.

Q. You are pretty sure you did take them up?—A. I say I think I did take them up.

Q. Did you leave them in Colonel Hurdman's office without comment?—A. Precisely.

Q. Did you tell any person there who they were from or what they were for?—A. They knew what they were for, because they knew me.

Q. But did you tell no one there whom they were from?—A. I cannot say positively, but I think I handed them to Colonel Hurdman.

Q. Did you say what for?—A. I said they were glasses on account of my order.

Q. Would you say it was Colonel Hurdman you gave them to?—A. I would not say positively.

Q. But you took the glasses up yourself?—A. I think I did.

Q. I just want to go back to the beginning of your examination for a moment. How many times did you see Mason in Ottawa?—A. Once.

Q. Are you sure that you only saw him once?—A. I am pretty positive, yes.

[Binoculars—Birkett.]

Q. Do you not recollect Mason calling at your office about a week after he had given you the order and complaining that you were not delivering according to the agreement?—A. I do not quite recall that, Mr. Thompson.

Q. Try, now, Mr. Birkett?—A. I would if I did, sir.

Q. All right?—A. I do not recall it and I know if he did do that he was perfectly within his jurisdiction, because I certainly was not delivering the glasses I should have because I could not get them.

Q. I will suggest something else, which may help your memory. Do you recollect Mason calling to see you and telling you that the glasses had to be delivered at once or he would cancel your order?—A. No, sir, I do not.

Q. Do you recollect telling Mason when he called at your place of business that your agent would be here to-morrow and he would close up the contract?—A. No, sir.

Q. You do not recollect that?—A. No, sir. I know there is nothing to that.

Q. I am asking you whether you recollect that conversation?—A. No, sir.

Q. What you say is that you only saw Mason once and that was the time that he called at your place of business on the 22nd or 23rd of September and gave you an order for four hundred glasses?—A. Of course, I am under a solemn oath here, and as near as I can say I never met Mr. Mason in my life but that once.

Q. You eventually secured a number of glasses from Bilsky or through his efforts?—A. Yes.

Q. How many did you get through his efforts?—A. 118.

Q. Did those glasses all come from New York?—A. Yes, sir.

Q. They all came from New York. Were they all invoiced to you?—A. Yes, sir.

Q. Did you personally receive the invoices?—A. Yes, sir.

Q. Did you see the invoices?—A. Yes, sir.

Q. Did you examine the invoices?—A. No I did not examine these glasses.

Q. Did you read the invoices?—A. About all I read was the amount. I knew nothing about a binocular and do not yet.

Q. Were the first 118 which you delivered to Colonel Hurdman's office the binoculars which came to you from New York through Bilsky's efforts?—A. Yes, sir.

Q. I ask you that question because you subsequently supplied an additional number to the department?—A. Yes, sir.

Q. What I want to make sure of is that the first 118 which went to the department were those which were invoiced to you as coming from New York?—A. Yes, sir.

Q. And I think they all came, that first 118, from Milton Harris?—A. Yes.

Q. Did you see any glasses personally other than the first ten or fourteen that Bilsky brought back in a parcel or bag?—A. I do not think so. No. I did not see those either.

Q. Did Bilsky deliver them to you in a bag?—A. In a bag.

Q. Did you examine any of them at all?—A. No, sir, I did not.

Q. You did not examine any of them?—A. No, sir.

Q. Did you, of your own knowledge, know of the specifications of the glasses which you delivered to the department?—A. No, sir.

Q. You did not. Did you take the glasses over to Colonel Hurdman's office on all occasions?—A. No, sir, I did not. I only took some.

Q. How many did you take?—A. I could not say.

Q. How did you have the others delivered?—A. Some delivered by a carter and I think one package which Mr. Taylor carried over. Then I took over either one or two packages myself.

Q. All the glasses were delivered to Colonel Hurdman or at his office. Did you ever call at Colonel Hurdman's office to ascertain how the inspection was going on?—A. Yes, sir.

Q. How many times did you call?—A. It was either once or twice.

Q. What did he say on the first occasion?—A. Well I cannot recall. I was there on other business and I simply, as a casual question, asked if my glasses had been examined yet.

[Binoculars—Birkett.]

Q. What did he tell you?—A. I remember on one occasion he told me they had not been examined yet.

Q. Did you eventually ascertain they had been passed?—A. Yes, sir.

Q. How?—A. Well, it was either by dropping in there or telephoning. I was certainly anxious. I did not know anything about these and I was anxious whether they were up to the standard.

Q. I can quite understand that because you are in the hardware business?—A. I am in the hardware business and I know absolutely nothing about a binocular.

Q. Did you telephone to Hurdman's office to ascertain how the binoculars were coming on?—A. Not that particularly. I had a great deal of business with Hurdman's office in some other items and incidentally I probably asked that question, if there was anything new in binoculars.

Q. And as you knew nothing of binoculars you asked frequently?—A. More than another person would probably.

Q. Were any glasses which you supplied either through Bilsky or any other person and which you delivered at his office rejected by Colonel Hurdman?—A. Yes, sir.

Q. How many?—A. Either five or six.

Q. Were any of those glasses purchased in New York?—A. No.

Q. None of the New York glasses were rejected?—A. No.

Q. You are perfectly sure about that?—A. Yes, sir.

Q. What did you do with those five or six glasses which were rejected?—A. I returned them to whom I got them from.

Q. Do you know whether they were ever subsequently sold to the Government?—A. I could not say.

Q. I just want to make perfectly sure before going on with the next part of your examination.

I have here a bundle of invoices from Milton Harris to T. M. Birkett. Will you examine them please and let me know whether those are the invoices that you received for the binoculars. You say that you received these invoices?—A. They seem certainly correct to me, sir.

Q. They are invoices to T. M. Birkett from Milton Harris, in duplicate, and also invoices, three, not in duplicate, from The H. & D. Folsom Arms Co., Broadway, New York, also made out to T. M. Birkett.

(Invoices filed and marked as Exhibit No. 28.)

I have here a number of invoices from the Keystone Supply Co. to the Department of Militia and Defence. Were those the invoices you rendered to the department for the binoculars you supplied?—A. I did not keep one. The department got theirs, and the other copies went to the Ellis Company.

Q. Those are correct, are they?—A. I think so, yes, sir.

(Invoices filed and marked as Exhibit No. 29.)

Q. Now, Mr. Birkett, the Ellis Company wrote you on the 13th of October 23 follows:—

Messrs. THOS. BIRKETT & SON, Ltd.,
Ottawa, Ont.

GENTLEMEN,—We have not as yet received any invoices of the binocular glasses of the order for 100, which you were to have supplied to the department some time ago, and which has long ago expired.

We have a memo. under Keystone, for ten and fourteen (10 & 14), which we think is the name under which you have invoiced these goods to the department, but as yet we have not received the invoices for the balance of the 100. Kindly let us have same.

Yours respectfully,

P. W. ELLIS & Co., LTD.
[Binoculars—Birkett.]

What have you to say as to that letter? Does that change your recollection of the order you received?—A. No, sir. I took that as an error and let it go as that.

Sir CHARLES DAVIDSON: Took what as an error?

Mr. THOMPSON: The word 100 I presume. You refer to 100?

Mr. BIRKETT: That is it, yes.

Examination resumed by Mr. Thompson:

Q. Then you write on October 14:—

Messrs. P. W. ELLIS & Company,
Toronto, Ont.

DEAR SIR,—Your favor of 13th to Messrs. Thos. Birkett & Son, Co., Limited, has been handed to me, and in reply, my invoices for binoculars have been rendered to the department under the above heading as you have mentioned, and on making inquiry of the department they state that they forwarded you last night two invoices for 50 and 44 respectively.

Hoping that you will find this in order, and that you may favour us with remittance, we remain,

Yours truly,

KEYSTONE SUPPLY Co.,

Per T. M. BIRKETT.

A. Would that be in reply to their first letter? Would that not be a second letter?

Q. No, there is only one letter on the 13th from them, and you did not mention anything about the error, did you?—A. No, sir.

Q. You still allowed them to remain under the impression that it was 100, or that there was an error in their letter?—A. Yes, sir.

Sir CHARLES DAVIDSON: Let me distinctly understand the error in that letter?

Examination resumed by Mr. Thompson:

Q. What did you think the error in that letter of the 13th of October was?—A. I knew my order was distinctly for upward of 400 glasses. They write 100. I took it as an error in writing 1 instead of 4.

Q. On the 14th of October, you received this letter from P. W. Ellis & Co.:—

Messrs. THOS. BIRKETT & SON, Ltd.,
Ottawa, Ont.

GENTLEMEN,—Your invoice as “Keystone Optical Co.” dated Sept. 30th for 24 glasses at \$52 lack any description or maker. As we have to carefully check all our prices, we would ask you to kindly advise us the maker, size and power. We thank you for this information by return.

Also send us duplicates for those invoices for the 10 and 14 glasses you have forwarded to the department. Three of each are required by the department and one for us.

Your kind attention in this matter will oblige.

Yours truly,

P. W. ELLIS & Co., Limited.

You will observe what they say there, that these glasses lack any description or mark?—A. Yes, sir.

Q. “As we have to carefully check all our prices we would ask you to kindly advise us maker, size and power. We thank you for this information by return.” You replied to that letter on the 15th of October, the following day:—

[Binoculars—Birkett.]

Messrs. P. W. ELLIS & COMPANY,
Toronto, Ont.

DEAR SIRs,—Your favour of 14th to hand, and in reply, the glasses we supplied the department were of the following kinds:—

B. & L.,
Lemaire,
Busch,
Gorez.

We are pleased to state that they have all been accepted and passed through the Inspectors hands for payment of invoices. We herewith enclose you copy of each invoice which was rendered the department in triplicate and hoping you will mail us cheque at once in settlement of same, for in order to obtain these goods we had to pay spot cash and we expect you to do the same, for we have been advised by the department that the money for this purpose has been forwarded to you.

Yours truly,

KEYSTONE SUPPLY Co.,
per T. M. BIRKETT.

Now, Mr. Birkett, they asked you on the 14th for the names of makers, the size and the power and you replied on the 14th: "The glasses we supplied the department were of the following kinds, B. & L., Lemaire, Busch and Gorez." Is that statement in your letter true or is it not?—A. As far as I know it is true.

Q. Did you know whether it was true or not?—A. I simply asked Mr. Bilsky.

Q. Never mind what you asked Mr. Bilsky. Did you know whether it was true or not?—A. No I did not, because I never saw one of them.

Q. You only thought it was true therefore?—A. Precisely.

Q. And why did you not intimate to the Ellis Co. that you thought they were of that make?—A. Because I was told they were those.

Q. Why did you not tell the Ellis Co. you were told that instead of making the positive statement that they were of those makes?—A. I thought I was telling the truth when I was telling that.

Q. Would it not have been the honest thing to have done to have said to the Ellis Co. that you did not know what the makes were but you were told they were of such a make?—A. As things have turned out it would have been better.

Q. If it was the honest thing to do now was it not then?—A. I presume you are right.

Q. As a matter of fact, were the glasses you supplied to the department of the kind you stated, B. & L., Lemaire, Busch and Gorez?—A. I cannot say.

Q. You cannot say?—A. No, sir.

Q. Are you sure you cannot say?—A. Yes, I am.

Q. Are you sure you were not able to tell Ellis at that time exactly what those glasses were?—A. I told him as I could.

Q. Are you sure you told him all you could?—A. I am, yes, sir.

Q. Look at the Milton Harris invoices to you Mr. Birkett. Read the invoice of the 29th September. What is the first item you see there?—A. 4 Colm. Bino., No. 5612-8x \$25.75—\$103.

Q. What is the next item?—A. 1 Stereophos \$21.

Q. What is the next item?—A. 1 Stereophos.

Q. What is the next item?—A. I Megophos.

Q. Do you find those marks set out in your letter to the Ellis Co.?—A. No, sir.

Q. Why did you not tell them you supplied some of those marks?—A. I did not know it.

Q. But, Mr. Birkett, you did know it; you had Milton Harris's invoice?—A. I did know it if I had a mind to go down and examine these invoices which I did not, as I said a moment ago.

[Binoculars—Birkett.]

Q. You said you had received Milton Harris's invoices and saw them?—A. I did not pay attention to the names because I did not know one from the other. I knew nothing about them. All I paid attention to was the amounts of the invoices I paid duty on. I do not know what those names mean. I never had a binocular in my hands.

Q. The Ellis Company asked you for information as to makers, sizes and description. Why did you not send them such a description as you find in Milton Harris's invoices?—A. Well, I do not know I can say why I did not do that.

Sir CHARLES DAVIDSON: Are these kinds which are mentioned in the invoices cheaper grades?

Mr. THOMPSON: Some of them sir, different styles.

Sir CHARLES DAVIDSON: Lower priced glasses than those mentioned in the letter?

Mr. THOMPSON: \$17. Those mentioned in the letter are high grades.

Sir CHARLES DAVIDSON: Mr. Birkett, you will have to explain why you chose the names of high class makers when your invoices disclose the names of cheaper grades?

The WITNESS: I was working upstairs when this business was being handled. These things were piled on my desk. I had this letter brought up to me in the mail. I immediately took my phone which was on my desk and I phoned to Mr. Bilsky and I asked him what these glasses were. He mentioned these names to me and I dictated to the young lady the letter, with these names in it, without going and making any examination. I took it to be correct and I sent it forward as such.

By Mr. Thompson:

Q. So that you made that statement with regard to the makes of these glasses, which are all high-grade glasses, with apparent absolute indifference as to whether it was correct or not?—A. It was not in that respect, it was not indifference on my part.

Q. Did you take any trouble whatever to verify Bilsky's information?—A. No sir, I did not, I took it as correct.

Q. Did it not occur to you that the invoices from the binocular people in New York would give you the information you required?—A. Well I did not think of that. There were numbers of them there as you will notice, and I did not know anything about that.

Q. But you were dealing with the Government and you were getting a very high price?—A. I was dealing with the Messrs. Ellis.

Q. And you were required to furnish a high-class article?—A. I was dealing with the Messrs. Ellis.

Q. And the Messrs. Ellis stated in their letter to you that before they could decide as to price: "We have to carefully look over the makes to ascertain the maker, size and power", did they not state that?—A. Yes.

Q. And although you had that information in your hand, you did not send it to them, did you?—A. Apparently not.

Q. And they also told you in their letter of the 14th of October that those glasses were for the Government, did they not?—A. I think so, if it is stated in that letter, they did.

Q. You were sending copies of these invoices to the department?—A. Yes.

Q. And you knew they were for the Government?—A. I knew they were for the Government.

Q. Now we will go on a little further. On the 15th of October the P. W. Ellis Company wrote to the Keystone Supply Company:—

October 15, 1914.

KEYSTONE SUPPLY Co.,
P. O. Box 114,
Ottawa, Ont.

GENTLEMEN,—Will you please send us a duplicate of your invoice rendered Militia Department for 50 and 44 glasses. This completes your contract.

[Binoculars—Birkett.]

We want makers' names, power and millimeter size of glasses given.

Yours respectfully,

P. W. ELLIS & Co., LIMITED.

Q. Now, Mr. Birkett, does this letter recall to you your agreement with the Ellis Company; they say here, with reference to the 50 glasses and the 44 glasses, that this completes your contract?—A. I remember that letter.

Q. Did you tell them that they had made a mistake in this letter?—A. No, I did not.

Q. But you were under the impression that it was a contract for 100?—A. I did not know whether that was their contention or not.

Q. But you disputed it?—A. I did not dispute it, but I knew I had not been diligent in supplying, as I said before, and I did not know what stand they would take.

Q. You see they say again in their second letter, that they want the maker's name, the power, and the m.m. size of glasses given?—A. Yes, sir.

Q. You received that letter?—A. Yes.

Q. What did you reply to that—here is your reply, dated October 16, 1914:—

October 16, 1914.

Messrs. P. W. ELLIS & Company, Ltd.,
Toronto, Ont.

DEAR SIR,—Your favor of 15th to hand this a.m., and in reply, we gave you this information in ours of yesterday. We herewith also enclose invoice for 2-only binoculars delivered yesterday, which have been inspected and invoice passed for payment.

As intimated in your favor of yesterday, this will complete our present contract, and hoping to have early remittance, we remain,

Yours truly,

KEYSTONE SUPPLY Co.,

Per T. M. BIRKETT.

The WITNESS: Our letters crossed.

By Mr. Thompson:

Q. Now you say in your reply to them, that this completes the contract—did you make any protest about not being allowed to furnish the other 300 glasses?—A. No, sir.

Q. Or does that still not recall anything to your memory?—A. As I answered you before you read that letter, I told you the stand I had taken.

Q. But you say in this letter: "We gave you this information in ours of yesterday"?—A. Yes, sir.

Q. What information did you give in your letter of "yesterday," that is the 15th, as to makers' name, power and m.m. size of glasses?—A. I gave 6-power.

Q. What was your information, let me read it, here is your information:—

Your favour of 14th to hand, and in reply, the glasses we supplied the department were of the following kinds:—

B. & L.

Lemaire.

Busch.

Gorez.

The WITNESS: Do I say nothing further about it?

MR. THOMPSON: No, you say you are pleased to state they have all been accepted and passed through the inspectors, but that is not the information Ellis & Company asked for. They asked for the makers' names, which you had already given incorrectly in your previous letter, for the power and the m.m. size of the glasses, and you say on the 16th of October that you had already given them that information. What do you say about that?—A. Well, I have given all the information I thought I could obtain.

[Binoculars—Birkett.]

Q. It was not a question of all the information you could have obtained, Mr. Birkett, you say that you gave them the information they wanted. You gave them this information, but the information they wanted was the power and the m.m. size of the glasses, and the correct names of the glasses. So that your statement in that letter of the 16th of October is not correct, is it?—A. It is not answering all the questions, I grant you.

Q. Let me come a little further on. On the 15th of October, the P. W. Ellis Company write the Keystone Company as follows:—

October 15, 1914.

KEYSTONE SUPPLY CO.,
P.O. Box 114,
Ottawa, Ont.

GENTLEMEN,—Your letter October 15th received, in answer to ours of the 14th instant.

Your reply does not convey any information that will assist us in checking your invoices. We have to check each invoice as to value, etc., for the Government before we recommend payment.

Your invoices for September 30th for 10 and 14 glasses at \$52 have been forwarded to us for an examination as to value and for our certification, and when we return same with our O.K. then the Government will forward cheque for payment.

We have not yet received your invoices of October 13th for 44, and October 8th for 50; they have to go through regular course before being sent us.

Before we can certify as to correct value you must give us the exact description of each glass. For illustration, if you send to the department 20 glasses, B. & L., say what power and what millimeter size:—

Sample 20, 8 x 25 m.m. B. & L. prism binoculars at \$45.

Sample 20, 6 x 21 m.m. B. & L. prism binoculars at \$40.

Merely invoicing 20 binoculars at \$52 conveys to us nothing to base any knowledge of valuation, and this we must have before checking and certifying to.

Yours truly,

P. W. ELLIS & Co., LIMITED.

Now, Mr. Birkett, you replied to that—evidently you took a couple of days to consider it. I should judge, because your replies have been very prompt, but this one is dated 19th of October, 1915?—A. On the other hand, Mr. Thompson, I was working night and day.

Q. Evidently not on the binocular contract?—A. Not on the binocular contract, I was working on my own business.

Q. The binocular contract did not apparently matter very much?

Mr. TILLEY: Does not it seem reasonably clear that the date of that letter of October 15th to Ellis must be a mistake, and that it must have been written on the 16th, because he acknowledges the receipt of a letter from Ottawa, dated October 15th?

Mr. THOMPSON: Probably the date may have been the 16th, and we will let that go. I will not further refer to that particular point.

By Mr. Thompson:

Q. This is a letter from Birkett, using the paper of the Keystone Supply Company, dated the 19th of October, to Messrs. Ellis. I will read it:—

OTTAWA, October 19, 1914.

Messrs. P. W. ELLIS & Company, Limited,
Toronto, Ont.

DEAR SIRs,—Your favor of 15th to hand, and in reply, I regret but I cannot give you any more information than I have only that the large majority of these [Binoculars—Birkett.]

glasses were six power and the whole 120 were fitted with the focussing attachment. I hope this will be sufficient, for it is positively all the information I have.

Now, since writing you last, one of my agents has forwarded me two more glasses which the inspector says if you will allow me he will accept.

Kindly let me hear from you by return mail *re* these two glasses, and also if there is any way in which you can help me to get payment, I will be greatly obliged.

Yours respectfully,

T. M. BIRKETT.

By Mr. Thompson:

Q. You see, Mr. Birkett, you were pressing for payment?—A. Yes, sir.

Q. And you say: "I regret that I cannot give you any more information than I have, only that the large majority of these glasses were six power, and the whole 120 were fitted with the focussing attachment"—now, was that true?—A. I suppose if I had copied these invoices I could have given them more information.

Q. Look at Milton Harris' invoices, and say whether that statement to Ellis is true or not?—A. As I said before, I did not refer to these invoices when I wrote to Messrs. Ellis.

Q. This is about the third or the fourth time that the Ellis Company have been urging you to send in full particulars so as to enable them to say what these glasses were worth, and you say: This is positively all the information I have?—A. Well, from a technical point, Mr. Thompson, I could have given them more information had I taken the trouble.

Q. If you had taken the trouble, and you evidently did not take the trouble?—A. I did not; I based everything on what was told me.

Q. Not only did you have more information, but that statement that the majority were six-power was not true; as you will see, if you look at the invoices, that is not true; look at them and tell me if that is not so?—A. What part is not so.

Q. Tell me what proportion of these glasses, which you had supplied up to that time, were six-power?—A. I could not tell you what proportion they were.

Q. You cannot tell me what proportion—well, the invoices speak for themselves, and you will see that very few of them are six-power, Mr. Birkett?—A. My explanation of that, Mr. Thompson—

Q. Can you say now whether the whole, or any part of them, were fitted with focussing attachments?—A. I think they all were.

Q. Do you know?—A. I do not know, only that I telephoned to Colonel Hurdman's office and I asked that question, and he said that they were.

Q. You say in this letter: "I hope this will be sufficient, for it is positively all the information I have," you admit, don't you, that there is a great deal of information in these invoices?—A. I admit there is, sir.

Q. And do you not admit that the power and size are set out here?—A. Yes, sir.

Q. And you did not send that information on to Ellis?—A. I thought I was giving the Messrs. Ellis the benefit of the doubt.

Q. The benefit of what doubt?—A. Six-power glasses, as far as I knew, were less expensive glasses than the eight-power.

Q. In fact, Mr. Birkett, you knew nothing about it?—A. I knew nothing about it.

Q. And although Mr. Ellis was purchasing these glasses for the Militia Department, you were quite indifferent as to whether you supplied all the information necessary, were you not?—A. Well, Mr. Thompson, you might take that stand.

Sir CHARLES DAVIDSON: Did you know they were for the soldiers?

The WITNESS: What is that, sir?

Sir CHARLES DAVIDSON: Did you know they were for our troops?

The WITNESS: Yes, sir.

By Mr. Thompson:

Q. Your letter of the 19th of October ends up as follows:—

Kindly let me hear from you by return mail *re* these two glasses, and also if there is any way in which you can help me to get payment I will be greatly obliged.

You were pressing for payment?—A. In a sense, that is a mild pressure.

Q. You were a little more energetic in your pressing a little later. On December 9th you wrote to P. W. Ellis & Company, of Toronto:—

OTTAWA, December 9, 1914.

Messrs. P. W. ELLIS & Company,
Toronto, Ont.

DEAR SIRs,—Enclosed please find invoice for binoculars delivered to the Militia Department on the 7th inst. In remitting, kindly have cheque payable par Ottawa, and oblige,

Yours truly,

KEYSTONE SUPPLY Co.,
Per T. M. BIRKETT.

That is another mild pressure, is it not?—A. Yes, the cheques came payable at par Toronto, and I had to pay exchange upon them.

Q. And on December 15th P. W. Ellis write to you:—

December 15.

The KEYSTONE SUPPLY Co.,
P. O. Box 114,
Ottawa, Ont.

GENTLEMEN,—We have just received invoices for binoculars, and would ask you to kindly advise us the power, objective and maker's name of same, and oblige,

Yours respectfully,

P. W. ELLIS & Co., Ltd."

They kept hammering at it, did they not, Mr. Birkett?—A. Yes, sir.

Q. This was the fourth or fifth time?—A. I took it from that that they took a very independent stand.

Q. What do you mean by that?—A. I thought they were holding me; I mean I did not know what was the matter.

Q. The matter was that you did not supply them with the information?—A. There was a source from which they could get the information if I did not give it.

Q. But you were the contractor?—A. Precisely, but Mr. Mason was in the city here day after day, and if he wanted to why did he not go and see the invoices.

Q. You wrote them that you had no more information to give?—A. I think they could go and look at it for themselves.

Sir CHARLES DAVIDSON: Did you tell them so?

The WITNESS: No, sir.

By Mr. Thompson:

Q. On December 16, 1914, you wrote to P. W. Ellis & Company, as follows:—

OTTAWA, December 16, 1914.

"Messrs. P. W. ELLIS Company,
Toronto, Ont.

DEAR SIRs,—Your favour *re* binoculars to hand, and in reply, as we had not a memorandum of the make of these goods, they having been sent direct from the Customs to Colonel Hurdman, we phoned him asking if he could give us this information and he said that he had also had a communication from you and had explained it to you over phone.

[Binoculars—Birkett.]

Hoping this will be satisfactory and that you will forward us cheque at once payable par Ottawa, we remain,

Yours truly,

KEYSTONE SUPPLY CO.,

Per T. M. BIRKETT."

Just observe, you say that you have not a memo. of the make of these goods, was that statement true or not?—A. In some cases it is true, and in some cases it is not, I think.

Q. Did you not lead the Ellis Company, in this letter, to believe that you had no memo.; is not that the inference from your letter?—A. I do not think so.

Q. Here is what you said; you said that you had not a memo. of the make of these goods, as they were sent direct from the Customs to Colonel Hurdman. Now, Mr. Birkett, will you look at the invoices and see if that is true?—A. I have looked at them—I could take a stand here to this effect——

Q. And have you not the information in these invoices?—A. I could take a stand to this effect——

Q. Answer me, please?—A. Some of the invoices give information and some do not.

Q. The vast majority of them give the information?—A. I cannot say, sir.

Q. Well, but you say you sent all of the information you had?—A. I did not numerate them. I sent all the information I had from the gentleman who purchased the glasses.

Q. Did you give the Ellis Company any information as to the style of glass you were supplying, outside of stating they were mostly?—A. Mostly six power.

Q. And that they were of a certain make, namely, Bausch & Lomb, and Lemair?—A. I did not say that.

Q. You did; I can turn up your letter to show it. Did it not occur to you that you could have given them a memo. or were you still too busy about your own affairs down in the warehouse?—A. The business I had in the warehouse was upstairs and these were downstairs.

Q. Your warehouse, I presume, supplied quite a lot of material in connection with the war, did it not?—A. It supplied a little, not a great lot.

Q. Were you pretty busy at the time?—A. I was fairly busy at the time.

Q. And was it because you were busy with T. M. Birkett's affairs that you did not take the trouble to go downstairs to look at the invoices?—A. That would follow probably.

MR. TILLEY: It is only fair to the witness to look at what is on the invoices.

SIR CHARLES DAVIDSON: You carry on business in your own name?

THE WITNESS: In what respect?

SIR CHARLES DAVIDSON: Any respect?

THE WITNESS: This business I was carrying in my own name.

SIR CHARLES DAVIDSON: No, you were carrying on that business in the name of the Keystone Supply Company?

THE WITNESS: Yes.

SIR CHARLES DAVIDSON: Have you a business in which your own name appears?

THE WITNESS: No, sir, Thomas Birkett & Son Company is the firm, I am the son.

SIR CHARLES DAVIDSON: Why didn't you use that firm name?

THE WITNESS: Because that firm had nothing to do with it. I distinctly told Mr. Mason, when he called to see me: Remember, you are not dealing with Thomas Birkett & Son Company, you are dealing with me.

SIR CHARLES DAVIDSON: Why didn't you use your own name?

THE WITNESS: I had the bill-heads there, and I had no bill-heads in my own name. I had bill-heads of the Keystone Company and I put it on them. That is about the

only reason why these bill-heads went. I had done a little business with the department in the name of the Keystone, but when these were invoiced I had stopped that business.

Mr. THOMPSON: I do not want, Mr. Birkett, to give the impression that you were aware at that time that you were practically cheating the Ellis Company or the department.

The WITNESS: Possibly not, far from it.

Mr. THOMPSON: I do not want to convey that impression.

The WITNESS: I am afraid that impression may come from your questions.

Mr. THOMPSON: I want to bring it out in evidence, that while you were securing a very advantageous contract with the Ellis Company, acting on behalf of the Government, that you were quite indifferent as to what information you gave them, or as to whether you gave them any information, and that you were too indifferent to go downstairs in your warehouse and look at the invoices to secure the information.

Mr. TILLEY: Now this will go out at this session of the commission if it is not explained, and I do not want that to go. We have had experience of your fairness.

Mr. THOMPSON: I do not want to be unfair.

Mr. TILLEY: The first invoice is an invoice that covers Bausch & Lomb entirely. The second invoices, there are seven, that are not in the names the witness has mentioned in the letter. Now, the other invoices may be said, speaking broadly, not to disclose any of this information at all, so that we have seven of these glasses, out of 118, as to which it might be said that he could have got more information about. As to the others, there is no information at all, or else the information he gave with respect to them is correct. I may not know enough about the subject, but that is how it strikes me.

Mr. THOMPSON: That is my objection, you do not know enough about the subject, and I do not either.

Mr. TILLEY: Then we should be careful not to be unfair.

Mr. THOMPSON: As I shall show in evidence, the information contained in these invoices from Milton, Harris and Company would have been very valuable to P. W. Ellis & Company.

The WITNESS: P. W. Ellis & Company were at perfect liberty to see these at any time. Their representative was here in the city and he could have had the information at any time.

By Mr. Thompson:

Q. On December 16th, the P. W. Ellis Company wrote to you, Mr. Birkett:—

December 18.

The KEYSTONE SUPPLY Co.,
P. O. Box 114,
Ottawa.

GENTLEMEN,—Your letter 16th December to hand, and we regret to say it is not satisfactory.

You are business men, and anything you buy you want to know all about what you are purchasing, and we are the same. The Customs house require a proper invoice, and it would be no difficulty in your getting a copy of same. There would also be no difficulty in getting a duplicate from whom you purchased.

We are given to understand from Colonel Hurdman, the inspector, that the glasses are satisfactory both as to the price and quality, but we must have a proper description of same, and you should be most particular and desirous to provide it.

[Binoculars—Birkett.]

Your invoices are the only exception to all we have passed, and as we particularly drew your attention to this omission before, there is no excuse for its repetition.

Yours truly,

P. W. ELLIS & Co., LTD.

When you did send that information on, in response to their repeated requests for it, they suggested you should go and get the invoices from the Customs Department, or that you probably had the invoices of the people you bought from?—A. When I undertook this contract with Mr. Mason, representing P. W. Ellis, he mentioned certain names of glasses which I cannot recall at the moment, and he told me that these glasses had to undergo inspection. I took the order on that basis, and purchased these glasses, or got them brought here for me by Mr. Bilsky. These glasses were delivered to the inspector for the Militia Department, and he passed them. If these glasses were not such as were required, why should they be passed?

Q. That is not the point?—A. The Messrs. Ellis have the same opportunity as anybody else; they could go over and see my glasses and find out all the information without my telling them. There would be nothing for me to gain in writing them a fraudulent letter or trying to put anything over them, because the glasses were there for their own inspection. If they knew what glasses are, as they should have being contractors for the Militia, for such a large order, they could look at the glasses and they would not require to be told what they cost.

Q. Why did you not supply them with the information they desired?—A. I told you before that I probably could have given them more information, but at the time I was a very busy man, and I telephoned to Bilsky and asked what they were, and he gave me these names, and I wrote the list.

Q. It was easier to phone Bilsky than to go downstairs and look at the description of them?—A. I do not know the names of these glasses. Take that invoice there, 10 B. & L., I do not know what that is; I never had a binocular in my hand.

Sir CHARLES DAVIDSON: The witness delivered 114 glasses.

Mr. THOMPSON: 166 altogether.

Sir CHARLES DAVIDSON: At what price?

By Mr. Thompson:

Q. I was coming to that—you were eventually paid?—A. Yes.

Q. How was it you did not raise any objection about not being allowed to deliver the balance of the 400 which you thought you had a contract for?—A. I was informed that I was not delivering the goods as rapidly as they wanted them, and I felt that when Messrs. Ellis wrote me that they did not require any more that they were probably correct.

Q. How many did you sell at \$52?—A. I think my total invoice was 120.

Q. What other price did you sell them at?—A. \$48.

Q. How many did you sell at \$48?—A. Forty-six.

The Commission adjourned until 10 o'clock to-morrow morning.

OTTAWA, Tuesday, June 29, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight.
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met at ten o'clock this morning.

At the opening of the Court.

SIR CHARLES DAVIDSON: I have received a letter from Sir Richard McBride which it seems fitting to put in the record:—

“CHATEAU LAURIER, Ottawa, Canada,
June 25, 1915.

Dear Sir CHARLES DAVIDSON,—With regard to the inquiry into the purchase of two submarine war vessels completed through the Government of British Columbia, may I make an official request to you that evidence of Mr. Paterson, General Manager of the Seattle Dry Dock and Construction Company, and Captain Logan, agent for Lloyd's, Victoria, B.C., be secured. I shall be glad to do anything in my power to assist in this direction.

Believe me,

Respectfully yours,

RICHARD McBRIDE.

The Hon. Sir CHARLES DAVIDSON, K.C.M.G.,
Ottawa, Ont.

I might state that it is the purpose of the Commission to investigate this contract, either here or in British Columbia, or at both places; the future location of the inquiry being dependent upon the question of expense. If the witnesses can be brought here more cheaply than would result from the Commission going to British Columbia, that will be done. In the meanwhile, the Auditor General is being communicated with to furnish a list of his witnesses, and every means will be taken to see what witnesses are available in British Columbia. Needless to say, it is desired to have this inquiry, with regard to the submarines, as well as with respect to other features of this Commission, exhaustive.

MR. H. P. HILL: I wish to bring a matter to the attention of your lordship, and I do so without any desire to unduly criticise the newspapers. But in this morning's *Citizen*, in the report of the proceedings before this Commission, I presume by accident, the report states in quotation marks, as having been said by Mr. Birkett: “I was not delivering the right glasses, I could not get them.” I would like to call to your lordship's attention the fact that Mr. Birkett never made any such statement.

Further on, there is also the remark: “In reply to further questions, Mr. Birkett

said: he admitted that many of them were not up to the mark." Mr. Birkett has made no such admission, and I do not think it is fair to him that statements like that should be published in the newspapers.

T. M. BIRKETT, hardware merchant, of the city of Ottawa, already sworn.

Examination resumed.

By Mr. Thompson, K.C.:

Q. I yesterday asked you how many glasses you had sold at \$52, and how many at \$48; I presume you cannot tell off-hand the actual price that you paid for each glass?—

A. No, sir.

Q. I want you to prepare, in proper form, so as not to incumber the notes by an extensive cross-examination, a statement showing:—

1st—The actual price paid for each glass.

2nd—The make of each glass.

3rd—The specifications of each glass.

4th—The amount received from the Government.

Mr. BIRKETT: Part of that information I have not got.

Mr. THOMPSON: You will have to compile it as best you can from the invoices that have been received.

The WITNESS: I do not quite know how I could obtain some of it.

By Mr. Thompson:

Q. If you have any difficulty in procuring the invoices from the department, I will endeavour to assist you?—A. I do not anticipate any trouble in that, but these invoices are not all marked that way.

Q. Have you not got all the invoices which were rendered to you?—A. Yes, the invoices are all there.

Mr. HILL: He could not get that information from the invoices.

Mr. THOMPSON: He will have to compile it as best he can; he knows what he paid for each glass.

Mr. HILL: But the specifications of the glasses?

Mr. THOMPSON: If he is unable to give the specification then the column for specifications will remain in blank.

The WITNESS: I may state at this point that after the Public Accounts Committee investigation I took the trouble to go to New York city and see if I could obtain any more information, and I could not.

Sir CHARLES DAVIDSON: Is Mr. Bilsky likely to have it; he must have kept a record. Why did you not ask him before going to New York?

The WITNESS: I did not know, sir, that the invoices all came to me; I do not know whether he was sent the invoices or not; I do not suppose he would be.

By Mr. Thompson:

Q. When I was examining you yesterday, you stated that Mr. Mason or Mr. Ellis were here in Ottawa, on and off, during the time that your glasses were being turned in; do you know whether that is a fact or not, or did you just suppose it?—A. My reason for saying that Mr. Mason was here was probably this. When I received that first order up to the 4,000 glasses, I had ten days to make delivery. At the end of that time I had no way near 400 glasses and from time to time I would make inquiry at Colonel Hurdman's office, if there were glasses wanted, if I could put some in on account of receiving word from New York that a few could be got to-day or a few to-morrow; that is probably why I said it.

Q. Was that after your contract was practically closed out by the Ellis Company?
—A. Well, I would not say as to that; I cannot say definitely as to that.

Sir CHARLES DAVIDSON: What contract do you refer to, Mr. Thompson, because there is some vagueness in that respect?

Mr. THOMPSON: The witness has stated positively that he had only one contract from the Ellis Company, and that was a contract up to 400 glasses, given to him by Mason on the 22nd or 23rd of September.

Sir CHARLES DAVIDSON: Subsequently, about the first of October, he wrote and received an answer that they did not desire any more glasses.

The WITNESS: I think up to that time, about all I could give a definite promise on was 100 glasses or thereabouts.

Mr. THOMPSON: I asked the witness at the time of his examination if the contract with Ellis was not for 100, and he said no, that it was up to 400, and then I cross-examined him about this telegram, which is on file, and he stated that he had assurance of from 300 to 400 binoculars from \$52 to \$56, not later than the 12th. I ask him if his statement now is not inconsistent with his writing to the Ellis Company, asking them if they would not accept 100 glasses from him.

By Mr. Thompson:

Q. What were the terms of your contract with the Ellis Company?

Sir CHARLES DAVIDSON: I am to understand that Mr. Birkett will, so far as possible, make up this statement for which you asked him?

Mr. THOMPSON: You will prepare that, Mr. Birkett?

Mr. BIRKETT: I will give my best endeavour to it, without fail.

Sir CHARLES DAVIDSON: And you will furnish the statement as soon as you can?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Will it take you more than to-day?

The WITNESS: I cannot say.

Mr. HILL: We have a statement which has not on it possibly all the detail that Mr. Thompson has asked for, but it may give him the information he needs.

Mr. THOMPSON: I shall look it over.

By Mr. Thompson:

Q. What were the terms of your contract with Ellis or Mason?—A. In what respect?

Q. As to glasses and so on, what were the terms of the contract?—A. The number was specified up to 400. The price was \$52 each, and the specific part of the contract was that the glasses all had to pass inspection.

Q. Was there anything said as to the class of glasses to be supplied?—A. There were some names mentioned, and as I said yesterday, at the present time I cannot tell what these names were.

Q. Did you know at the time what the names were?—A. I remember Bausch and Lemaire.

Q. Did you make a note of the names which would be satisfactory?—A. I wrote down a number of names, yes, sir.

Q. Have you got that list?—A. No, sir, I have not.

Q. Did you refer to that list as the glasses kept coming in?—A. No, sir.

Q. Did you compare that list with the invoices which were rendered you for the glasses supplied?—A. No, sir, I did not compare it with anything.

Q. Did you make a note at the time of the power and diameter of the glasses?—A. No.

Q. In your evidence before the Public Accounts Committee, page 240, you were asked these questions:—

[Binoculars—Birkett.]

Q. Is there nothing in your contract about inspection?—A. In my order there are specified certain makes of glasses with certain powers, were the only ones that would be accepted, and that Colonel Hurdmar's name was mentioned as having to be suitable to him. Whether he himself inspected the glasses I do not know.

Q. What were the powers of these glasses to be?—A. I do not know.

Q. Did you know then?—A. No, I did not know; I did not know a binocular, Mr. Thompson, from an ink-stand.

Sir CHARLES DAVIDSON: Oh be careful, Mr. Birkett.

By Mr. Thompson:

Q. You stated before the Public Accounts Committee that your contract called for glasses of certain powers, and I want to know what these certain powers were?—A. As I have learned since, the powers are 20, 25 and 30, and such as that.

Q. Are you not making a mistake, showing you know very little about binoculars, was not the power 6 or 8?—A. Yes, I think you are right, I was referring to what they call the centimeters.

Sir CHARLES DAVIDSON: What contract is that?

Mr. THOMPSON: The contract for 400, he says.

Sir CHARLES DAVIDSON: And what were the powers?

The WITNESS: In answer to that, sir, I would say——

By Mr. Thompson:

Q. Make your explanation afterwards, what were the powers?—A. I knew nothing about the powers at the time.

Q. Did you know what the powers were when you were giving evidence before the Public Accounts Committee?—A. Yes, I did.

Q. Tell me, now, what the powers were something like six or eight.

Q. Why did you say before the Public Accounts Committee that the contract called for certain powers, did you know at that time it called for certain powers, how did you know it?—A. Because there were certain things mentioned of which I did not make a memo.

Q. Is this a proper statement of your cases: that you knew certain powers were called for, but you did not know exactly what powers were required?—A. It is not.

Q. Did you know what powers were required?—A. I knew powers were asked for and I knew nothing about powers, but I knew the glasses had to pass inspection, and I took it at that.

Q. Did you know what powers were required?—A. Not at the time.

Q. Did you know what powers were required when you were filling your contract?—A. I knew that six and eight powers were required.

Q. Why did you not say so before?—A. I wanted to.

Sir CHARLES DAVIDSON: What do you understand by six and eight powers?

The WITNESS: I do not know what that constitutes.

By Mr. Thompson:

Q. Were the glasses you supplied, as a matter of fact, six and eight power glasses?—A. So far as I know they were.

Q. Do you know, as a fact, whether they were or not?—A. No I do not.

Q. Do you know, as a fact, how many were six or eight power glasses?—A. No.

Q. Do you know as a fact, how many were not of six and eight power?—A. No.

Q. So that knowing six and eight power glasses were required, you don't know now whether you have complied with the terms of your contract or not, do you?—A. As far as my knowledge is concerned, I cannot state that I know. The articles passed inspection, and that is all I know.

Q. But if the contract called for six and eight power glasses, and you don't know whether you did supply six and eight power glasses, is it not a fact that you don't know whether you complied with your contract or not?—A. No, it is not.

Q. Did you comply with your contract?—A. So far as I know, I did.

Q. Did you, as a matter of fact, comply with your contract?—A. I am not in a position to state that, for I am not an expert. I took the contract, subject to inspection. These passed inspection and were paid for, and I presume they were right.

Q. That does not comply with your evidence on oath before the Public Accounts Committee, where you said you took the contract which called for certain powers of glasses?—A. I said a moment ago that the powers were mentioned, but I made no memo. of that.

Q. You knew, did you not, that certain powers of glasses were called for?—A. I did not know what was called for.

Q. Was not that a term of your contract?—A. I had no contract; I had nothing but a verbal order. They would not give me a written contract. If I had a written contract, I would have had something to go by.

Q. Did they not tell you that glasses of a certain power were required?—A. I presume they did.

Q. Did you not say you made a note of it?—A. I did not say I made a note of the power; I said I made a note of some names.

Q. Did not he tell you he would require glasses of six and eight power?—A. I would not say that he did or did not; but I imagine he did.

Q. In your evidence before the Public Accounts Committee, at page 240, you said: "In my order there are specified certain makes of glasses with certain powers." Do you want to go back on that now, or do you stand by it?—A. I do not wish to go back on that now. He did mention names, as I have said, I am not trying to go back on anything.

Q. Just a minute—you stated before the Public Accounts Committee as follows: "In my order there are specified certain makes of glasses with certain powers." Now, what do you say as to the terms of your contract?—A. I have not contradicted that.

Q. Do you state your contract called for glasses with certain powers?—A. I had no written contract, it was simply a verbal conversation.

Q. Do not quibble?—A. I do not want to quibble, I will answer all your questions as straight as I can.

Q. You were asked before the Public Accounts Committee what your contract was?—A. I was wrong in answering that, I had no contract.

Q. You would not call a verbal order a contract?—A. I do not think you can. So far as my knowledge goes, I do not think a verbal order is a contract. I have been on my oath in both cases, and I have answered to the best of my ability.

Q. You knew that the only glasses which Ellis would accept and pay for were glasses with certain makes and certain powers, did you not?—A. Yes, sir, I presume I did; if it is printed there, I said it, certainly.

Q. Are you sure that you did not submit a sample glass to Mason before you got any order?—A. I am positive I never submitted a sample to anybody, I never had one to submit.

Q. I want to know what you mean by this statement, at page 278 of the evidence taken by the Public Accounts Committee:—

Q. And would you have bought more glasses if you could, even at a much higher price?—A. Yes, sir, I was quite prepared to do it, and I went so far as to submit glasses that would cost me \$50 in New York plus my commission, which I had to pay off 10 per cent, making \$55 in New York. I submitted glasses of that kind, but they were not what were wanted and would not be accepted, consequently I did not buy them; he said they were not what was wanted."

Q. Is that correct?—A. That is quite correct.

Q. Is that correct?—A. As far as it goes.

Q. What do you say—?—A. Excuse me, I want to finish my answer. What I submitted was not a sample but a telegram I had received from New York, and I submitted it to Colonel Hurdman.

Q. Then they were not glasses you submitted?—A. It was a telegram specifying certain makes of glasses, certain powers, certain, I do not know what the other name is, and the price.

Q. In your evidence before the Public Accounts Committee you said nothing about a telegram, you stated: "I submitted glasses of that kind but they were not what they wanted, and would not be accepted"—do you now say that evidence is incorrect?—A. Well, Mr. Thompson, you can quite understand, I do not know what I said then, but it says there, as a matter of fact, there is no difference between what I stated there and what I am now stating.

Q. There is all the difference between submitting a telegram as to what you might supply and submitting a glass as a sample?—A. If you want to take that meaning out of what is printed there, it is absolutely wrong; I submitted a telegram.

Q. That is what you are saying now?—A. I do not like you to say, that is what I am saying now; you seem to imply there is something wrong there.

Q. Do you say that what I have read from this page of the evidence before the Public Accounts Committee is incorrect?—A. If you want to keep to technicalities like that, it is wrong. I never submitted glasses, as a sample, to any person. If I said that before I must have misunderstood it or not heard the question properly.

Q. Now, I presume you have totalled up your financial standing in this transaction, Mr. Birkett, how much did you receive from the Government for these glasses supplied?—A. I do not know whether that is enumerated or not, in the statement referred to by Mr. Hill.

Q. Can you tell me now offhand?—A. I cannot, sir.

Q. Can you tell me now offhand what the average was per glass?—A. No.

Q. In your evidence before the Public Accounts Committee, page 239, you stated that the glasses averaged you considerably over \$40 apiece, is that correct?—A. I may have said that, sir.

Q. Do you say it now?—A. No, I do not. I did not know what they averaged me at the time. I had no papers with me, and the way the Public Accounts Committee put questions to a witness is something frightful, they don't give a man a proper chance at all.

Q. I hope we are putting our questions better here than you seem to think the Public Accounts Committee put them?—A. I quite appreciate that, Mr. Thompson.

Q. Do you say now that you made that statement, that the glasses averaged you \$40 apiece, in the excitement of the moment?—A. I made the statement absolutely at random.

Q. And so that you will not make it at random now, I would like you to prepare a statement in writing as to the average price paid by you?—A. I shall have it.

MR. THOMPSON: That is all I have to ask the witness at present.

By Mr. Hill:

Q. You referred to a lead-pencil memo that you obtained from Mr. Mason, giving the names of the glasses, what did you do with that memo?—A. The memo went to New York; whether it went with Mr. Taylor or Mr. Bilsky, I am not sure.

Q. You have not seen it since it went to New York?—A. I have not.

Q. What was said when you and Mr. Mason were having a conversation as to the inspection of glasses?—A. As I have said to Mr. Thompson, Mr. Mason ran over a few names and he said he was not very conversant with these matters, and he said: anyway, these glasses have all got to pass Government inspection, and I took it as such.

Q. In your letter to the P. W. Ellis Company, Limited, which has been put in as an Exhibit, on October 19, 1914, you say:—

Your favour of 15th to hand, and in reply I regret that I cannot give you any more information than I have, only that the large majority of these glasses

[Binoculars—Birkett.]

were six power, and the whole 120 were fitted with the focussing attachment. I hope this will be sufficient, for it is positively all the information I have.

What prompted you to say that the large majority were six power glasses?—A. I do not know quite what prompted me to say that, unless I thought six power was less than eight power, and I took the benefit of the doubt and said they were six power.

Q. You thought that six power was less expensive than the eight power?—A. That must be it.

Q. When you say that you did not know whether the glasses were six power or eight power, what did you mean by that statement?—A. I do not know why I would make the statement like that, unless it was they were not marked what they were.

Q. Did you ever see the glasses?—A. No.

Q. Did you ever examine the glasses?—A. No.

Sir CHARLES DAVIDSON: He has already stated he never looked at them or opened them.

By Mr. Hill:

Q. You have said that you went to New York to see Mr. Harris with regard to these glasses?—A. Yes.

Q. What did he tell you about them?—A. He told me the glasses were all absolutely good glasses, but that he could not enumerate, in the great number of the invoices, the names of the powers of these different glasses.

Q. Why?—A. Because they had been picked up in different portions of the city by young men who work for him, and they picked them one here, and one there, and so on, and he could not give the names or powers of glasses, so he just invoiced them as glasses.

Sir CHARLES DAVIDSON: Who invoiced them?

The WITNESS: Mr. Harris.

Mr. HILL: He invoiced them to you.

By Mr. Thompson:

Q. I asked you yesterday how many of the glasses you submitted to Colonel Hurdman had been rejected, and you said five or six?—A. Yes, sir.

Q. Is that correct?—A. I think so, sir.

Q. Were these New York glasses?—A. No, sir.

Q. Where did you buy these glasses?—A. I got them from Montreal.

Q. From whom did you buy them?—A. I did not buy them; they were submitted to me as samples.

Q. Did you return them?—A. Yes, sir, and paid the charges both ways.

By Mr. Hill:

Q. Was this before or after your interview with Mr. Mason?—A. Which interview have you reference to?

Q. When he gave you the order?—A. No, I never handled a binocular, I think, until after I received that order. I never had any correspondence about them, one way or the other.

Q. When was it?—A. It was in the neighbourhood of ten days after I received the order.

Sir CHARLES DAVIDSON: Why did you return them?

The WITNESS: Because they were not satisfactory to the inspector.

Sir CHARLES DAVIDSON: Were these the only ones that were rejected.

The WITNESS: Yes, sir, that is all that was rejected, five or six glasses.

Sir CHARLES DAVIDSON: These were the only ones?

The WITNESS: Yes, sir.

[Binoculars—Birkett.]

By Mr. Thompson:

Q. Do you remember what the make was?—A. I do not.

Q. Do you know what the specification was?—A. I do not. I know that some of these glasses would cost me in the neighbourhood of \$70. I know that one was that high.

Q. And you say that glasses running as high as \$70 in price were not accepted by Colonel Hurdman?—A. Was not accepted.

Q. From whom did you receive these glasses on approval?—A. Dorken Brothers of Montreal.

Sir CHARLES DAVIDSON: To revive my memory, Mr. Birkett—did Mr. Bilsky make any statement as to his representing the vendors of glasses in the United States?

The WITNESS: He gave me to understand he had a large quantity of glasses at his disposal there, which he could land here at a moment's notice. That is why I accepted the order at ten days' delivery.

Sir CHARLES DAVIDSON: Did he say what the form of his control, over the manufacturers of these glasses in the United States, was?

The WITNESS: He said that these glasses were glasses such as the Government wanted. He knew exactly what the Government wanted, and these glasses were such glasses, and he gave me to understand that he had practically a corner on a quantity in New York.

Sir CHARLES DAVIDSON: Am I to understand that it was because of this statement that you associated with him as to the division of the profits?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: What was the result?

The WITNESS: The result was that the order was not completed by any means.

Sir CHARLES DAVIDSON: What was the result as to his commission in these respects?

The WITNESS: He had misrepresented the whole thing to me, it was a clear case of misrepresentation.

Sir CHARLES DAVIDSON: According to you, as a matter of fact, he had no control of glasses in the United States?

The WITNESS: Certainly not.

Sir CHARLES DAVIDSON: And you say it was wrongly represented to you?

The WITNESS: It was wrongly represented to me entirely. It was proved he had no control. He went himself and in two days he brought 14, and in two days more Mr. Taylor brought 10, which was only 24.

Sir CHARLES DAVIDSON: And yet, as I understand it, in spite of this asserted false statement you paid him his commission?

The WITNESS: I did, sir, I paid him a commission of five dollars on every glass which came through the source which he took us to. I think I acted perfectly square with him.

By Mr. Thompson:

Q. And I understand that you further, on the 1st of October, telegraphed to Ellis that you had every assurance for 300 to 400 binoculars?—A. Yes, sir.

Q. Was that a Bilsky assurance?—A. No, sir, it was not.

Q. Whose assurance was it?—A. The assurance of Harris in New York.

Q. Was not Harris in New York the man to whom Bilsky already referred you and from whom you could only obtain about 14 glasses?—A. Yes, sir.

Sir CHARLES DAVIDSON: How did the Harris assurance reach you?

The WITNESS: I am not positive whether it was in a telegram or in a letter, but it came to me.

Sir CHARLES DAVIDSON: Has it been produced?

The WITNESS: I do not know, Mr. Hill has it.

By Mr. Hill:

Q. Did you see this telegram, which I now produce, before?—A. Yes, certainly I did.

Q. Was that telegram given to you by Mr. Taylor?—A. Yes.

Q. And acting on that telegram you sent the telegram to Ellis Brothers which has been referred to just now by my learned friend, Mr. Thompson?—A. Yes, sir.

Q. What is the date of that?—A. The 1st of October.

Mr. HILL: This telegram is dated October 1, and it reads:—

A. TAYLOR,
55 Church Street,
Ottawa, Ont.

Information Saturday regarding 500 more. Can buy quantity of other makes. Reply stating price limit. Rush cheque endorsed full name.

MILTON HARRIS.

And after receiving this telegram you sent a telegram to Ellis Brothers, dated October 1, stating that you had an assurance for 300 or 400 binoculars?—A. I put it at 300 or 400 instead of 500.

Mr. THOMPSON: That is all I have to ask for the present.

Mr. HILL: I presume we may recall Mr. Birkett if necessary?

Sir CHARLES DAVIDSON: Yes. Mr. Beament, have you any questions to ask?

By Mr. Beament (appearing for Mr. Bilsky):

Q. When did you first try to get an order for binoculars?

Sir CHARLES DAVIDSON: The witness has already stated that.

Mr. BEAMENT: It was shortly before the 22nd of September, was it?

The WITNESS: I think it was the 21st of September.

Sir CHARLES DAVIDSON: It was in consequence of information brought to him by Taylor, which resulted from a conversation with Bilsky.

Mr. BEAMENT: You say you got your information from Taylor with regard to that?

The WITNESS: Yes.

Mr. BEAMENT: You did not get the contract first and then see Mr. Bilsky afterwards?

The WITNESS: No, certainly not.

The witness retired.

Lieut.-Col. W. G. HURDMAN, of the City of Ottawa, sworn:

By Mr. Thompson:

Q. You are in the Militia Department, Colonel Hurdman?—A. I am.

Q. Tell me what your duties in the Militia Department were in September, October, November, December and January last?—A. Inspection work.

Q. Inspecting what?—A. My official title was Inspector of Carriages and Artillery Equipment.

Q. Did the inspection of binoculars come under your duties?—A. It did.

Q. I understand that when war was declared you made some inquiries in Ottawa as to what binoculars were available?—A. I did.

[Binoculars—Hurdman.]

Sir CHARLES DAVIDSON: Are you in the actual performance of the duties of your position now?

The WITNESS: As Inspector, no, my lord, I am not; I am acting in a military capacity now.

Sir CHARLES DAVIDSON: As what?

The WITNESS: I am acting with the Master-General of the Ordnance in the Artillery Branch.

By Mr. Thompson:

Q. How many binoculars did you find available in Ottawa?—A. 120. It was on the list I submitted to the Director of Contracts. That is, between what was available in Ottawa and what the Messrs. Birks had in reserve in Montreal, they telephoned down.

Q. Did you know approximately how many would be required for the forces?—A. At that time, the contract demand was 600.

Q. So that there was likely to be a shortage of glasses, was there not?—A. Yes.

Q. You stated in your evidence before the Public Accounts Committee that glasses would likely be considered contraband, will you explain that?—A. At the time I was going around looking and getting this information, the Topley Company in the city here stated they thought they could supply 200. They got in communication with the Bausch & Lomb people, in Rochester, and they said they could not supply them as they were contraband of war. They were really the only manufacturers in the United States.

Sir CHARLES DAVIDSON: Have you the statement of Bausch in writing?

The WITNESS: I have not.

Sir CHARLES DAVIDSON: The refusal of these people to supply direct may be of some importance.

By Mr. Thompson:

Q. Do you now know what the glasses averaged as to price?—A. I knew nothing about the prices at all.

Q. You stated in the Public Accounts Committee that you considered the price reasonable, considering the conditions then prevailing?—A. If you have reference to the 120 that is so. I had prices on those.

Q. You were not referring, of course, to the 120 supplied by Birkett, you were referring to the 120 you found were available in the vicinity of Ottawa?—A. Yes, that was in August.

Q. What was the price?—A. I cannot tell you, I submitted a memo of the prices quoted to the Director of Contracts, and my duty ended at that.

Sir CHARLES DAVIDSON: Is that Mr. Brown?

The WITNESS: Yes.

By Mr. Thompson:

Q. I understand you have some special expert knowledge of glasses?—A. Well I know something about them.

Q. You were engaged in the business of a jeweller, were you not, for a number of years?—A. I was.

Q. How many years?—A. I guess about eight or nine years, it is so long ago that I do not remember.

Sir CHARLES DAVIDSON: It is in his declaration that he was in the South African War; he was through a campaign?

The WITNESS: Yes, I should know what glasses are.

Sir CHARLES DAVIDSON: You used glasses in that campaign?

The WITNESS: Yes, my lord.

By Mr. Thompson:

Q. Did you have any fixed standard when examining the glasses?—A. I had what is known as the War Office standard pattern. I had no means of technically examining them, other than from observation, as for definition and illumination.

Q. What are definition and illumination?—A. Illumination shows clearness, that it would let in light enough to show the object clearly. The definition refers to the penetrating power of the focussing.

Sir CHARLES DAVIDSON: In that is there included the magnifying power?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: There are three features to be observed, definition, illumination, and magnification?—A. Yes.

By Mr. Thompson:

Q. In order to have it perfectly clear on the notes, I would ask you if the term definition would appear in the invoices?—A. Oh no, there would be nothing like that in the invoice.

Q. What would appear in the invoice would be the makers' name?—A. Yes, the makers' name, the power, and the size of the objective in millimeters.

Q. It may be of importance later on to know what is the effect of a large or small objective?—A. The best way that I could describe between the six power and the eight power is that the eight power is with a smaller objective. It gives you a smaller field, but it gives you greater penetrating power. If you were looking up through a lot of trees you could penetrate through better with the eight power than you could with the six power, but the six power, with a larger object lens, gives you a larger field and it lets the light in and shows up better; it magnifies in a way, but I do not know that you could use that word.

Sir CHARLES DAVIDSON: Are these prismatic glasses?

The WITNESS: It is prismatic glasses altogether that we use.

Sir CHARLES DAVIDSON: You use no direct view?

The WITNESS: None at all, except a few had to be taken because we could not get the others.

Sir CHARLES DAVIDSON: Does Lemaire, for example, manufacture prismatic glasses?

The WITNESS: Yes, my lord.

Sir CHARLES DAVIDSON: All these makers who have been mentioned manufacture prismatic glasses?

The WITNESS: Yes, sir, the other kind of glass is out of date altogether.

By Mr. Thompson:

Q. What did your inspection consist of?—A. My inspection consists of taking a certain percentage of these glasses of different makes and going back then to the Supreme Court building, where I can see across the Gatineau some 5,000 to 15,000 yards, and try the glass out on that. In this first 2,100 glasses I classified them into two classes.

Sir CHARLES DAVIDSON: What was the total number of glasses ordered?

The WITNESS: 2,175 for the first contingent.

Sir CHARLES DAVIDSON: Which you were called upon to inspect?

The WITNESS: Yes, I inspected 4,700 glasses altogether, including those for the second contingent.

Sir CHARLES DAVIDSON: We are directing our observations now to the glasses for the first contingent.

Mr. THOMPSON: Yes.

[Binoculars—Hurdman.]

MR. HURDMAN: There were 2,100 glasses for the first contingent. I classified them so that those that were for long range were marked in class 1, that is those for the artillery and senior officers. Those in the other class, or class 2, were for range-takers and infantry at short ranges, and patrol parties.

By Mr. Thompson:

Q. Did you inspect all of Birkett's glasses in the manner you have described?—A. I have inspected them all. I did not make the slightest bit of difference between Birkett or any one else.

Q. After you inspected a glass did you mark it in any way to show it passed inspection?—A. I had a room that they were put into when I inspected them. They were under lock and key. I carried the key myself because I had a large amount of money tied up in them that I was responsible for, and if anything were lost I would be held responsible.

Q. Did Taylor or Birkett call to see you with regard to selling glasses to the Government?—A. If my memory serves me correctly, Mr. Birkett came to see me and I told him who he was to see.

Q. Who was that?—A. Mr. Mason.

Q. Was Mason in town at that time?—A. If my memory serves me correctly, he was in town that very day.

Q. You think he was in town that very day?—A. That is my memory.

Q. Do you recollect what day that was?—A. I do not.

Q. Do you recollect Mason being in your office on the 21st, the 22nd, and the 23rd?—A. I would not like to swear to the exact date, because he made my office his headquarters and used the telephone and phoned long distance and everything else.

Q. Do you recollect him calling at your office, when Mason was there, and your introducing Birkett to Mason?—A. I have no recollection of that whatever, in any shape or form, I have no recollection of introducing Mr. Birkett to Mr. Mason.

Q. You have no recollection of that whatever?—A. None whatever, I think if I had done so, I would remember it.

SIR CHARLES DAVIDSON: Is Mr. Mason here?

MR. THOMPSON: Yes, sir.

By Mr. Thompson:

Q. Do you recollect, or did you at the time make a note of the make and specifications of the glasses supplied by the Keystone Company or T. M. Birkett?—A. I did not.

Q. You made no note at all?—A. I made no note as to the make or makers, I did not have time.

Q. Did you not keep a list on which you made notes as you examined the glasses?—A. Merely the total number of glasses. Suppose the Keystone People sent in 25, I would put down 25 glasses after they passed inspection. I reported them all.

Q. When Mason would come into your office, would you discuss the glasses that were coming in, and show him the makes and specifications?—A. They were there, Mr. Mason assisted me on two or three occasions in going over the glasses. He worked there with me when we were going through them.

Q. You cannot tell me now about the glasses of the Keystone Company?—A. I cannot, there were 144 different people sending in glasses there.

Q. Would you examine the glasses of the various contractors or supplies on the same day?—A. Yes, if they came in. Suppose a lot came in this morning by express, I would try to get these opened up and examined and put away under lock and key as quickly as possible.

Q. After the Keystone Company had supplied their glasses, did Birkett or Taylor call to ask how the inspection was going on?—A. They may have telephoned, I do not recollect. I have no doubt that probably they did.

Q. Did they call to see you and ask you why they were not being paid for their glasses?—A. They may have, not only them but others did the same thing when they wanted to get their pay.

Q. Do you recollect whether they called and asked you whether you could try and get them paid?—A. I have no recollection, because I would have no influence that way.

Q. On the 11th of October, Ellis wrote to you:—

Lieutenant-Colonel HURDMAN,
Militia Inspection Department,
Ottawa, Ont.

DEAR SIR,—We cannot understand why it is we have had no confirmation of the delivery of the 100 glasses Birketts were to deliver last week. We have no doubt about these goods having been turned in, but are anxious. We have not written Birkett, as we would naturally expect as soon as the goods were sent in to the department that we would be advised as you know, to keep our records complete.

Yours respectfully,

P. W. ELLIS COMPANY, LIMITED.

Q. What did you do after you received that letter, if you did anything?—A. I cannot tell you now what I did exactly.

Q. You cannot recollect?—A. No, that is a matter of ordinary course. I may have telephoned them and asked them about it.

Q. The Ellis Company were apparently not very well satisfied about the information that was sent to them by the Keystone Company, and they wrote you again on the 21st of October:—

October 21, 1914.

Lieut.-Colonel HURDMAN,
Ottawa, Ont.

DEAR SIR,—We wrote the Keystone Supply Co. and asked them to give us the particulars of the glasses that they had supplied, as to power, diameter, make, etc., so that we could judge as to the value of the glasses, and they wrote back saying the large majority of the glasses were six power, and the whole were fitted with focussing attachment.

We would like to know if you consider these glasses good value as compared with those you have been receiving. They omitted to itemize their invoice, and consequently we are unable to form any idea, and would be pleased if you would let us know what you think of them.

Yours respectfully,

P. W. ELLIS & COMPANY, LIMITED.

Ellis says he wanted that information so that he could judge as to the value of the glasses; did you know what price Ellis was paying Birkett for the glasses?—A. I may have, I was not present when the contract was made with him, I had no official knowledge.

Q. Did Birkett tell you what he was getting from the Ellis Company?—A. I have no knowledge of him telling me what he was getting, I do not remember now. He may have, I do not know, I never discussed the matter with Birkett.

Q. Were you surprised when you subsequently ascertained, as I presume you did, that Birkett was paid \$52 for a very large number of his glasses?—A. I was not surprised, I was not surprised at anything, they were paying \$65 and \$70 for them.

Q. Did you think that \$52 was a fair average price for the glasses which Birkett turned in and which came from New York from the Milton Harris Company?—A. I had nothing whatever to do with the price in any shape or form. If I raised any question about the price, I would probably get my fingers rapped.

[Binoculars—Hurdman.]

Q. I understand that Birkett bought 120 glasses from New York, the first 120 apparently that he turned in to you, and I tell you now that he was paid \$52 per glass by the Ellis Company for these glasses, what do you think now as to that price for the class of glass which he turned in?—A. I could not express an opinion on that.

Q. What do you think?—A. Mr. Thompson, I would not care to express an opinion as to what I personally thought or what I did not. All I can say is that I tried them out and that they were satisfactory. They were a glass properly made, with focus attachment and jointed, as to pupillary distance. If I had been in the market around buying, I probably would be competent to judge, but I was not buying; I never bought five glasses for the Government.

Q. You say you knew nothing whatever about the price that was paid?—A. I would not like to put it that way, I did not know officially, but I may probably have known.

Q. Let me put it this way, Colonel Hurdman—if Ellis had told you that he was paying \$52 to Birkett for every glass he turned in, would it not have been your duty to have called his attention to the high price that was being paid for some of the cheaper glasses?—A. No, for the simple reason that he had a direct order, from the Minister, to buy the glasses at the best price he could. They had to have the glasses, and the Contracts Branch are responsible for the price and not the inspector.

Q. I am not suggesting that you were responsible for the price in any way, but I wanted to ascertain whether you would have considered it your duty to have called Ellis' attention to the fact that he was paying rather a high price for a moderately equipped glass?—A. I did that on one occasion and I do not think I was thanked for it, and I shut up afterwards.

Q. You called Ellis' attention to it,—A. I called Mr. Mason's attention to it in one case and he did not agree with me, and of course they were the purchasers and I did nothing more.

Q. After the Ellis Company wrote that letter to you on the 21st of October, you replied on the 22nd:—

"My dear MASON,—I am in receipt of your favour of 21st inst. and contents noted and in reply say that binoculars supplied by the Keystone Supply Company were satisfactory in every particular. As stated by them a large proportion were 6 power 30 m.m. others were 8 power and were of the best qualities, principally Carl Zeiss, Lemaire and better quality of Busch glasses such as Terlux and Sollux and Bausch and Lomb 6 and 8 power.

If I remember correctly there was only one pair other than these makes and in fact I was surprised at receiving such a lot of good glasses and judging from the prices paid for this class of goods their price was reasonable.

They have 2 pairs on hand which had been purchased prior to their order being cancelled and I think it would be advisable to accept them. Please advise me *re* this matter.

I have received 136 pairs glasses from your firm, have you arranged for the tan cases required, if not please wire me and on receipt of same I will return samples with numbers required to you.

Very truly yours,

W. G. HURDMAN.

The last part of that letter refers to something else, I presume?—A. Yes.

Q. You say as fixed by them a large proportion were 6-power 30 mm.

Sir CHARLES DAVIDSON: Have explained what 30 mm. means?

By Mr. Thompson:

Q. What does that mean?—A. That is the size of the diameter of the object glass.

Q. Could you have that figure converted into our system of calculation?—A. It would be somewhat about one inch. There is the object glass and the eye glass, the

same as in the others. The prisms are all inside. The eye glass is the one that comes next to the eye, that is always small, and they vary in size. At the time I wrote that letter, from the knowledge in my possession at the time, it seemed to be perfectly correct.

Q. You say in that letter that a large proportion were six-power 30 mm.?—A. I did not have the invoice other than for those that had been invoiced and sent in, to them. I did not have any definition of them. If I had some of them at the time, I might have gone and looked at them. I remember particularly that there were several Lemaire and Busch glasses and Bausch & Lomb.

Q. And even if there were several of these that would be a small proportion out of 120 or 116 glasses?—A. I remember perfectly well that there was a Busch glass among them, and I remember that their definition and clearness was very good. I would not for one moment accept a glass, being on active service myself, and knowing what they were for, for our troops going there, that would not be of use to them. I have used glasses myself and I know what is required.

Q. Did you have, on the 22nd of October, the Birkett glasses before you when you wrote this letter?—A. I did not.

Q. How long before the 22nd of October had you passed these glasses for inspection?—A. Some were passed in September, or the first week in October, the most of them.

Q. What was it that called your attention to the quality and make of the Birkett glasses a month or so after you had passed the inspection, when there were so many other glasses before you and passing through your hands?—A. There may have been some come in a short time previous to that, but I do not know.

Q. Were you, therefore, basing your estimate and your statement, that a large proportion were six-power and so on, upon the last consignment or the last few he brought in?—A. I do not know, I imagine Mr. Mason told me what the Keystone people stated they were.

Q. You are replying to this letter of the 21st October and you say:—

Nearly every day for a long time there was hardly a day passed but what Mr. Mason, if he was not in Ottawa, would phone over the long-distance phone.

Was that about glasses?—A. Altogether about glasses.

Q. It is shown by the letters already in evidence that the Ellis Company were continually writing to Birkett, asking the Keystone Company or Birkett to supply them with makers' names, power and size, so that you evidently could not have given Mason, over the telephone, any information about the Birkett glasses?—A. I did give him information over the phone.

Q. Before the 22nd of October?—A. I do not know whether it was before that or not, but I know I did.

Q. But on the 22nd of October you had evidently not given him any information or they would not have written that letter to you?—A. I would not like to say that, I cannot tell now, there was so much to do at that time.

Q. Can you tell how many glasses there were of any one maker?—A. I could not, I took generally what they were, but I may have used that expression more as comparative to what they were. The definition was given and the magnifying power was given.

Sir CHARLES DAVIDSON: Did you examine every glass?

The WITNESS: If they were all one make, I would take three or four for the long range out to this place and then take the others and generally look through them. If I had examined every glass in 4,700, I probably would have been at it yet. We took what is known in inspection work as the "batch" system.

By Mr. Thompson:

Q. In the batch system, you might have examined glasses supplied, some of which included Bausch & Lomb and some inferior makers, and some of inferior quality, is not [Binoculars—Hurdman.]

that batch system only satisfactory where all the subjects of examination are supposed to be of one make and quality?—A. That is what I mean by the batch system.

Q. Would that be a fair way to inspect glasses which were supplied from all sorts of places and under all sorts of conditions, and of different make and different quality?—A. Let me explain—for example, the Keystone people send in 50 glasses; there were three different makes in them; I would sort them out in the different makes and take a proportion of each make.

Q. Are you positive that of the various makes which the Keystone Company turned in you examined one of every make?—A. Positively, yes, there is undoubtedly no question about it, because I would not let them pass otherwise.

Q. There was evidently a great variation in the value of the glasses submitted by the Keystone Company, was there not?—A. Judging from what came out in the Public Accounts Committee—I have seen a copy of that report—there was a variety, but there may be a great variety in price in the same make of glass.

Q. What do you consider the sterephos glass, is that a good quality of glass?—A. Quite a number of these passed through my hands from different people.

Q. Do you consider it a good glass?—A. It must have been all right when I passed it.

Q. Is that a good make?—A. It is a fair glass.

Q. Is it a fair glass?—A. It is a fair glass, good make.

Q. How does it compare with the B. & L.?—A. I think the B. & L. is a better glass.

Q. How does it compare with the Lemaire glass?—A. I think it perhaps compares well with the Lemaire glass.

Q. Do you know a glass called the Megaphos?—A. Yes.

Q. How do you think that glass compares with the B. & L.?—A. The Megaphos is a good glass.

Q. How does it compare with the B. & L.?—A. From my test it compared favourably with them.

Q. How would you compare them on the market if you were selling them as a jeweller?—A. I am too long out of the business to know that.

Q. Cannot you answer that?—A. I cannot answer that.

Q. Do you consider the megaphos is as good a glass as the B. & L.?—A. The megaphos is a good glass, but people like Birks would not handle it.

Q. Why?—A. They won't handle anything only high-class stuff.

Sir CHARLES DAVIDSON: You differentiate between high-class and fair?

The WITNESS: I do, my lord. Some are better than others, certainly. For long distance, there is quite a difference in them. When you come to short distance there is not such a difference, but it is on the long ranges where the better glass counts.

By Mr. Thompson:

Q. Do you know the Colm binocular?—A. Yes, that is an abbreviation, and I forget the name of it. I think it is the Imperial Company in Montreal that handles these.

Q. Is that up to standard with the B. and L. or Lemaire?—A. I think it is quite up to standard with the Lemaire.

Q. Is it worth the same amount of money on the market?—A. Do not ask me prices, I do not consider myself qualified to judge of prices.

Q. I am not asking you to judge prices in times of excitement, such as prevailed when you were making the inspection, but in ordinary times of peace, would you pay the same amount of money for sterephos and megaphos or colm as you would for B. and L.?—A. Not if I was going to buy a pair for myself, I would not.

Sir CHARLES DAVIDSON: What about the Zeiss glass?

The WITNESS: A great number of them came in in that lot. I consider the Zeiss glass the best glass of all.

Sir CHARLES DAVIDSON: I understand they are not available now.

The WITNESS: They are not available now; they were all in the United States at the time.

By Mr. Thompson:

Q. Are you sure there was a large number of Zeiss glasses in that lot?—A. There was quite a number of Zeiss glasses.

Q. I find here about seven Zeiss glasses, so specified in the invoice rendered by Milton Harris to T. M. Birkett; I will tell you the number that were invoiced as such?—A. I think in the whole lot there were 135 without any name on them at all, according to the report of the Public Accounts Committee, and that is the only place I saw them.

Q. There are four glasses invoiced as coming from Zeiss, or of Zeiss make?—A. I am perfectly satisfied there was a greater number than that, and there was quite a number of Busch, which is a good glass.

Sir CHARLES DAVIDSON: Is Busch German as well as Bausch?

The WITNESS: I think so, my lord.

By Mr. Thompson:

Q. On the 14th of December they wrote to you:—

DECEMBER 14.

Lieut. Colonel HURDMAN,
Dept. of Militia and Defence,
Ottawa, Ont.

DEAR SIR,—Kindly see that the "Power and Objective," is marked on the invoices of the Keystone Company Glasses, as they come along, and greatly oblige.

—Yours respectfully,

P. W. ELLIS & Co., LTD.

I suppose by the 14th of December you had passed most of them?—A. Yes, they had been passed as quickly as I could get them out. They were very urgently required and I never held them longer than I could help. The troops had gone over and they were wanting glasses.

Q. Now, the Ellis Company were apparently not well satisfied with the information they had, and I think you telephoned to the Ellis Company?—A. I did, that was in December.

Q. Were all the glasses paid for in one cheque, do you know?—A. I do not know how they were paid for, I know nothing whatever about that, I did not communicate with the Ellis Company about that at all.

Q. To whom did you phone in Toronto?—A. I always called for Mr. Mason.

Q. Did you telephone to him at Birkett's request about these glasses, or at whose request did you telephone?—A. In answer to inquiries from them. I used to telephone, asking them to hurry along because the Ordnance people were pushing me, through the Director of Contracts, to hurry up the deliveries.

Q. Did you not phone to the Ellis Company with regard to paying the Birketts?—A. Not that I am aware of, I would not interfere in that at all, unless Mr. Birkett asked me if I would ask them.

Q. Did you not telephone to Ellis about paying Birkett, and you were rather annoyed that payment had been delayed?—A. Oh, no, why would I telephone for Mr. Birkett, any more than for Topley or any one else; I did not know one man from another.

Q. When did you first learn about the arrangement between Ellis and Birkett as to the amount of their contract, the prices and so on?—A. Mr. Birkett came to see me and I think it was the same day that Mr. Mason was in the city. Mr. Mason had been around and he had been in the office here and I said I would speak to him

[Binoculars—Hurdman.]

about it. We discussed the matter about getting glasses and I think he called up the Director of Contracts and talked to him and talked to Toronto as well that day, and at his suggestion I called up Mr. Birkett upon the phone and spoke to him.

Q. That was before the contract was entered into?—A. Yes.

Q. Did you know what the terms of the contract were?—A. I did not know.

Q. When did you ascertain what the terms were?—A. I never knew what the terms of the contract were, officially.

Q. I suppose you know now that the contractors were paid fifty-two dollars, that the Birketts were paid at \$52 each?—A. I may have known something about it, but after I spoke to him over the phone Mr. Mason went down to see Birkett at his office. I do not know what took place there.

Q. Was Mason in your office at the time?—A. I was speaking for Mason at the time.

Q. You were speaking for Mason to Birkett over the telephone?—A. Yes, I asked him what he had there.

Q. Can you recollect what date that was?—A. I cannot.

Q. In your telephone message on that occasion to Birkett, did you ask Birkett whether he could supply glasses?—A. I did not do anything about it.

Q. Was it in reference to the second contract, or was it in reference to Birkett securing the contract?—A. It was the first supply of Birkett.

Q. You think that Birkett had no contract at that time?—A. I think that is so, when he first met him.

Q. Did Mason leave your office for the purpose of going according to his expressed intention, to see Birkett?—A. That is what I understood, and he was going to see others also, because I had given him the names of other people and called them up by phone in the same way.

By Mr. Hill:

Q. How long did it take the Ellis firm to fulfil their contract for 2,100 glasses?

Sir CHARLES DAVIDSON: There is one question on my mind—did the Government pay ultimately for all these glasses?

The WITNESS: Just on hearsay, I understand they did.

Sir CHARLES DAVIDSON: As I understand it, they are given to the officers, and paid for from the public funds of the Dominion, and then are charged to the officers?

The WITNESS: Not these.

Sir CHARLES DAVIDSON: Revolvers are.

The WITNESS: Those who want to buy them and who are not entitled to them. They get a revolver and a glass and a prismatic compass.

By Mr. Thompson:

Q. Are the officers not charged the sum of \$65 for the Webb belt, the revolver, and the binoculars?

The WITNESS: Those who want to buy them and who are not entitled to them. My understanding is that a certain number are given free to those who are entitled to them.

Sir CHARLES DAVIDSON: My experience is that the officers have to pay.

The WITNESS: I had to pay for mine when I went to South Africa, but I think that is changed. I had to pay for my revolver and glasses, or in fact they were presented to me. I know they are issued to them now free of charge, so far as the glass goes; I think your lordship will find that in the statement of the Minister before the Public Accounts Committee.

By Mr. Hill:

Q. How long did it take the Ellis Company to supply these 2,100 glasses?—A. I think the last of them came in in January, I am speaking now from memory.

Q. And the last order for 1,200 glasses was given when?—A. I think that was given in September; it took them from September to January to find the glasses to supply this order. They had a lot of work getting them.

Q. In connection with that 2,100 glasses, do you remember anything about the variation in the price of the different glasses?—A. The price ranged from \$9.75 up to \$70, I think.

Q. What kind of glasses were those nine dollar glasses?—A. The \$9.75 glass was from Eaton & Company, it was a very good glass. For the money it was an extremely good glass. It was no good for long range, it was a short range glass. The greatest objection to the glass was that it was a rigid frame. With a prismatic glass you must get the eyepiece right direct in the centre of the eye, and this was in a rigid frame and the joint would not open out to get proper distance.

Q. Were these supplied to the troops?—A. They were classed in the second class.

Q. Did you have glasses for the Princess Patricias?—A. We did not have prismatic glasses, they had to take the common plain glass.

Q. You could not obtain prismatic glasses for them at all?—A. We had a few in at the time, but being an artillery officer myself, and knowing the necessity of artillery having glasses to see at long range, I thought the glasses should be kept for the artillery. I took up the matter with the authorities, and they would not give them the prismatics. They gave them the common glasses.

Sir CHARLES DAVIDSON: I thought you said your only duty was to inspect?

The WITNESS: Naturally we wanted to hold these glasses for the artillery and we let the Ordnance people know this. I knew that and I suggested it.

By Mr. Thompson:

Q. Can you speak positively now and say whether the Birkett glasses were all six or eight power glasses?—A. They were all either six or eight power.

Q. You are quite positive as to that?—A. Quite positive as to that.

Q. Can you speak now as to the millimeter diameter of these glasses?—A. No, I cannot speak positively as to what they were, they may be 21, 24, 25, and 30.

Sir CHARLES DAVIDSON: Did you not keep a record of each glass inspected?

The WITNESS: No, my lord.

Sir CHARLES DAVIDSON: Don't you stamp them?

The WITNESS: They were all engraved with the broad arrow and the "C" on them.

Sir CHARLES DAVIDSON: Who does that?

The WITNESS: I had an engraver come to my office and do it.

Sir CHARLES DAVIDSON: When was that done?

The WITNESS: After they were inspected, as I inspected them they were put into the room under lock and key and then the engraver would get so many out to engrave.

Sir CHARLES DAVIDSON: What would be the nature of that engraving?

The WITNESS: Just a broad arrow and a "C", the "C" standing for Canada, and the broad arrow is the Government War Office mark.

Sir CHARLES DAVIDSON: Is that an inspection mark?

The WITNESS: We use a stamp like that on everything we pass.

Sir CHARLES DAVIDSON: I know that, but have you any special inspection mark?

The WITNESS: That is the inspection mark used by all the inspectors.

Sir CHARLES DAVIDSON: It does not identify you as the inspector?

The WITNESS: No, but I have one that I use on all gun carriage work, which is a crown and a "C" which means the inspector, and it is a personal stamp.

[Binoculars—Hurdman.]

Sir CHARLES DAVIDSON: Why not on the binoculars, as well?

The WITNESS: It is not done with reference to anything else. That was done more for my own protection and for the tests, so that the contractor could not switch a piece of steel. If he is working any piece, after I put the crown and "C" on it, he cannot turn that in the machine without transferring the mark and putting it in another place.

Sir CHARLES DAVIDSON: Did you keep a record in the inspection of those glasses as to the name, the maker, the range, and otherwise?

The WITNESS: No, my lord. I was working 18 hours a day then at the time, Sunday and every other day.

By Mr. Hill:

Q. Would I be correct in saying, Colonel Hurdman, that after the war broke out there was a rise in the price of glasses?—A. There is no question about that.

Q. Do you know whether the B. & L. Company cancelled their trade rebates?—A. I was told so.

Q. You don't know of your own knowledge?—A. No, I was shown a letter, now that I come to think of it, to that effect.

Q. Do you know whether the megaphos or the stereophos glasses are made in the United States, or in Germany, or in France or in England?—A. I do not know where they are made.

Q. Where are the Lemaire binoculars made?—A. They are French.

Q. And as I understand, the output of French binoculars was stopped?—A. Yes, they would not let any go out of the country after war was declared.

Q. Do you know the Colm binocular?—A. Several of them have passed through my hands, that is the only way I know.

By Mr. Thompson:

Q. You called up Birkett when Mason was in your office, as you told me, that is before Birkett had his contract?—A. Yes.

Q. How long before that telephone message was it that you knew Birkett or the Keystone people wanted to supply binoculars?—A. If I remember correctly, it was that day at noon, this was in the afternoon.

Q. How did you know?—A. Birkett came in to see me.

Q. Was it that same day you saw Mason?—A. Yes.

Q. And the same day you telephoned Birkett?—A. Yes, I am satisfied of that, that is my recollection of it.

Q. You have stated that you knew some of the glasses were as cheap as \$9.75 each?—A. Yes.

Q. How did you know the price of these glasses?—A. The Ellis people, Mr. Mason, sent me a sample glass down and told me the price, I remember, and wanted me to give it a rigid test and examine it.

Q. That is how you happened to know?—A. Yes, they sent me down the price. Then afterwards they were inspected and Eaton's invoice came in and I attached the invoice to the inspection report, and they went back through the Department to Ellis.

Q. But you say you know nothing about prices generally?—A. No, not until this war broke out; we never saw the invoices, or the prices, or anything until then.

Sir CHARLES DAVIDSON: You spoke of the inspection report as regards the Eaton glass being transmitted to you from Toronto; have you any inspection report regarding the glasses in question?

The WITNESS: There is a regular form in the Department.

Sir CHARLES DAVIDSON: Have you a copy of what you reported with respect to the Birkett glasses?

The WITNESS: I can get a copy of the inspection report from the Department.

[Binoculars—Hurdman.]

Sir CHARLES DAVIDSON: You have a copy in your office?

The WITNESS: I am not in the Inspection Office now, but I can get a copy out of the Department.

Sir CHARLES DAVIDSON: May I ask you if any official blame attached to you in relation to the inspection of these glasses?

The WITNESS: I do not know, I know that I was suspended pending further investigation. Whether it was in connection with the inspection, or the supposed payment to me, or something else, I was suspended, ending further investigation by the Minister. Of course, the Minister gave me employment.

Sir CHARLES DAVIDSON: Do you desire to say anything on that subject?

The WITNESS: All I say, my lord, is that I never received a cent in any way, and no person ever offered me a commission in any way.

Sir CHARLES DAVIDSON: Directly or indirectly.

The WITNESS: Directly or indirectly. There was one case where a man did leave a cheque or something or other, but I did not know anything about it. He never said a word or never hinted at a commission or anything else.

Sir CHARLES DAVIDSON: What became of it?

The WITNESS: He took it away. The man never handed it to me, nor anything else in that way.

Mr. THOMPSON: I will give evidence as to that.

By Mr. Hill:

Q. Did Mr. Birkett ever mention anything about a commission to you?—A. Mr. Birkett never mentioned a commission to me, directly or indirectly, or anything of that kind. I do not think, my lord, it would be well for anybody to do it.

Mr. THOMPSON: I might as well clean that matter up now.

By Mr. Thompson:

Q. Do you remember Mr. W. J. Browne selling binoculars to the Government?—A. I do.

Q. And do you remember them passing your inspection?—A. I do.

Sir CHARLES DAVIDSON: Who is Browne?

Mr. THOMPSON: I will produce him.

By Mr. Thompson:

Q. Do you recollect that some time after the payments were passed, or at some time later, he said he had left a cheque for you at your office?—A. I recollect him coming in to see me.

Q. Do you recollect his speaking to you on the street?—A. No, he never spoke to me on the street.

Q. What was the first occasion on which you saw him or had any conversation with reference to the cheque?—A. He came to my office and said: Colonel, my book-keeper tells me that the cheque I left for you has not been cashed. I said: What do you mean, what cheque? He said: I left a cheque here for you, I left it for you like that, and I did not give him a chance to finish and I said: Left it where? He said: Under the pad of your desk.

Q. Did he say how long before he had left it?—A. He said a couple of months I guess before that, but I do not remember now. Of course, I was a little nettled at the time. I lifted up the pad of my desk, it was a roll-top desk with one of these big blotters on it, and the cheque was there.

Q. What did you do?—A. I took it up and looked at it and handed it to him and said: Mr. Browne, I cannot accept that.

[Binoculars—Hurdman.]

Q. Had your blotting pad not been moved for the couple of months which you suggested the cheque may have been there?—A. No, it had not been moved to my knowledge. My desk is a roll-top desk in my office, and I keep it locked.

Q. Is your desk locked when you leave?—A. Yes, I never leave it open. I never went out without locking it.

Q. Is it not likely that the pad would have been disturbed when the caretakers were dusting the desk?—A. No, I cannot leave my desk open.

Q. Had any other persons access to the desk?—A. My brother had a key, but he never opened it unless I was away and telephoned him from some place if I wanted some information and told him to go to the desk, but never otherwise would he open it.

The witness retired.

W. J. BROWNE, Real Estate Agent, Ottawa, sworn:

By Mr. Thompson:

Q. You sold some binoculars to the Government, Mr. Browne?—A. Yes, sir.

Mr. THOMPSON: I will ask Mr. Bilsky to temporarily retire.

Mr. Bilsky was ordered to retire.

By Mr. Thompson:

Q. Will you tell me how you first became interested in binoculars?—A. There was a Mr. Trad-Burks who came to my office and told me he understood the Government was looking for binocular glasses, and he wanted to know if I had any chance of getting an order from the Government, that he had a man who had a great number of glasses under control and that he would supply the order.

Q. What did you say to him?—A. I told him I would see what I could do in getting the order.

Q. What did you do?—A. I think I went to the present member for Ottawa, Mr. Fripp, and got a letter of introduction to General Hughes, and I went down to his office and was sent in there and he referred me to Col. Hurdman's office.

Q. Did you go to see Col. Hurdman?—A. Yes.

Q. What did you say to him?—A. I went to Colonel Hurdman and asked about these binoculars, in fact, I think I took the letter back to Colonel Hurdman, and he referred me to P. W. Ellis of Toronto.

Q. Did you have any other communication with Colonel Hurdman at that time?—A. No.

Q. Did you see the Ellis Company?—A. We wrote to them.

Q. What did they say?—A. I think it was two days after that I went down to Colonel Hurdman's office and Mr. Mason was there, and they had my letter, and he told me to go ahead and put in 100 glasses if I could get them.

Q. Did you tell Mr. Mason that you had the glasses under control or did you say you knew where you could buy them?—A. Yes, I think it was through Mr. Pelletier. This is the letter which I sent to the Ellis Company:—

W. J. BROWNE,
Real Estate and Fire Insurance,
178½ Bank Street,

OTTAWA, August 28, 1914.

A. MASON, Esq.,
Care P. W. Ellis,
Toronto, Ontario.

DEAR SIR,—Col. Hurdman of this city asked me to forward to you today the following information, viz.:—

[Binoculars—Browne.]

I can give delivery almost at once of 50 each of the following sizes and makes of field glasses:

No. 8 (Megaphone Paris) Prism Binocular at \$49.75 each.

No. 8 (Fabr, Paris) Lemaire at \$39.80 each.

I have today delivered to Col. Hurdman samples of above makes and sizes which are now in his possession.

Kindly let me have any further information at your earliest convenience and oblige,

Yours respectfully,

W. J. BROWNE.

PS.—Can furnish you with 200 more of these on any reasonable notice I feel quite confident.

Q. After Mason got that letter, he gave you an order for 100?—A. I got two samples of binoculars that had been produced by Mr. Bilsky.

Q. You submitted these to Hurdman?—A. Yes, sir.

Q. Mason gave you an order for 100 and what did you do?—A. I arranged to go to New York.

Q. With whom?—A. With Mr. Bilsky and Mr. Trad-Burks. I also based my price on what had been told me we had paid for the two samples.

Q. Had you any conversation with Bilsky before this?—A. No.

Q. Eventually you and Trad-Burks and Bilsky went to New York?—A. Yes.

Q. Did you have any conversation when you arrived in New York about the glasses or about the profits?—A. Yes. I understood it was to be divided equally between the three.

Q. You understood it was to be divided, or was it agreed that the profits should be divided?—A. Yes, it was.

Q. Was Bilsky to get one-third?—A. Bilsky was to get one-third, Mr. Trad-Burks one-third, and myself one-third.

Q. Was that all the arrangement?—A. Yes.

Q. Did Bilsky show you where you could buy binoculars?—A. No, when I got there I went several places and he did not have any glasses at all.

Q. Did he take you where he said you could buy glasses?—A. He took me to Sussfeld Lorsch and Mr. Harris.

Sir CHARLES DAVIDSON: What is Mr. Harris' first name, was it Milton?

The WITNESS: I think it was.

By Mr. Thompson:

Q. And who else?—A. And we went to several other places.

Q. But they had no glasses?—A. They had glasses, but would not sell them to us.

Q. Why would not they sell them?—A. They would not quote us any price at all. They claimed that what glasses they had in stock they wanted for their customers and that they were going to protect their trade.

Q. As a result of your touring in New York with Bilsky, you were not able to buy any glasses?—A. No.

Sir CHARLES DAVIDSON: None whatever?

The WITNESS: Not in New York.

By Mr. Thompson:

Q. What happened then?—A. Mr. Trad-Burks and I made up our minds we would go to Philadelphia.

Q. Did you go to Philadelphia?—A. Yes, sir.

Q. Did you get any glasses there?—A. We purchased nine glasses.

Q. Was that all you were able to buy?—A. That was all.

[Binoculars—Browne.]

Q. Why were you not able to buy more, was it that you could not buy them or that you would not pay the price?—A. We could not get the glasses that our order called for.

Q. Did you return to Ottawa then?—A. We came back to New York and met Mr. Bilsky there.

Q. Did you have any conversation on that occasion?—A. Yes.

Q. What was it?—A. When we arrived back he told us that he had a party who had 30 or 40 glasses that he thought could be bought, only that they were shop-worn and we would have to get a couple of men to clean them up. I had made up my mind at that time that I would not have anything to do with his glasses, as I came to the conclusion they were second-hand glasses or something like that, and it was no use, and I did not want to be implicated in anything of that kind.

Q. Was the result of your New York experience that you got the nine glasses in Philadelphia and returned to Ottawa?—A. Yes.

Q. Did you submit them for inspection?—A. Yes.

Q. Did you have any conversation with Colonel Hurdman before they were inspected?—A. I left them in the office and Colonel Hurdman was there.

Q. Did you speak to Colonel Hurdman when you gave them to him?—A. The glasses were opened up and laid on the table.

Q. Whose table?—A. I think he opened them up.

Q. When you were there?—A. Yes.

Q. Had you any conversation with regard to them?—A. No, he looked them over and said they would be inspected later on.

Q. They were eventually inspected, were they?—A. Not while I was there.

Q. Did you get paid for them?—A. Yes.

Q. Colonel Hurdman stated that you called to see him about some cheque?—A. This was later on.

Q. Later on, was it?—A. Yes.

Q. What induced you to leave a cheque there for him?—A. Well, for nothing more than the trouble I had given him. That was long after the glasses had been inspected that I laid the cheque on the desk.

Q. Long after they had been inspected?—A. Oh yes, in fact I got the money for them about the same time from the P. W. Ellis Company.

Q. Had you any conversation with Colonel Hurdman with regard to any money before that?—A. None whatever. I have the cheque here.

Q. What is the amount of the cheque?—A. Thirty dollars.

Q. How did you come to fix on thirty dollars as the sum you would offer him?—A. Trad-Burks and I made up our minds that we should offer him something, but he ignored me altogether when I spoke about it. In the first place I went into the office before the time my money was to arrive and he was not in his office, and I threw it under the blotter and told him going out, he was in the corridor with some people.

Q. You told whom?—A. I told Colonel Hurdman that I had left an article for him on the desk.

Q. You told whom?—A. I told Colonel Hurdman that I had left an article for him on the desk.

Q. Was that on the occasion on which you took the glasses in?—A. Oh no. The cheque will show you at the time I left it. I think it was the 23rd of September, what are the dates on the cheque?

Sir CHARLES DAVIDSON: You can get the invoices, and the date of payment, and the cheque, and then we can see.

By Mr. Thompson:

Q. Have you got your invoices?—A. No I have not.

Q. Do you recollect what the date was when you went to New York?—A. Some time in the latter part of August.

Q. Are you sure it was in August?—A. I think it was, what is the date of my letter. The date of my letter is the 28th of August.

Q. How long after that letter was written did you go to New York?—A. Two or three days.

Q. That would bring it up to the 1st of September?—A. Yes.

Q. And you delivered the glasses, therefore, about the 4th or 5th of September?—A. Yes.

Q. Did you have any conversation with Trad-Burks about the payment of Colonel Hurdman?—A. Yes, sir.

Sir CHARLES DAVIDSON: Have you the date of the cheque?

Mr. THOMPSON: I have the cheque here, I will put that in later.

By Mr. Thompson:

Q. Did you have any conversation with Trad-Burks about the payment to Colonel Hurdman?—A. I think it was talked of when we were coming home.

Q. Are you sure it was talked of then?—A. Yes.

Q. Who suggested the payment to Colonel Hurdman?—A. I do not remember whether it was Trad-Burks or myself.

Q. The two of you suggested it?—A. Yes.

Q. And you both agreed that \$30 was what you would offer him?—A. Yes.

Q. What did you do with this cheque that you have spoken about after you signed it?—A. I said I had taken it down to Colonel Hurdman's office.

Q. Was anybody in the office?—A. No.

Q. Was the office shut?—A. No, the door was open.

Q. There was nobody in?—A. There was no person in his private office. He was standing in the hall at the entrance coming in.

Q. The other people were outside?—A. Yes.

Q. Was the door open into his own office?—A. Yes.

Q. Do you know what his desk looks like?—A. It is one of those folding desks—roller top.

Q. Was the top open?—A. Yes.

Q. What did you do?—A. I lifted the blotter and just put it under the blotter.

Q. Did anybody see you do that?—A. No, I do not think so.

Q. How many people were in the outer office?—A. Three or four. They were in the passage way.

Q. There were people in the passage way?—A. Yes.

Q. Was Colonel Hurdman in the building as far as you know?—A. Yes.

Q. Did you see him before you went out?—A. Yes.

Q. Where?—A. In this entrance.

Q. Could you see where he was coming from?—A. No.

Q. Did you see Colonel Hurdman from the time you entered the building to the time you placed the cheque under his blotter?—A. From what time?

Q. Between the time you entered the building and the time you placed the cheque under the blotter?—A. Nothing more than in this hall way.

Q. Did you see him in the hall way before you placed the cheque under the blotter?—A. Yes.

Q. Did he see you enter the office?—A. I do not know that. He was standing talking.

Q. To whom?—A. I could not say—did not know the gentleman.

Q. Did you know the man?—A. No.

Q. Did you tell him you were going into his office?—A. No.

Q. Did he make any objection to your going into his office?—A. No, sir.

Q. When you came out did you see Colonel Hurdman?—A. He was standing close to the door—yes.

[Binoculars—Browne.]

Q. Was he looking in through the door into his office?—A. No.

Q. Had he his back to the door?—A. Yes.

Q. Was he talking to anybody?—A. Yes.

Q. Who?—A. I cannot remember.

Q. Was it the same party he was talking to when you went away?—A. Yes, I think it was.

Q. Did you say anything to Colonel Hurdman when you came out?—A. I said I have left an article on your desk.

Q. Did he ask you what it was?—A. No.

Q. Did he make any comment upon your having entered his private office when he was out?—A. No.

Q. Did you ask him whether you could enter his room?—A. No.

Q. Did any person follow you into his room when you went in?—A. No.

Sir CHARLES DAVIDSON: Why did you not hand him the cheque when you saw him? Your position is a serious one, and I want to give you every opportunity to explain this matter. Why did you not hand him this cheque?

The WITNESS: I do not know why.

Sir CHARLES DAVIDSON: You do know why, sir, if you will allow me to so assert. You must have known why you did not hand it to him. That would be the natural thing to do, would it not?

The WITNESS: I thought it was all right to leave it on his desk.

Sir CHARLES DAVIDSON: Why did you not hand it to him?

The WITNESS: I have no reason except that he was talking with this gentleman and I did not want to interrupt him. That is the only reason why I did not.

Sir CHARLES DAVIDSON: You solemnly swear that that was your only reason?

The WITNESS: Yes, that is my only reason, I know.

Examination resumed by Mr. Thompson:

Q. Why did you not put it on top of his blotter where he could see it?—A. I did not know just about what time he might be back in his office.

Q. But you knew he was standing out in the passageway opposite the door?—A. Yes.

Q. Why did you not put it where it would catch Colonel Hurdman's attention?—A. I just told him I had left this article and I thought he would get it there.

Sir CHARLES DAVIDSON: Why did you call it an article? You do not usually apply a description of that kind to a cheque?

The WITNESS: I do not know whether I said a cheque or not; I think probably I might.

Examination resumed by Mr. Thompson:

Q. Did you not tell him that you had left a cheque there for him?—A. I might have.

Q. It is probable you did?—A. I told him it was either an article or a cheque.

Q. What did he say to you?—A. He never said anything; he never spoke and I walked right out.

Sir CHARLES DAVIDSON: What is the consideration for this? I would like to see the cheque now if it suits your convenience.

Mr. THOMPSON: I would rather not put it in now; I was going to cross-examine on it.

Examination resumed by Mr. Thompson:

Q. Was the cheque delivered by you at Colonel Hurdman's office on the date marked on the cheque?—A. Yes.

- Q. Was it taken out of your ordinary cheque book?—A. The money?
 Q. The cheque. Was it taken out of your cheque book?—A. Yes.
 Q. Is that the cheque? (handing paper to witness)—A. Yes, it is the cheque.
 (Cheque filed and marked Exhibit No. 30.)
 Q. The cheque reads as follows:—

“No. 73, Bank Street Branch, Ottawa, Ontario, September 23, 1914, To the Bank of Ottawa, Ottawa Branch, Gloucester street, pay W. G. Hurdman or Order \$30, thirty dollars.”

Across the cheque is written “Cancelled, December 7th.” What is that?—A. The bookkeeper’s initials.

- Q. “E. M. McD.” On the back of the cheque in red ink appears the following:—
 “December 7th, 1914, debtor Bank \$30”; then down below “W. J. Brown, \$30. This cheque Mr. Hurdman returned to me (W. J. Browne) on this date, J. 21.”

Sir CHARLES DAVIDSON: J. 21?

Examination resumed by Mr. Thompson:

- Q. What does “J. 21” on the back of the cheque stand for?
 A. It is the bookkeeper’s number of the file.
 Q. I made a mistake in reading the red ink endorsement on the back of the cheque. I read it “returned to me.” It should read, “this cheque Mr. Hurdman returned to Mr. Browne on this date; J. 21.” What does J. 21 stand for?—A. I think it is in connection with their books.
 Q. Did you make that endorsement in red ink?—A. No, my bookkeeper made that.
 Q. The cheque is not signed, the signature, if it was signed, having been torn off.
 —A. It was taken off by the bookkeeper at the time it was returned.
 Q. Did you see the bookkeeper tear off the signature?—A. Yes.
 Q. How was it signed?—A. W. J. Browne.
 Q. What was the first you knew about this cheque after you had left it at Col. Hurdman’s office?—A. A couple of months after the bookkeeper discovered that there was a cheque which had not been forwarded to the bank and I told her to hunt it up and she discovered it was this cheque.
 Q. Did you telephone to Col. Hurdman?—A. I do not just remember; I went down to the office—no, I think I telephoned to him.
 Q. What did you say to him over the telephone?—A. I asked him if he had got an article I left on the top—
 Q. Did you say an article or a cheque?—A. I guess it was a cheque.
 Q. That is probably what you would say?—A. It is likely it was.
 Q. Did you say the cheque you left on his desk?—A. Yes.
 Q. What did he say?—A. He said he never saw it.
 Q. Did you not explain to him where you had left it?—A. I did explain to him but he said he had not heard me at all.
 Q. You told him over the telephone that you had spoken to him about this cheque when you had left it there and he said that he had not heard you?—A. No.
 Q. When you called his attention to this cheque over the telephone did not you explain to him where you had left it?—A. Yes, that was just the day I discovered it was not presented.
 Q. Did you not explain over the telephone how you had put it under his blotter?
 —A. No, I did not explain; I told him I had left the cheque.
 Q. Where?—A. On the desk.
 Q. And he said that he had never seen it?—A. Said he never saw it.
 Q. Did you not tell him exactly where you had placed it?—A. No, I do not think I did.
 Q. Do you not remember?—A. I do not think I did.

[Binoculars—Browne.]

Q. Will you be sure you did not?—A. I am quite satisfied that I do not think I did—not that day.

Q. Are you sure?—A. I do not just remember whether I went right down or telephoned.

Q. But you did not close off the telephone in a hurry, you did not think the cheque was going to be whisked away by a wizard?—A. No, I went down there a few minutes after.

Q. But I would like to get this telephone conversation, Mr. Browne. The book-keeper told you that the cheque to Col. Hurdman had not come in?—A. Yes.

Q. You did not telephone on the spot to him and remind him that you had left a cheque there?—A. I do not think I telephoned.

Q. You said you telephoned?—A. I do not remember telephoning him but I know I did go down there at that very time.

Q. I thought you telephoned him at once?—A. I do not think I did.

Q. Do you want to change the statement you have already made?—A. I do not definitely remember telephoning him at all, or talking to him over the telephone about it good, bad or indifferent. But I do remember going direct to the office when I discovered that the cheque had never been produced.

Q. I would like something more about that telephone message.—A. To the best of my knowledge I never had any telephone message at all about this cheque.

Q. Is your office a large one?—A. Not very large; it is in three parts.

Q. You are a real estate and insurance agent?—A. Yes.

Q. Do you do business under your own name?—A. Yes, sir.

Q. What is the name of your bookkeeper?—A. E. M. McDougall.

Q. Is that a man?—A. No, Miss E. M. McDougall, stenographer and book-keeper.

Q. Did she enter your office and tell you that the cheque had not been presented?—A. Yes.

Q. She entered your room?—A. Yes.

Q. Is the telephone in your room?—A. Yes.

Q. Is the telephone near her desk?—A. No.

Q. How far is your desk from your telephone or from her desk?—A. Not far.

Q. How far?—A. It is a short distance; the bookkeeper's part is small.

Q. Was the door generally closed between the two?—A. There is no door.

Q. She would hear anything you said over the telephone, would she?—A. Yes.

Q. Did she ask you to find out about the cheque?—A. I do not know as she did. I made up my mind that I would go and see about it myself.

Q. Did you leave at once?—A. Yes.

Q. For Colonel Hurdman's office?—A. Yes.

Q. Was there anybody with Colonel Hurdman when you entered?—A. No.

Q. What did you say to Colonel Hurdman?—A. I asked him if he had the cheque.

Q. What did you say?—A. I asked him if he had got this cheque under the blotter.

Q. This cheque under the blotter?—A. Yes.

Q. What did he say to you?—A. He said: No, he never saw it.

Q. What did he do or what did you do?—A. I raised the blotter, and the cheque was right there where I had left it.

Q. Which side of the blotter had you left it on?—A. I left it on the middle of the desk. The blotter was on the centre of the desk, and I just raised it and placed it under.

Q. That would be under the centre of the blotter?—A. Yes.

Q. And when you lifted the blotter the cheque was in the same place?—A. Yes.

Q. Did you lift the blotter and find the cheque or did Colonel Hurdman?—A. I think I lifted the blotter.

Q. Did you take the cheque from under the blotter or did he?—A. I lifted the cheque up—yes.

Q. Did you tender it to him?—A. Yes.

Q. Did he read it?—A. Yes.

Q. What did he say?—A. He said that he would not accept it; he ignored me altogether.

Q. Did he hand it back to you?—A. Yes, sir.

Q. Had you been paid at that time for your glasses?—A. I think about that time I was paid.

Q. When were you paid for your glasses?—A. I do not know just what time—a month or so after the glasses had been sent in, I think; probably it was longer.

Q. It was some time after the glasses were sent in that you were paid?—A. Yes.

Sir CHARLES DAVIDSON: You should produce your invoices, prices, receipts and the number of glasses.

The WITNESS: Yes.

Examination resumed by Mr. Thompson:

Q. Have you got these invoices?—A. I do not know. I got \$497.50 I think it was. Mr. THOMPSON: I also put in the stubs of the cheques in this cheque book.

(Cheque stub book filed and marked Exhibit No. 31.)

A stub in the cheque book marked Exhibit No. 31 is as follows:—

No. 73 J. 36, September 23, 1914, W. G. Hurdman, \$30 *re* glasses; charge W. J. Browne.

Examination resumed by Mr. Thompson:

Q. Looking at the memorandum which you have in your hand, can you state on what date you were paid by Ellis or the department for the glasses?—A. On the 29th of October.

Q. Can you tell me on what date the glasses had passed inspection? What amount were you paid by the department or Ellis?—A. \$497.50.

Q. What had you paid for the glasses?—A. I had paid duty \$206.75, less—

Q. What did they cost you laid down here?—A. Nine glasses cost \$206.75. These (indicating on paper) are the two sample glasses.

Q. Did they buy the sample glasses?—A. Yes.

Q. What did the glasses cost you?—A. I do not know, one glass—

Q. What glasses are you referring to now?—A. The glasses which were received from Bilsky.

Q. What did you pay Bilsky for the glasses?—A. I did not pay him anything; they were put in as samples.

Q. Have you paid him anything?—A. I paid \$89.55 to Trad-Burks to settle for these two glasses.

Q. What did you receive for these two glasses?—A. Nothing; I just turned the money over I received from the Government.

Q. How much did you receive from the Government?—A. \$38 for one and \$49 for the other, I think it was.

Sir CHARLES DAVIDSON: I cannot follow this. If I could only get his first invoices and what the total of his receipts was that is all I want.

Examination resumed by Mr. Thompson.

Q. What did the New York or Philadelphia glasses cost you laid down here?—A. \$206.75.

Sir CHARLES DAVIDSON: For the nine. The nine from Philadelphia cost you how much?

The WITNESS: \$206.75.

[Binoculars—Browne.]

Sir CHARLES DAVIDSON: And you received for them \$497.50.

The WITNESS: Including the two samples.

Examination resumed by Mr. Thompson.

Q. How much did you receive for the Philadelphia glasses?—A. I will have to figure that out.

Sir CHARLES DAVIDSON: Well, figure it out at once.

The WITNESS: \$349.75 and \$39.80, I think it was.

Sir CHARLES DAVIDSON: That will not do at all. If you are not able to state it now, ask for time and you will get it.

The WITNESS: I will have to go back to my books.

Sir CHARLES DAVIDSON: Get all of the business, the invoices showing what you paid for the glasses, the customs and the cost laid down.

The WITNESS: It is on the letter what I paid for each glass.

Mr. THOMPSON: No.

The WITNESS: It is my agreement with P. W. Ellis & Co. and the prices which I received for the glasses are on that letter.

Sir CHARLES DAVIDSON: I want the whole thing in the invoices, sir. You made an invoice to the Government, did you not?—A. Yes sir.

Sir CHARLES DAVIDSON: I want you to include in the statement the number, the cost and the sale price to you. I suppose you can have it by two o'clock.

Examination resumed by Mr. Thompson.

Q. When Col. Hurdman handed back the cheque what did he say?—A. He ignored me altogether and told me he would not entertain it.

Q. What did you do?—A. I took it back to the office.

Q. Can you tell me on what date you were notified, if you were notified at all, that the inspection was satisfactory?—A. I think it was the day following when the goods were delivered.

Q. Who notified you?—A. I called up Col. Hurdman.

Q. The glasses were delivered apparently about the 4th of September and you state that you called up Col. Hurdman a day or so after that and he said that the inspection was satisfactory?—A. Yes.

Q. You are sure it was a day or two after you delivered the glasses?—A. Yes, shortly afterwards anyway.

Mr. THOMPSON: I have nothing more to ask the witness until I see the statement he will bring in with regard to these glasses, but I would like his bookkeeper to be here this afternoon at two o'clock.

The WITNESS: I have not the same bookkeeper; she has left me.

Mr. THOMPSON: Can you produce her?

The WITNESS: I will have to hunt her up.

Mr. HILL: I want to ask this witness a question on behalf of Mr. Birkett.

Examined by Mr. Hill:

Q. You say that you submitted samples?—A. Yes.

Q. To whom?—A. Colonel Hurdman.

Q. Was Mr. Mason present?—A. Yes.

Q. When you went to New York with Bilsky you say that he took you to the Sussfield-Lorsch Company?—A. Yes.

Q. What did he say to you when he took you in there?—A. He asked them if they had any glasses of the Lemaire manufacture.

Q. What did they say?—A. They said they had a few. We wanted to know what they wanted for them, but they would not put a price on them.

Q. Were the samples which you had submitted Lemaire glasses?—A. Yes.

Q. Where did you get those samples from?—A. Trad-Burks told me that he had got them from Bilsky.

Q. The Sussfield-Lorsch Company would not quote prices?—A. No.

Q. Who are Sussfield-Lorsch?—A. They are a large optical company in Maiden lane, New York.

Q. From there where did you go?—A. We went to a large establishment just a short step on that same street; I do not remember the name.

Q. Whom did you see?—A. We went into the office and we enquired about glasses there, but they did not have any.

Q. Did you go to Milton Harris?—A. Yes.

Q. What did he say to you?—A. He had no glasses, but claimed that he might be able to get some from some dealers.

Q. Why did you not remain in New York with Bilsky?—A. I did not like the way Bilsky was acting in the transaction.

Q. That is Mr. Samuel Bilsky, the jeweller, of Ottawa?—A. Sam Bilsky, yes.

Q. What time did you leave Bilsky in New York?—A. For home?

Q. No, for Philadelphia.—A. I think it was about twelve o'clock.

Q. That day?—A. Yes.

Q. Why did you leave him?—A. Well, him and Trad-Burks had several disagreements.

Q. About what?—A. About glasses and about everything that was taken up in conversation; they were not agreeing.

Sir CHARLES DAVIDSON: Were you aware that Bilsky was concerned with Birkett in connection with glasses?

By Mr. Hill:

Q. On what date did you go to New York?—A. The last of August or the first of September.

Q. You went just once to New York?—A. Yes.

Q. About the first of September?—A. Yes.

Q. At that time the places that Bilsky brought you to could not furnish you with glasses, you say?—A. No.

Sir CHARLES DAVIDSON: At this time he had not entered into this connection with Birkett?

Mr. HILL: No, it was not until September 21 or 22.

By Mr. Hill:

Q. Did you have any conversation with Trad-Burks or Bilsky either going down to New York or in New York, about dividing the profits on the glasses?—A. I do not think there was much said on the way going down that I can remember of; I do not think it was mentioned.

Q. At page 285 of the Evidence taken before the Public Accounts Committee, in Mr. Bilsky's examination, is the following:—

Q. What did you find when you got there?—A. Went down to the hotel; Mr. Trad-Burks says, "Here, Bilsky, we have got to divide the profits of these glasses in four." I asked why. He said, "Well, Mr. Brown had to divide with another party." He did not mention the name of the third party. So I says, "If that is the case we are all off, you can go ahead and look for the glasses yourself." I brought him down to a place where we could get glasses and introduced him to the party. They were asking at the time about \$27 or \$28, so Browne says, "They are too high."

[Binoculars—Browne.]

Did you have that discussion?—A. Never—never was anything of the kind.

Q. Did you tell Mr. Bilsky that you intended to give a present or make a payment to Col. Hurdman?—A. No.

Q. Did you tell Trad-Burks?—A. No.

Q. Did Trad-Burks know you were going to give something to him?—A. I think I mentioned that probably we should offer Col. Hurdman something for the trouble we had given him; we had telegraphed and telephoned.

Q. Are you sure you did not tell Bilsky that?—A. Which?

Q. That you thought something should be done for Col. Hurdman or that something should be given to Col. Hurdman?—A. I think I did.

Sir CHARLES DAVIDSON: Some conversation took place on the train?

The WITNESS: No, this was at the hotel.

By Mr. Hill:

Q. Will you say positively, Mr. Browne, whether or not Bilsky knew at that time that it was in your mind to give something to Col. Hurdman?—A. I think he did, yes.

Q. He did?—A. Sure, because the conversation was whether we should give him \$5 or \$10, or \$30.

Q. You had that conversation with Bilsky?—A. Yes.

Sir CHARLES DAVIDSON: Who were to contribute to this \$30; was he to be out of pocket for the whole of it?

By Mr. Hill:

Q. Who were to contribute to the \$30?—A. It was to be taken out of whatever profit should be made on the glasses.

Q. Did Bilsky object to that?—A. No.

Sir CHARLES DAVIDSON: Did you render an account of the profit or profits?

Mr. HILL: This was long before that.

Sir CHARLES DAVIDSON: I know, but after he had accomplished it.

The WITNESS: I did not to Bilsky because I had not anything to do with him; I purchased those glasses in Philadelphia.

Sir CHARLES DAVIDSON: I suppose you had received your money two or three days before you left this cheque and I suppose that subsequently to this you divided with Bilsky?

The WITNESS: With Trad-Burks.

By Mr. Hill:

Q. How were you to divide the profits?—A. I gave half the money to Trad-Burks.

Q. And kept half for yourself?—A. Yes.

Q. Less the \$30?—A. Less the \$30.

Q. Was Trad-Burks charged \$15?—A. Yes.

Sir CHARLES DAVIDSON: No, I do not think that is correct.

The WITNESS: Yes, that is the way it was.

Sir CHARLES DAVIDSON: What is the name of this man?

Mr. HILL: Trad-Burks.

Sir CHARLES DAVIDSON: He did not pay the whole \$30.

By Mr. Hill:

Q. You paid him his half less \$15?—A. Yes, less \$15.

Q. Had you ever hinted at or discussed with Col. Hurdman the possibility of any payment to him prior to the payment being made?—A. Never at any time previous to the putting in of these glasses.

Q. When was the first time that you and Col. Hurdman had any talk about the cheque?—A. It would be some time in December.

Q. When you took the cheque back?—A. Yes.

Examined by Mr. Beament:

Q. The first arrangement you had in regard to this matter was with Mr. Trad-Burks?—A. Yes.

Q. You did not see Mr. Bilsky at all till you met on the train?—A. No.

Q. You did not know what Trad-Burks' arrangements had been with Bilsky except what he told you?—A. Except what he told me.

Q. When you arrived in New York next morning there was some discussion between them about the division of profits?—A. No.

Q. You said they had some dispute there about the division of profits?—A. No.

Q. There was no dispute about the division of profits?—A. No.

Q. Had you any time limit for the delivery of the glasses?—A. Yes.

Q. When would your time limit expire?—A. I only had three or four days.

Q. What day of the week was it you went to New York?—A. I could not tell you exactly; it was around the first of September.

Q. Was that the end of the week or the beginning of the week?—A. I do not remember that.

Q. Your time limit expired two days after that?—A. Yes, I think it did.

Q. You have said that Bilsky knew of your intention to pay something to Col. Hurdman; just tell me where and when he learned that?—A. I think it was right in our room in the hotel.

Q. Just what did you say about that?—A. We talked of offering him something for the trouble that we had given him.

Q. Who talked about it?—A. The three of us.

Q. Who suggested it?—A. The three of us talked it all over.

Q. The three of you could not have suggested it, Mr. Browne?—A. I do not remember whether it was Trad-Burks or myself that started the discussion but it was discussed between the three of us and the three of us were present.

Q. Was it just after your arrival in the morning?—A. Yes.

Q. It was immediately discussed just on your arrival?—A. Yes.

Q. The amount was not fixed?—A. No, it was not.

Q. When you went to Philadelphia you had broken with Bilsky?—A. Yes.

Q. He had nothing more to do with the transaction after that?—A. No.

Q. You and Mr. Trad-Burks went and supplied a certain number of glasses?—A. Yes.

Q. So that Mr. Bilsky was in no way concerned with the offer of a cheque of \$30 to Col. Hurdman that you made?—A. He was consulted.

Q. He had nothing to do with it; he was not interested in the \$30 or in the contract at that time?—A. No.

Q. There was nothing deducted from any money coming to Bilsky on account of that?—A. No.

Q. Bilsky after this got paid for the two glasses he supplied?—A. Yes.

Q. After this arrangement that you spoke of was made you paid Bilsky for these two glasses?—A. Yes.

Q. You took nothing off that for any part of the \$30? Did you?—A. No.

The witness retired.

ALFRED MASON, sworn.

Examined by Mr. Thompson:

Q. You are in the employ of the P. W. Ellis Company Limited of Toronto?—A. Yes, sir.

[Binoculars—Mason.]

Q. I understand you were detailed by that company to attend to the purchase of binoculars for the Government?—A. Yes, sir.

Q. Do you remember being in Ottawa about the 20th, 21st, 22nd or 23rd of September of last year?—A. Yes, sir.

Q. Do you remember being in Col. Hurdman's office about the 23rd of September?—A. Yes, sir.

Q. Had Col. Hurdman ever spoken to you about the Keystone Supply Co.?—A. No, sir.

Q. Do you know whether he had ever written to the Ellis Company on behalf of the Keystone Company?—A. No, sir.

Q. Had he ever telephoned to you in Toronto or here about the Keystone Company or Mr. Birkett?—A. No, sir.

Q. Can you tell me when it was you first met T. M. Birkett?—A. I would say it was about the 22nd or 23rd, the day I was in Ottawa in Col. Hurdman's office. He called and submitted samples which he stated he was able to supply to the number of 100, that he or his agent had been to New York and they would give them to us at once.

Q. Did you look at the samples?—A. I did.

Q. He has stated that he never carried a binocular in his life and that he never met you in Col. Hurdman's office. Would there be any doubt about that?—A. Not in my mind.

Q. You saw Mr. Birkett giving testimony yesterday and to-day?—A. Yes.

Q. Do you recognize him as the man you saw in Col. Hurdman's office?—A. Yes, and I also met him in his own office about a week later.

Q. What was the result of your meeting in Col. Hurdman's office with Mr. Birkett?—A. At that meeting Mr. Birkett submitted his samples and stated that he was in a position, through his agents in New York, and himself, to supply 100 glasses of the high grade that we were receiving; that is Bausch & Lomb, Lemaire and Busch.

Q. Are you sure he mentioned these names because he has stated that he does not know anything about binoculars?—A. That is my recollection.

Q. You are sure that he stated these names?—A. These names were mentioned.

Q. By him?—A. By him or by myself and Col. Hurdman; we discussed these names.

Q. Did Col. Hurdman join in the conversation?—A. Yes, sir.

Q. What was the result of the conversation?—A. The result was that Birkett said that he would have to know at once if we were going to take the glasses because if we did not take the glasses they would be sold because there were other people after glasses besides the Canadian Government.

Q. What did you tell him?—A. I said: We cannot decide a matter like that off-hand; we will let you know later. Birkett withdrew.

Q. Did you let him know later?—A. Col. Hurdman and I discussed the matter and Mr. W. M. Ellis asked: Who is this man Birkett? Col. Hurdman says: He is the son of a large wholesale hardware merchant, a very reputable firm. I said: I do not know the firm, and he said: If you want to know anything about the firm you can telephone the Director of Contracts. I said: I will call up Mr. Brown, he will know that firm, and he said: Yes, do.

Q. Did you call up Mr. Brown, Director of Contracts?—A. I did.

Q. Did you state where you were telephoning to Mr. Brown?—A. I said I was telephoning to him from Col. Hurdman's office and I said that Mr. Birkett said that he could supply 100 glasses of the best makes. Mr. Brown replied: I do not know anything about glasses. I said: I know you do not, but what I am asking you is if this is a reliable and first-class firm.

Q. What did he say?—A. He said yes.

Q. What did you do?—A. Then I discussed the matter with Col. Hurdman for a few moments and tried to get Mr. Birkett on the telephone. I did not succeed. Col. Hurdman got him on the telephone while I was sitting there, and he stated to Mr. Birkett that we would take 100 glasses.

Q. Did you speak over the telephone?—A. I did not.

Q. Did you instruct Col. Hurdman?—A. I was endeavouring to get Mr. Birkett to give him this order when I had the assurance that everything was satisfactory, I was not able to get him, so Col. Hurdman tried to get him while I was sitting there.

Q. On the same telephone?—A. On the same telephone. It was on my instructions that Colonel Hurdman gave him the order.

Q. What did he say to Mr. Birkett over the telephone?—A. I do not remember the exact conversation, but to the best of my recollection he stated that Mr. Mason would take those glasses if the glasses were up to the high standard and quality with six and eight power objectives and were up to the standard we had discussed and of the samples submitted.

Q. Do you know what make of glass it was that Mr. Birkett submitted?—A. I think it was the Bausch and Lomb.

Q. Are you sure?—A. I will say Bausch and Lomb, and Lemaire.

Q. Are you sure they were those two makes?—A. Bausch & Lomb, Lemaire, or Busch. Either would be satisfactory.

Q. Speaking from recollection, these glasses were high grade?—A. Either of these three would be satisfactory.

Q. Were the glasses which he brought in as samples of these makes? Might they not have been high grade glasses of some other make such as Zeiss?—A. No.

Q. You are sure they were not?—A. I am sure they were not. I would have remembered more particularly if they had been Zeiss, because they had fewer Zeiss glasses to offer.

Q. Did Mr. Birkett state whether he had these glasses on hand?—A. He did not have them in Ottawa.

Q. Did he say so?—A. He said that he would have them in Ottawa, that his agents were collecting them in New York.

Q. Did you see Mr. Birkett again on this occasion?—A. I did not.

Q. When did you next see him?—A. October 1.

Sir CHARLES DAVIDSON: The date of this was the 22nd?

Mr. THOMPSON: The 22nd or 23rd of September, and he says that he next saw Mr. Birkett on the first of October.

Examination resumed by Mr. Thompson:

Q. How do you fix it as the first of October?—A. I was down here on September 30 in connection with an option which we offered to the Government.

Q. Did your offer of an option expire then?—A. It expired on October 1.

Q. And that is how you fix the date of your next visit?—A. Yes. On September 30 I came to Ottawa and spent the day in connection with this option. I stayed over until October 1, and I called on Mr. Birkett that day.

Q. Where?—A. At his office.

Q. At Mr. Birkett's office?—A. At Mr. Birkett's office.

Q. Why did you call to see Mr. Birkett?—A. To tell him that the goods had not been delivered, and that if they were not delivered we would have to cancel the order.

Q. What did he say?—A. Mr. Birkett said: We will have the biggest part of these goods on to-morrow. I said: Well, we may give you another day. Mr. Birkett said: The order is for 400; No, I said, 100; he said 400 and I said 100. I said if you want to supply more than 100 you will have to get in touch with Mr. M. C. Ellis of Toronto.

Q. Mr. Birkett said the order was for 400?—A. I said 100.

Q. There was some dispute as to what the number was?—A. Yes, it came up in his office.

[Binoculars—Mason.]

Q. You came over and he maintained that his existing contract was for 400?—
A. Yes, and I said 100.

Q. What did you tell him?—A. I said if you want to supply more than 100 you will have to get in touch with Mr. M. C. Ellis, in Toronto; I could not give you any authority to supply goods beyond your 100 order.

Q. Do you recollect seeing Taylor?—A. I do.

Q. Do you recollect Mr. Birkett telling Taylor in your presence that Mr. Mason has given us an order for 400 glasses?—A. No, I do not. He did not tell him. I did not just give him an order for 400 glasses at that moment because I had just told Mr. Birkett that if he wanted an order up to 400 he must get in touch with Mr. Ellis in Toronto.

Q. Do you recollect, Mr. Birkett—

Sir CHARLES DAVIDSON: (to the Official Reporter): Read that answer again.

The Official Reporter read the answer as follows:—

A. No, I do not. He did not tell him. I did not just give him an order for 400 glasses at that moment, because I had just told Mr. Birkett that if he wanted an order up to 400 he must get in touch with Mr. Ellis in Toronto.

The WITNESS: No, that is wrong.

Sir CHARLES DAVIDSON: Put the question again.

Examination resumed by Mr. Thompson:

Q. Do you recollect Mr. Birkett telling Mr. Taylor on that occasion that you had given an order for up to 400 glasses?—A. Mr. Taylor heard the conversation, that is, the dispute, as to whether the order was for 400 or 100.

Q. Was he standing there? Had Mr. Birkett introduced him before this question came up?—A. Not before the question came up.

Q. Was he standing there?—A. The question had been discussed for some time previous to the time when Mr. Taylor came along.

Q. Some time before Mr. Taylor came along?—A. Yes; Mr. Taylor just came at the finish of my visit to Mr. Birkett—came down stairs.

Q. Did Mr. Birkett, in Mr. Taylor's presence, and in your presence, say to Mr. Taylor that you had given an order up to 400 glasses?—A. Yes, he said that.

Q. He said that to Mr. Taylor?—A. Yes.

Q. Did you deny it?—A. I did deny it; I said: That is not so; I said: Mr. Birkett has just asked me to increase that order to 400. Mr. Birkett was standing there and both must have heard me state that they must get in touch with Mr. Ellis on that point.

Sir CHARLES DAVIDSON: Mr. Birkett seems to acquiesce in that by his letter, which has been read.

The WITNESS: Mr. Birkett did telegraph that night to Mr. Ellis.

Examination resumed by Mr. Thompson:

Q. How do you know?—A. Because I went to the Chateau Laurier and telephoned Mr. Ellis that Mr. Birkett was telegraphing him that night.

Q. Did Mr. Birkett say that he would telegraph to see if he could secure an order up to 400?—A. Yes.

Q. Had he at that time supplied any glasses in fulfilment of what you say was the order for 100?—A. Offhand, I could not say. It was just a week; I could not say.

Q. The reason I ask is because Milton Harris invoiced a number of binoculars to Mr. Birkett on the 29th of September and I notice they were passed by the Customs on the 30th of September. I thought possibly if you were in Col. Hurdman's office on the 30th of September, or the first of October, you might have seen some of Birkett's binoculars in the office.—A. I have no recollection of it.

[Binoculars—Mason.]

Q. You are quite positive that the reason you called at Mr. Birkett's place of business was to hurry him up with the delivery of the glasses for which you had already given him an order?—A. That is the reason I went down.

Q. You are quite sure about that?—A. No doubt of it.

Q. Had you anything further to do with Mr. Birkett in connection with this contract?—A. Only the correspondence.

Q. The correspondence is with your firm?—A. Yes, but I was personally connected with all the correspondence. Mr. Ellis and I carried on the correspondence in unison.

Q. I notice in this correspondence that you are continually asking him for makers' names, power and size?—A. Yes, the correspondence will show what we were asking for—millimetres, diameter of the objective, power, and the maker's name.

At one o'clock the Commission took recess.

The Commission resumed at two o'clock p.m.

Mr. THOMPSON, K.C.: Before we resume, Mr. Commissioner, at the request of the *Ottawa Citizen* I am calling your attention to a criticism made by my learned friend this morning in which he stated that the report in the *Ottawa Citizen* of yesterday was inaccurate. At the request of the *Citizen* I am reading from the official notes, page 337, to show that the report in the *Ottawa Citizen* was correct and accurate:—

Q. Do you not recollect Mason calling at your office about a week after he had given you the order and complaining that you were not delivering according to the agreement?—A. I do not quite recall that, Mr. Thompson.

Q. Try now, Mr. Birkett?—A. I would if I did, sir.

Q. All right?—A. I do not recall it and I know if he did do that he was perfectly within his jurisdiction because I certainly was not delivering the glasses I should have because I could not get them.

Mr. HILL: That is totally different from this report. What Mr. Birkett said was that he was not delivering the glasses in time; that was the whole question there. The report here says: I was not delivering the right glasses, I could not get them. That is a totally different thing. It was quite by accident, I am sure it was not intended, but the remark would indicate that Mr. Birkett knew he was not delivering the proper glasses.

Mr. MASON, recalled:

By Mr. Thompson:

Q. Did you carry on correspondence with the Keystone Company and Birkett?—A. I did.

Q. These letters signed P. W. Ellis and Company to Thomas Birkett and the Keystone Company, are they written by you?—A. Myself and Mr. Ellis together.

Q. These letters are already on file and I notice that you continually keep calling on them for information as to the makers, power and millimeter size?—A. Yes, sir.

Q. Was it important that you should have that?—A. Yes, sir.

Q. Why?—A. So that we could check off their invoices to ascertain the value and whether the goods were up to the expectations and the samples which had been submitted, and the quality.

Q. Did it make a difference as to the amount you would pay?—A. Yes, sir.

Q. What the quality was?—A. Yes, sir.

Q. You were, were you not, to pay Birkett a certain price?—A. Yes, sir.

Q. For a stated grade of goods?—A. Yes, sir.

Q. Are you quite sure that it was a certain stated grade of goods?—A. Positive.
[Binoculars—Mason.]

Q. Well you were unable apparently to get from him the names of the makers?—
A. We were unable. We did get the names later. You have it there.

Q. You refer now to the letter of the 15th of October?—A. Yes.

Q. In which he said the glasses supplied to the Department were of the following makes, B. & L., Lemaire, Busch and Gorez?—A. That is right.

Q. Were those makes of glasses satisfactory to you?—A. They were but the difficulty with that letter was it did not give the power and objective.

Q. Did that affect the price?—A. It would affect the price. It did. We were not satisfied.

Q. Do you recollect the power and size of the glasses which you say were submitted to you?—A. Six and eight power.

Q. And do these companies whose names I have just read to you make glasses of different power?—A. Yes, sir.

Q. And some of their glasses, I presume, would not be satisfactory to you?—A. Some of the glasses would not be satisfactory to us.

Q. Was it for that reason that you kept calling, time after time, in your letters to the Keystone Company to supply you with the makers, names, the power and objective?—A. Yes.

Q. If Birkett had furnished you with the information which he had in his possession, as set out in the invoice rendered to him by Milton Harris, would that have enabled you to form an opinion as to the value of the glasses?—A. It would but those invoices, as I see them, do not give the full particulars.

Q. They do not give the full particulars? Will you look at these invoices please (Exhibit No. 28)? Looking at these invoices can you say whether the information contained there was sufficient to enable you judge whether you would pay Birkett his \$52 or whether you would not?—A. Yes, sir. We would not.

Q. You would not pay him if you had the information contained in those invoices?—A. Yes, sir.

Q. Why?—A. Because the goods were not up to the expectations or the grade of goods that were ordered.

Sir CHARLES DAVIDSON: But you did pay.

Mr. MASON: We did pay.

Mr. THOMPSON: I am coming to that, sir, later.

Examination resumed by Mr. Thompson:

Q. What was the price of the samples he submitted to you? What would be the fair price to pay for those?—A. I consider \$52.

Q. But what would be the amount he would likely have to pay? What do you consider the lowest price he could buy those glasses at, which he submitted, different samples?—A. At that time and lay them down, I would say they would cost him close on to \$50.

Q. Would you say that a stereophos glass at \$17 in New York was not a glass which you say he contracted to sell?—A. I would not.

Q. There was a megophos glass of that quality?—A. No.

Q. Would a Bausch & Lomb glass at \$26 in New York be of the quality and standard which he contracted to supply?—A. No.

Q. Would a Zeiss glass in New York at \$27 be of that quality?—A. I would have to see the glass.

Sir CHARLES DAVIDSON: Are there different classes of these glasses made by the same makers?

Examination resumed by Mr. Thompson:

Q. I think I asked you before whether Zeiss, Bausch & Lomb and the other makers have glasses of different makes?—A. They have.

Q. And unless the power and millimeter size is described you cannot tell what the value is?—A. That is it.

Q. Is that so? You cannot tell what the grade is?—A. You cannot tell what the grade is.

Q. And was it for that reason that you were calling to Birkett continually in your letters for those prices?—A. That is the reason.

Q. I have already read these letters from you to the Keystone Company and from the Keystone Company to you, as well as that letter which you wrote to Col. Hurdman on the 21st of October, and to which he replied that the binoculars were satisfactory and stating more or less what binoculars had been supplied. Did you have any conversation with Col. Hurdman about the Keystone binoculars?—A. At that time or later?

Q. Well, at any time?—A. At that time, after he wrote that letter, we considered that satisfactory.

Q. You considered that satisfactory?—A. When we got that letter. We considered that that closed the matter.

Sir CHARLES DAVIDSON: What letter?

Mr. THOMPSON: When he received Colonel Hurdman's letter of the 22nd of October, in which letter Col. Hurdman stated that the binoculars supplied by the Keystone Company were satisfactory in every particular as stated by them, that a large proportion were 6 power 30 m.m.; that others were 8 power and were of the best qualities, principally Carl Zeiss, Lemaire and better quality of Busch glasses such as Terlux and Sollux and Bausch & Lomb 6 and 8 power.

Examination resumed by Mr. Thompson:

Q. Was it that letter of Col. Hurdman's which finally moved you to pay Birkett's account although you did not have the maker's name, the power and the millimeter size from the Keystone Company?—A. Yes, sir, that is the reason.

Q. I understood that you had a telephone message from Col. Hurdman in reply to one of your letters, in which he appeared to be quite annoyed that the Birkett people had not been paid?—A. No, that was later.

Q. When was that?—A. After the forty-six were delivered, when we asked for that information on the forty-six.

Q. Had that reference to a further supply from Birketts?—A. No, simply his telephone message was to the effect that we were too insistent upon details.

Q. That you were too insistent upon details?—A. Yes, sir, and that the goods had passed inspection and were satisfactory.

Q. Do you recollect at what date that conversation was held?—A. It would be in reply to a letter we wrote Col. Hurdman asking for particulars and also we were writing to the Keystone.

Q. You apparently had several cheques payable to the Keystone Company or to Birkett for glasses, had you not?—A. Several cheques payable to the Keystone Company?

Q. Yes?—A. I could not say from memory.

Q. Do you recollect whether you paid him for all the glasses by one cheque or different cheques issued as the invoices came in from him?—A. As the invoices came in from him they would go through to the Department as the goods came in with the invoices to the inspection department the invoices would be checked off by the inspector and sent on to the Department and then they would be forwarded on to us for certification.

Q. And then the cheques would issue from the Department without further work on your part, would they?—A. The cheque would issue from the Department on receipt of the certified invoices from us and we would forward the money on to the men who supplied the goods.

Q. Would the cheques issue to you?—A. From the Department?

Q. Yes?—A. To us?

Q. And they would go through your hands?—A. Yes.

[Binoculars—Mason.]

Q. You ought to be able to tell me how many cheques you issued to Birkett?—A. Well I did not have anything to do with the paying.

Q. That was in another branch of your company?—A. Yes.

Q. Can you tell me whether the later glasses supplied by Birkett were satisfactory or do you know anything about them?—A. The later glasses supplied by Birkett, Col. Hurdman stated over the telephone the goods were perfectly satisfactory and up to the standard in every way.

Q. About what date would that be?—A. If I had the invoice of the goods I could tell, the invoice to us, the invoice to the Department. About a week after the invoice to the Department, possibly after the invoice was sent on to us, we immediately asked for particulars. I would say it would be about December the twentieth.

Q. I see that on December 15, you write to Col. Hurdman:—

“We have received invoices from Keystone Supply Company for thirty binoculars but they have neglected to give maker’s name, power and objective.”

A. That is the letter I refer to, it was in reply to that letter.

Q. So the invoice from the Keystone Company must have reached your office two or three days after it was sent in to the Department?—A. Yes, sir.

Q. And was it in reply to that letter that Col. Hurdman telephoned you?—A. Yes, sir.

Q. What did he say over the telephone?—A. He said: What is the matter with you people down there anyway? The goods are passed and they are up to the specifications and they are satisfactory in every way. And so I said: If they are all right we will let it go.

Q. Did you remind Col. Hurdman that you were buying a special class of glass from the Birkett Company?—A. At that time?

Q. Yes?—A. At that time I did.

Q. What was the first occasion on which you informed Col. Hurdman of the price you were paying and the quality of glass you expected from the Keystone Company?—A. Col. Hurdman and I discussed the matter together when the order was placed when Col. Hurdman telephoned over to Mr. Birkett that he would take the one hundred glasses.

Q. Was that the meeting you speak about as being the twenty-first, or twenty-second or twenty-third of December?—A. Yes, sir, that is the meeting.

Q. Did you say that you were paying \$52 per glass?—A. Yes sir.

Q. Did you then specify the class of glass you were paying \$52 for?—A. Yes sir, he knew and I knew.

Q. Were you paying \$52 for all glasses?—A. All high grade glasses, which were scarce and difficult to get, would be satisfactory.

Q. At that time that you speak of, namely the conversation with Col. Hurdman, at that time you did not know what class of glasses Birkett would deliver?—A. Birkett stated from the samples delivered that the goods his agent had in New York were all of this high grade.

Q. But you at that time, as I understand, had not yet seen Birkett?—A. I saw Birkett in Col. Hurdman’s office that day when he brought the samples.

Q. Did you tell Col. Hurdman before your interview with Birkett of the price you were paying for high grade glasses?—A. No.

Q. Oh you did not?—A. Col. Hurdman and I discussed the matter when Mr. Birkett made his offer in Col. Hurdman’s office to supply the glasses.

Q. And did you in Col. Hurdman’s presence tell Birkett what you would pay for high grade glasses?—A. Birkett offered samples and stated prices that he could supply these goods for and Hurdman and I discussed the matter together and considered the price for those goods was very reasonable and if he had the goods on hand we would take them.

Q. And did you give an order there and then?—A. I did not.

[Binoculars—Mason.]

Q. When was it you gave the order to him?—A. Birkett withdrew from the office. He wanted us to give an order right there. I said: no, we cannot give you an order now. We will let you know. He said he must know to-night. Birkett withdrew and Col. Hurdman and I discussed the matter and Col. Hurdman assured me that he was of a reliable firm and if you want more information as to standing ring up Mr. Browne, Director of Contracts, which I did and Col. Hurdman was there all the time.

Q. Now with the information, such as it is, which you can glean from these invoices rendered to Birkett will you say whether you received value for the amounts that you paid out?—A. I would say we did not.

Q. Can you say positively that you would not have paid the Keystone Company if you had known what glasses had been delivered?—A. Certainly, would not have paid.

Q. Would you put it in this way that you would have paid the Keystone Company for glasses after they had passed inspection by Col. Hurdman but that you would have made a deduction because they were not up to the glasses which you had specified?—A. Exactly.

Q. Is that a fair way of putting it?—A. Exactly. The goods are all good goods but they are not as high grade or expensive as we were led to think would be delivered and had been delivered.

Q. With the information, such as it is, which you obtain by reading the invoices to Birkett, is it possible for you now to state what would be a fair price to pay for those glasses, or do you, looking at the invoices, now consider that the information is too meagre?—A. Well, I would say, in view of all I have heard and who bought the glasses—

Q. I am asking you to judge by the invoices?—A. By the invoices I would say the invoices do not give sufficient details to form any basis without—

Q. What steps could you have taken before payment to ascertain the fair value of those glasses, if Birkett had furnished you with the information which you find in the invoices rendered to him?—A. Send these invoices to Milton Harris and ask him to get these particulars from the man from whom he bought them.

Q. Those are steps you could have taken?—A. Yes.

Examined by Mr. Hill:

Q. Mr. Mason, I suppose that you, just like the rest of us, very often have been honestly mistaken in regard to the facts?—A. I presume so.

Q. Oh, we all are. And in view of the fact that three parties have given testimony here that Mr. Birkett had no samples, is it not just possible that you might have made a mistake?—A. I do not think so.

Q. But stranger things have happened than that in view of three parties saying that Birkett had no samples, do you not think that it might be possible you are mistaken?—A. I do not think so.

Q. At the same time you quite agree that you have been, like the rest of us, often honestly mistaken in regard to what you believed were the facts and the truth?—A. Yes.

Q. Now, you were willing to pay \$52 to Mr. Birkett for a Bausch and Lomb glass 8 by 25?—A. 8 by 25 and 6 by 30.

Q. Quite willing to pay \$52 for such a glass irrespective of what Mr. Birkett paid for it?—A. Irrespective of what Mr. Birkett paid for it.

Q. Glasses at that time were difficult to get?—A. They were.

Q. Very difficult, and you do not know what the various parties from whom you were buying glasses were paying for them?—A. We did not.

Q. So that if Mr. Birkett was getting Bausch and Lomb 8 by 25 glasses for \$26 or \$27 and selling them at \$52 he was making a perfectly honest profit in view of your contract with him?—A. If he was it was all right.

[Binoculars—Mason.]

Q. When you got that letter from Mr. Birkett that he was supplying those four kinds of glasses, why did you not send him the cheque right away?—A. I could have done except that we wanted more particulars as to the goods supplied.

Q. And then when he told you the great majority were 6 power and had focusing attachments why did you not send the cheque?—A. Because we wanted more information as to the grade of goods he had delivered.

Q. Where did you get this information, or how?—A. We wrote to Col. Hurdman.

Q. He is the man that had seen the glasses?—A. He is the man had seen the glasses.

Q. The man naturally who could give you the best information?—A. Mr. Birkett said he had not—

Q. Wait a minute. Mr. Hurdman gave you the information for which you asked and on receipt of that information from Hurdman you paid the money?—A. Yes.

Q. So that it was on account of Col. Hurdman's letter to you that you paid this money?—A. Yes.

Sir CHARLES DAVIDSON: That is already stated, Mr. Hill.

Mr. HILL: I just wanted to make sure.

Examination resumed by Mr. Hill:

Q. And in connection with this second contract of Birkett's on which glasses were delivered in December, did you see Birkett about that at all?—A. No.

Q. How did he come to get that contract?—A. The first knowledge we had of that was that the goods had been delivered.

Q. How did you come to hear about that?—A. I think either from Col. Hurdman or Mr. Birkett.

Q. You had given him no particulars as to the kind of glasses that were wanted?—A. We did not order them at all.

Q. Why did you not write Mr. Birkett that time asking him what kind of glass he was delivering?—A. In December?

Q. Yes?—A. I would not say that we did not write him.

Q. Can you produce a letter to Mr. Birkett at that time?—A. In December? I could not speak from memory.

Q. You have produced a letter from Col. Hurdman about these glasses but you have not produced one to Mr. Birkett.

Mr. THOMPSON: My learned friend is in error on that point. We produced a letter of the 16th.

Mr. HILL: That is all right, you did. I had forgotten about that.

Mr. MASON: We were unable to get the information and we wrote Colonel Hurdman yes, that is where we wrote Birkett.

Examination resumed by Mr. Hill:

Q. In connection with the glasses which you received from the other dealers throughout Canada, did you ever ask them what they had paid for the glasses?—A. No.

Q. They just sent these glasses in with the invoices?—A. Yes.

Q. And you paid for them?—A. Yes.

Q. So that the amount of their profit was not considered?—A. We took into consideration the people from whom we bought these glasses, the conditions under which they bought them and who supplied them. That is speaking of the small purchases from the retail men. And we considered they turned the glasses in at a remarkably low figure.

Q. What would you consider a proper profit for a retail dealer?—A. About twenty per cent. In some cases it would depend on the size of the retailer and his ability to buy and—

Q. But speaking broadly and generally you consider about twenty per cent would be a proper profit for a dealer in binoculars?—A. For a retail dealer?

Q. Yes?—A. Oh no.

Q. What would be a proper profit?—A. For a retailer with a small business I would say about fifty per cent.

Q. And what for a wholesale dealer?—A. About twenty-five per cent.

Q. When Mr. Birkett, as you say, submitted samples which he was willing to sell you at \$52, which you say cost him \$50, did you not think it rather funny that he was selling at a profit of only four per cent?—A. What is that again?

Q. You say Birkett produced samples which he offered to sell at \$52 which to your knowledge would have cost him about \$50?—A. Laid down.

Q. Did you not think that rather funny that he would do business on a basis of four per cent?—A. I understood from Birkett that his agents had bought these glasses at advantageous prices and that they were good value.

Q. You understood he had bought them at advantageous prices?—A. Yes, his agents had.

Q. Which was about true, was it not?—A. I could not say.

The witness retired.

ETHEL McDougall, sworn.

Examined by Mr. Thompson, K.C.:

Q. Miss McDougall, in September last you were engaged in the office of Mr. W. J. Browne, I understand?—A. Yes.

Q. And do you recollect writing out a cheque to W. G. Hurdman for \$30?—A. Yes.

Q. Did you write it out on Mr. Browne's instructions?—A. I did.

Q. Did he explain what it was for?—A. Yes, he told me.

Q. What did he say?—A. Well he told me he was giving this to Mr. Hurdman for his trouble.

Q. What trouble?—A. Well I suppose—

Q. Did he say what trouble?—A. No he did not say what trouble but just for his trouble, that was all.

Sir CHARLES DAVIDSON: In connection with what?

Miss McDougall: I suppose the purchasing of those binoculars.

Examination resumed by Mr. Thompson:

Q. Had he been talking about the binoculars before he asked you to make out the cheque?—A. Oh yes. I knew he was going away to get them, and all that.

Q. When you wrote out the cheque did you give it to him for signature?—A. Yes, I did.

Q. Did he take it away?—A. Yes.

Q. Did he tell you what he had done with the cheque?—A. No, he did not tell me what he did with it.

Q. He did not tell you what he had done with it?—A. No.

Q. And then apparently, a couple of months later, you called his attention to the fact that the cheque had not been cashed?—R. Yes.

Q. Was he in his office at that time?—A. Yes, he was.

Q. And what did you say to him?—A. Well, I just wondered why it was not cashed.

Sir CHARLES DAVIDSON: Had he never spoken to you in the meanwhile about it?

Miss McDougall: About the cheque? No, he had not.

[Binoculars—Miss McDougall.]

Examination resumed by Mr. Thompson:

Q. What did you say to him when you went into his office?—A. Mr. Browne's office?

Q. Yes?—A. Well I just asked him if he knew what happened the cheque he gave to Col. Hurdman.

Q. If he knew what happened the cheque he gave to Col. Hurdman, and what did he say?—A. Well he said he did not know. He did not know why it was not cashed and so I phoned to Col. Hurdman and I asked him.

Q. Oh, you phoned Col. Hurdman did you?—A. Yes.

Q. Did Mr. Browne ask you to phone him?—A. No, he did not.

Q. You telephoned Col. Hurdman and what did you say to Col. Hurdman?—A. I asked him why the cheque was not cashed.

Q. Did you tell him who was speaking?—A. I did, yes.

Q. Who did you say was speaking?—A. I said Mr. Browne's office.

Q. Mr. Browne's office was speaking?—A. Yes.

Q. And then what did you say?—A. I asked him why the cheque was not cashed that Mr. Browne gave him.

Q. And what did he say?—A. He said he did not know anything about a cheque.

Q. What did you say to him?—A. I said: All right, I will see Mr. Browne. I thought perhaps Mr. Browne had kept it in his pocket or something.

Q. And did you close off the telephone then?—A. I did.

Q. And did you report to Mr. Browne the result of your telephone conversation?—A. Yes.

Q. And what did he say?—A. He said he would go down and see about it.

Q. And did he go down?—A. He did.

Q. I find on the cheque an endorsement in red ink?—A. That is my writing.

Q. That is for the purpose of your bookkeeping?—A. Yes.

Q. "J 21" stands for Journal 21?—A. Yes.

Sir CHARLES DAVIDSON: We have not got the date of this conversation yet, have we?

Examination resumed by Mr. Thompson:

Q. Do you recollect about what time it was?—A. It would be about the same day as I made the journal entry, December 7.

Q. And how do you fix that as being the date? I find the journal entry you have entered here is December 7, and how do you fix that as about the date of the telephone conversation?—A. Well, I got it back the same day.

The witness retired.

W. J. BROWNE, recalled and examined.

By Mr. Thompson:

Q. Did you finally have a settlement with Trad-Burks about the glasses?—A. Yes.

Q. Is this document a settlement of your account between Trad-Burks and yourself?—A. Yes, sir.

(Statement of account filed and marked as Exhibit No. 32.)

Q. And does it show how your moneys were divided?—A. Yes, sir.

Q. The statement is on the paper of W. J. Browne, real estate and fire insurance, 178½ Bank street, Ottawa, and is as follows:—

[Binoculars—Browne.]

OTTAWA, November 2, 1914.

Mr. W. J. Browne and Mr. Trad-Burks.

October 29—Received from Messrs. Ellis & Co., for glasses.	\$497.50
Mr. Trad-Burks to receive full amount received for the two sample glasses, which amounts to.	89.55
He also receives half of the balance, which is.	203.96
	<hr/>
	\$293.51
Glasses cost.	\$165.00
Duty.	41.25
Col. Hurdman.	30.00
Exchange on cheque.	0.50
	<hr/>

\$236.75

Mr. Trad-Burks to pay half of this amount, which is \$118.37. He has already paid to Mr. Browne \$115, which leaves a balance of. . . 3.37

Mr. Browne owes Mr. Trad-Burks. \$290.14

You state that this document shows the settlement that you had between Trad-Burks and yourself with regard to the glasses?—A. Yes, sir.

Q. And this also shows, does it, what you paid for the glasses in Philadelphia?—A. Yes, sir.

Q. You paid in Philadelphia \$165 for nine glasses?—A. Yes, sir.

Q. And your duty apparently amounted to \$41.25?—A. Yes, sir.

Q. And you paid out there apparently \$206.25, and you received from the department \$497.50. The \$497.50 included the price of two glasses which Trad-Burks turned in to the Ellis Company?—A. That is right.

Q. Which price was fixed by you at \$89.55 is that correct?—A. That is correct.

Sir CHARLES DAVIDSON: Did you give, or attempt to give this cheque to Col. Hurdman as a commission?

Mr. BROWNE: No, sir.

Sir CHARLES DAVIDSON: As a reward?

Mr. BROWNE: I gave him that cheque for any trouble that he might have, commission—

Sir CHARLES DAVIDSON: You had better be critical about it. According to your evidence you did not give it to him; you attempted to give it to him.

Mr. BROWNE: To which?

Sir CHARLES DAVIDSON: You did not give it to him.

Mr. BROWNE: I left it on his desk.

Sir CHARLES DAVIDSON: You gave it as what?

Mr. BROWNE: For trouble he might have been at, for calling him up at his house—

Sir CHARLES DAVIDSON: You what?

Mr. BROWNE: I had called him up at his house several times when he was out of his office, when he was in his house, after hours.

Sir CHARLES DAVIDSON: Did you intend to pay him for these services?

Mr. BROWNE: Yes.

Sir CHARLES DAVIDSON: Why did you not do it openly?

Mr. BROWNE: Well I did it openly. If I had thought of paying out a bribe in any way I would not have handed over a cheque.

Sir CHARLES DAVIDSON: Are you aware that it is criminal to make gifts to a public official?

Mr. BROWNE: No, I did not know that it was. No, I did not know.

[Binoculars—Browne.]

Sir CHARLES DAVIDSON: It is fair for me to very seriously call your attention to your evidence, Mr. Browne, because my present impression is that it exposes you to a criminal prosecution.

Mr. BROWNE: I have done it innocently.

Sir CHARLES DAVIDSON—and I shall read this evidence carefully and I think it is proper to ask you if you would like any time to consider this evidence or seek the assistance of counsel in respect of it, and to call your attention to section 158, paragraph (g) of the Criminal Code which makes it a crime for any person having dealings of any kind with the Government through any department thereof, who, pays to any employee or official of the Government, or to any member of the family of such employee or official, or to any person under his control or for his benefit, any commission or reward; or within one year before or after such dealings, without the express permission in writing of the head of the department with which such dealings have been had, the proof of which permission shall lie upon him, makes any gift, loan, or promise of any money, matter or thing, to any such employee or other person aforesaid."

Then again under the Illicit Commissions Act of 1909, there is another provision within which you possibly come. It is only equitable to tell you of the possible position in which you may find yourself if any report I may be called upon by my duty to make.

Mr. BROWNE: I did not think the very fact of giving that money after the glasses were accepted and everything could be taken on that ground.

Sir CHARLES DAVIDSON: Wrong, illegal, and criminal.

Mr. BROWNE: I certainly would not have done it if I thought it was wrong.

Sir CHARLES DAVIDSON: Will you just look into the matter a little and if you want to take advice and say anything or have anything said on your behalf to me, I think it is only equitable to give you an opportunity to have this done.

Mr. BROWNE: Thank you, my lord.

The witness retired.

SAMUEL BILSKY, jeweller, Ottawa, sworn:

By Mr. Thompson, K.C.:

Q. You made two trips to New York, Mr. Bilsky, one with Mr. W. J. Browne, and one with Alexander Taylor?—A. I did.

Q. With whom did you go on the first trip?—A. With Mr. Browne and Mr. Trad-Burks.

Q. Browne and Trad-Burks were with you on that first expedition?—A. On the first trip I made with regard to binoculars.

Q. What was the date of that?—A. It would be the latter part of August or the first of September.

Q. Will you tell the commissioner what led up to your making that trip; what negotiations did you have which led to the trip to New York with Browne and Trad-Burks?—A. About a week previous to the trip I met with Mr. Trad-Burks and Mr. Browne. Mr. Trad-Burks came into my office and was talking about binoculars. We both started to talk about binoculars, and he told me he would be in a position to get an order for binoculars if I could supply them. I told him I would be in a position to supply binoculars, if he would let me know what quantity and what kind of glasses he required, and I would take it up with him. During that same week I gave him all he got from the firm of M. Bilsky & Sons, two or three sample pairs of binoculars.

Q. What make of binoculars were they?—A. One was a Lemaire, the other I do not remember at the moment what it was.

Q. Well, continue?—A. He said he wanted to submit them as samples and see if he could work on the basis of the binoculars I submitted to him. A few days afterwards, on a Sunday, he came down to me and he told me he had an order for 100 pairs of binoculars, and asked me would I be in a position to get the binoculars for him. I asked him: where do I come in on that, and he said: we will get these binoculars and whatever the profits on these binoculars will be we will have an equal division, that is between Trad-Burks and myself.

Q. Did he mention Browne up to this time?—A. He did not mention Browne's name.

Q. Was there a discussion held as to who was to do the financing?—A. He was to do the financing.

Q. What followed from that discussion?—A. That Monday noon he phoned me at the office that he would be prepared, if I was prepared to go with him, to get the binoculars. I told him I would and on Monday afternoon I left the office and went down to the station and he introduced me to Mr. Browne at the Central Station.

Q. Did he state who Browne was?—A. I knew Mr. Browne.

Q. Did he state why Mr. Browne was going to New York?—A. Not at the time.

Q. Was there any mention of Mr. Browne being connected with the enterprise made at the time?—A. Not with binoculars.

Q. You went to New York?—A. Yes.

Q. Did you have any discussion in New York?—A. This was on the Monday, I think the first Monday in September or the first of September. In the morning Trad-Burks said: now, Bilsky, we have got to divide these glasses into four. I said: if that is the case, you had better go ahead and look for the glasses yourselves.

Q. Did he mention at that time that Browne was one of the four?—A. In the morning, when he just started the conversation after breakfast, before we went down town.

Q. Did he tell you who the four were?—A. He mentioned Mr. Browne as one and Mr. Trad-Burks as the other, and I was the third.

Q. Who was the fourth?—A. He mentioned the name of Mr. Askwith as the fourth.

Q. What Mr. Askwith?—A. I am not sure that he mentioned his first name, but he may have.

Q. Do you recollect which Mr. Askwith he mentioned, now?—A. I am not sure. I know the party but I do not know his first name.

Q. Can you describe his occupation?—A. He is with Mr. Trad-Burks, in fact he has an office I think in Mr. Trad-Burks' office.

Q. What is his occupation?—A. Years ago, he was up north as an engineer.

Q. About what age would he be?—A. He is a man about forty.

Q. Was there any reason for Askwith being a shareholder in the profits?—A. He mentioned to me it was through Mr. Askwith he got the order.

Q. Did he say why Browne should be a sharer in the profits?—A. Because the order was in Mr. Browne's name.

Q. If Mr. Askwith had secured the order why should the order be in Browne's name?—A. Unless Mr. Trad-Burks and Mr. Askwith were together.

Sir CHARLES DAVIDSON: Who is Askwith, this is a new name?

Mr. THOMPSON: I did not know it before; it did not appear in the Public Accounts Committee.

Sir CHARLES DAVIDSON: Perhaps the witness can tell.

Mr. THOMPSON: I have asked him to describe him so that I may know.

By Mr. Thompson:

Q. Do you know his first name?—A. I can find his proper name, I do not know his first name now.

[Binoculars—Bilsky.]

Mr. THOMPSON: I have been trying, my lord, to have him give a definite description of this Mr. Askwith, so that I may have him subpoenaed to tell what he knows about it.

By Mr. Thompson:

Q. Do you know as a fact that the Askwith Trad-Burks referred to has an office, or had an office, in Trad-Burks office?—A. He used to be in Mr. Trad-Burks' office.

Q. As an employee or a tenant?—A. No, he used to use Trad-Burks' office.

Q. Is that the best you can do to define him?—A. At the moment, I was not thinking of his first name.

Q. Is that the best you can do at the present time to define which Mr. Askwith it was?—A. It is.

Q. Is he in town now do you know?—A. I have not seen him for some time.

Q. What age would he be?—A. I should judge he is a man about forty years.

Q. Do you know what his occupation in town now is?—A. I do not.

Q. Trad-Burks told you that Askwith had got the order?—A. Oh, no, that it was through Mr. Askwith that Browne got the order.

Q. Then why should Browne come into it as a sharer?—A. I do not know, that is the reason that I told him in the morning, when he mentioned the proposition that this contract would have to be divided amongst the four of us, that I said: you can count me out and get the glasses yourself.

Q. Was there any other division of profits to be made?—A. Nothing.

Q. There was nothing else?—A. No.

Q. When they told you that the profits had to be divided into four, what did you do?—A. Nothing, I just called the deal off.

Q. Did you not take them to a place where they could buy binoculars?—A. Later on, I was going down town in New York and they came along with me. I brought them down to a certain place and told them there was a place they could get whatever they wanted, but I was not in on the deal at all.

Q. So that although you were not in on the profits and were not a sharer you were still willing to show them where they could buy binoculars?—A. By all means, if they could get them.

Q. Do you mean to say that you were performing all the duties without being a sharer, as you would have performed had you been a sharer in the profits?—A. No, I was not performing any duties.

Q. You were performing services for these people?—A. My connections were all down town and I was going down town anyway, and they were coming along, and I was not figuring on any deal in binoculars with them.

Q. Why were you not willing to share in the profits if they were able to get binoculars at the places you showed them?—A. Well, Mr. Thompson, on the same Monday when I was going down to New York with Mr. Trad-Burks, Mr. Bell telephoned to me here in Col. Hurdman's office, the same Monday that I went down to New York. I met Mr. Bell, I met Col. Hurdman, and we were speaking binoculars. Col. Hurdman told me that morning that he had given an order out for 100 pair of glasses, which were promised for Wednesday delivery, and if this order was not filled by Wednesday he would turn the order over to Mr. Bell, and this was Tuesday morning when Trad-Burks and Browne and myself had the disagreement, and I figured that by that day's time they were not in a position to get this 100 order filled, and I was still in New York, and if they did not fill the order, Mr. Bell would have the order, and Mr. Bell and I would be working together on the order. I was going down to New York, looking around myself in case some new source would get the glasses, and I was not worrying about Mr. Trad-Burks or Mr. Browne.

Mr. THOMPSON: I still do not understand it, I must confess.

Sir CHARLES DAVIDSON: Who is Bell?

The WITNESS: He was a contractor.

By Mr. Thompson:

Q. Who was Bell?—A. Mr. Bell gave evidence at the Public Accounts Committee.

Q. Was he selling binoculars?—A. He was acting as my agent.

Q. I still fail to understand why you went to the trouble of showing these men, Trad-Burks and Browne, where they could buy binoculars, when you were not going to share in the profits?—A. Because I knew they could not deliver them by Wednesday morning; they had one day's time then to deliver the binoculars.

Q. It was a bluff on your part; you figured that they could not get the binoculars?—A. I figured they could get some, but not the kind they wanted. They got some.

Q. Browne said they did not. It was merely a hocus on your part; you showed them where they could get the glasses, and where, at the same time, they could not get them?—A. I figured they could not get them.

Q. In fact when you sent them in to that store or place of business, you were pretty well sure they could not get any glasses of the quality required?—A. Yes, I was almost sure they could not.

Q. It was practically a joke you were putting up on them?—A. There was no joke in it. I was going down town in New York and they came along.

Q. Why did you indicate this place of business to them as a place where they could get binoculars when you were well assured that as a matter of fact they could not buy glasses, at all events, the kind of glasses they required and of the quality they required?—A. I brought them down to a wholesale place where we could get glasses.

Q. But you have said that when you indicated this place of business to them they could not buy glasses there?—A. They could not get the kind of glasses that they wanted.

Q. You knew they were after glasses of a certain quality, did you not?—A. I knew they were, yes.

Q. Why did you send them into that shop?—A. I did not send them.

Q. You indicated the shop where they might get glasses?—A. I even went in with them.

Q. And you were well assured at the time you brought them in to the shop that they could not get the glasses they required?—A. I was going there for my own information to find out what kind of glasses they had. This was a wholesale firm that handled glasses.

Q. You have already told us you showed them where they could buy glasses?—A. I brought them down to the wholesale firm.

Q. Did not you indicate to Browne and Trad-Burks either a wholesale firm or a shop where they could buy glasses?—A. I did not know they would get the glasses that they wanted.

Sir CHARLES DAVIDSON: Pass on, Mr. Thompson.

By Mr. Thompson:

Q. They then left you, did they?—A. No, I think I was with them the best part of the day.

Q. Were any glasses bought, as a matter of fact?—A. There was no glass bought in New York, so far as I am aware.

Q. Did that end your transaction with Browne and Trad-Burks?—A. As far as that transaction is concerned, yes.

Q. Did you share in the profits of that in any way?—A. I did not share in anything.

Q. That ended your New York experience with Browne and Trad-Burks in connection with the binoculars?—A. I met them the next night, I stopped in the same hotel; they showed me the glasses they got in Philadelphia.

Q. What make were they?—A. They were a binocular called "Brown's special."

Q. Did you know what power they were?—A. I am not positive.

Q. Did you see the invoice?—A. They showed me the invoice.

[Binoculars—Bilsky.]

Q. What prices did they pay for them?—A. I am not positive, but it was fifteen dollars or eighteen dollars or around there, I am not positive.

Q. Are you quite sure it was below twenty dollars?—A. I think it was below twenty dollars.

Q. Do you think it was below twenty dollars?—A. I think it was.

Q. Can you make sure of that?—A. I have no way of making sure, they just showed me the glasses.

Q. To the best of your recollection it was below twenty dollars?—A. Yes.

Q. Now, we come to the Birkett transaction, the next time you went to New York was on the Birkett business, was it not?—A. I think I was there several times before that, between times.

Q. What led up to your entering into an agreement with Birkett?—A. Some time in September, around the middle of September, Mr. Taylor came to my office and said: I was speaking to your brother.

Q. What is your brother's name?—A. Jack.

Q. Continue?—A. I was speaking to your brother and he tells me that you can supply binoculars. I asked him did he want binoculars, and he said yes, if you can supply them. I said I thought I could supply them. He said: If you think you can supply glasses, we are in a position to get an order for glasses. That led up to Mr. Birkett coming in to see me with regard to binoculars.

Sir CHARLES DAVIDSON: Was that the only representation you made to Birkett?

The WITNESS: This was to Mr. Birkett and Mr. Taylor both, the only representation, my lord.

Sir CHARLES DAVIDSON: Nothing further than that?

The WITNESS: Absolutely nothing.

By Mr. Thompson:

Q. You did not say that you represented anybody else in the States?—A. Absolutely no.

Q. You did not say that you controlled glasses in the States? Which you had secured?—A. Absolutely no.

Sir CHARLES DAVIDSON: There is a discrepancy there, is there not?

By Mr. Thompson:

Q. At any time during the negotiations did you represent to Birkett or Taylor that you could secure glasses in quantities?—A. I told him I figured I was in a position to be able to get glasses.

Q. In what way?—A. To go over and buy them.

Q. Had you any option on glasses at that time?—A. I had not.

Q. Had you any agent in the United States or in Canada who informed you that they had any control over glasses or any option on glasses?—A. They told me they would supply me with glasses.

Q. Who told you that?—A. One firm is the Consolidated Optical Company.

Q. When did they tell you that they could supply you with glasses?—A. I think it was the first Monday in September, it was on Labour Day.

Q. Did they tell you how many glasses they could supply you with?—A. We were not talking quantity, just whatever I wanted they were looking for an order.

Q. Did they tell you the price?—A. Yes.

Q. How much?—A. \$37.50.

Sir CHARLES DAVIDSON: Were they open to deal with anybody else?

The WITNESS: With anybody who would be in the jewelry trade or handling binoculars.

By Mr. Thompson:

Q. Did you interview the Consolidated Optical Company to ascertain whether they had really binoculars or not?—A. They interviewed me.

Q. Who interviewed you?—A. Mr. Butler.

Q. Who is Mr. Butler?—A. He is the Vice-President or director of the Consolidated Optical Company.

Q. Where did he interview you?—A. In my office.

Q. When?—A. The first Monday in September.

Q. Let us go back to the Birkett agreement, are you perfectly sure that you did not tell Mr. Taylor or Mr. Birkett that you had agents in the United States who had secured glasses, or who could deliver them?—A. I may have told him that we had agents from whom we could get glasses.

Q. Did you at that time know whether the agents in the States actually had the glasses?—A. I knew they could get them.

Q. Did you know whether they actually had them?—A. That they had them on hand?

Q. One of the firms, yes?—A. One of the firms did have the glasses on hand.

Q. Which firm?—A. Sussfeld Lorsch.

Q. Did you take Taylor to Sussfeld Lorsch to buy glasses?—A. I did not.

Q. Why did you not?—A. Because I went over to Milton Harris. May I be permitted to give this explanation. When I went over with Mr. Taylor to New York and got into Mr. Harris' office Monday morning, I explained to Mr. Harris that Mr. Taylor had an order with him for 400 pairs of glasses and I asked him would he be in a position to fill that order. Mr. Harris said he would. At the moment we were looking for B. & L. glasses, and that day he placed an order over the telephone in our presence with the B. & L. factory for 100 pairs of glasses.

Q. You know he did that?—A. In our presence, in the office, and on account of that the B. & L. factory sent up to Mr. Harris' office I think ten pairs. They sent ten pair out of the 400 that were ordered, or was it only 100 that was ordered?—A. The order was for 100 to be delivered in a week.

Q. Did Milton Harris have any other glasses on hand?—A. At the moment, no, he did not.

Q. As Taylor had the money with him why did you not take him over to Sussfeld Lorsch, where the glasses were all ready, practically on the counter for you to carry away?—A. We were working on B. & L. glasses and Sussfeld Lorsch had no B. & L. glasses.

Q. Were they B. & L. glasses which you brought back?—A. They were.

Q. Were they B. & L. glasses which Taylor brought back with him?—A. I do not know.

Q. Taylor got some glasses, he got four the day you left. Now Mr. Taylor in his testimony, at page 263, referring to you says:—

Q. Was there any other discussion about binoculars on that occasion?—A. Yes, he told me that he had a considerable quantity of binoculars in New York and that the Government wanted them bad, and that they had to have them, and he asked me to consider this question, and that I could make money out of it.

Q. Did he say how many glasses he had in New York?—A. Large quantities.

Q. Did Taylor ask you that?—A. Did he ask me how many I had?

Q. Whether you had glasses in New York, and how many?—A. Taylor knew I had no glasses.

Q. Did he ask you how many glasses you had in New York?—A. He never did.

Q. You say you did not reply to him that you had large quantities?—A. I never made that observation.

Q. Did you tell Taylor that you had a considerable quantity of binoculars in New York?—A. I did not.

Q. Taylor said, referring to his conversation with you, that you made this statement. I read from the evidence, "that the Government had to have them and that no

[Binoculars—Bilsky.]

person else could get these glasses but him (that is you Mr. Bilsky) and that they would have to get them eventually, and I think he said that he had tried to place them through different other people and he could not get a sale."

Q. Did you tell Taylor that you had glasses and that nobody else could get them?
—A. I never did.

Q. Did you tell Taylor that the glasses in New York that you had been talking about would be bought at from \$26 to \$28?—A. I told him that would be the price of the B. & L. glasses, that they would be bought for about that price?

Q. You say that Taylor is correct as to that part of the conversation?—A. He was working on what to ask for glasses.

Q. Do you say that Taylor is correct as to that part of the conversation?—A. So far as the prices are concerned, certainly.

Q. And you say that he was quite in error when he said you made the statement that no person else could get the glasses in New York which you controlled, and you state that you did not tell him that you controlled the sale of certain glasses in New York?—A. That is right.

Q. Did you tell Taylor, or was it your brother, that you would like to go into the binocular contract business?—A. I do not know what my brother told him.

Q. You say that your first connection with this contract was through Taylor coming to your office?—A. That is right.

Q. That is the first connection you had with it?—A. As far as Mr. Birkett is concerned, yes.

Q. And apparently, before you eventually arrived at the firm agreement, you had a number of discussions with Birkett as to financing and as to terms?—A. Yes.

Q. Will you tell me the occasion on which the first discussion arose with Birkett?
—A. About the glasses?

Q. Yes?—A. I asked Mr. Taylor to send Mr. Birkett down to see me.

Q. And Mr. Birkett arrived to see you?—A. He did, and that started the talk about binoculars.

Q. What was the conversation?—A. I told him I figured we could get all the B. & L., or a certain quantity of them, through the different jobbers in the States and whatever we could get the average price would approximately cost about \$26 or \$28. I told him if the B. & L. glasses could be secured there we could get other makes of glasses, averaging from \$15 to \$20, which were not B. & L.

Sir CHARLES DAVIDSON: Did you happen to mention that you had been in negotiation with Browne and had failed to get glasses in connection with him?

The WITNESS: I am not sure; I may have spoken to him about it; I doubt if I did, although I might have.

By Mr. Thompson:

Q. Were B. & L. glasses the ones that you kept your minds fixed on?—A. B. & L. were the glasses.

Q. What grade of glasses?—A. 8 x 21.

Q. What followed on that first discussion with Birkett, what did you and he decide to do?—A. We decided to go into the binoculars. Mr. Birkett told me he had an order for 400 pairs of glasses.

Q. About what date was that?—A. This would be about four or five days before that agreement was signed; I am not sure. It was about the 20th or the 21st, the early part of the week.

Q. That would be some two or three weeks after your venture with Browne?—A. Right.

Sir CHARLES DAVIDSON: It was four or five days before what agreement?

The WITNESS: Before the agreement that Mr. Birkett and I signed.

[Binoculars—Bilsky.]

By Mr. Thompson:

Q. What agreement did you arrive at, or what negotiations did you have?—A. I had no agreement with him. Mr. Birkett asked me would I be in a position to finance it.

Q. What did you say?—A. I told him I would try and see if I could.

Q. Did you succeed?—A. I did not.

Q. What happened then?—A. Later on, that agreement was off, and Mr. Birkett told me that the agreement was off, and he came the following Saturday; this would be about the early part of the week, Wednesday or Thursday. He came down about Friday and he said: now, I am prepared to finance this myself, and I think he asked me what I would take to get him the source of supply and what I would charge him for him to deliver the glasses.

Q. On the first arrangement were you to finance with Birkett that transaction?—A. I was.

Q. Were you both to share equally in the profit?—A. We were to share equally.

Q. Was it because you were not able to arrange the financing that he eventually cut down your interest in the enterprise?—A. Undoubtedly, I think so.

Q. Was not that the reason why you abated your interest and reduced it?—A. That is the only reason, so far as I know.

Q. Did he eventually go to see you with a view to entering into an agreement?—A. He did.

Q. Where did the meeting take place?—A. In my office.

Q. You said before the Public Accounts Committee that Birkett brought the agreement ready for signature?—A. That is what I said.

Q. Is that correct?—A. Well, Mr. Thompson, may I give a word of explanation of that. Mr. Birkett brought me an agreement written in longhand, and I sent to my stenographer asking her to strike off three copies and return them to me while Mr. Birkett was in my office. That is the agreement they brought down from my office.

Q. When Birkett arrived at your office, you say he brought a draft agreement?—A. Written in longhand.

Q. Did he show it to you?—A. He did.

Q. Did you discuss the terms?—A. I did not, because he only had one copy.

Q. Could you not discuss the terms even if he only had one copy?—A. This was only twenty minutes or twenty-five minutes before train-time.

Q. What did he say when he entered your office?—A. He said I have an agreement I want you to sign. I said: have you got a copy of it and he said: no.

Q. What did you say?—A. I said I will send up to the office and have it made in triplicate.

Q. Did you read it before you sent it upstairs to be copied?—A. I did not.

Q. Try and recollect?—A. I did not read it.

Q. Are you sure you did not discuss the bargain or the agreement before it was typewritten?—A. I am almost sure not, because we did not have much time to discuss anything. To the best of my knowledge I do not believe I did.

Q. Do you mean to say that when Birkett arrived in your office and stated he had an agreement he wanted you to sign, that you at once sent it to your office to be typewritten?—A. No, I asked him if he had a copy, and he said: No, and I said: I had better get two or three struck off.

Q. And you took the agreement away with you?—A. I did not, I did not leave the office.

Q. Did you ring for some one to come?—A. I called for my younger brother, Mr. Jack Bilsky.

Q. Did you give him the agreement?—A. I gave him the agreement and asked him to have it typewritten and brought back to me.

Q. While it was being typewritten did you discuss the terms of the agreement

[Binoculars—Bilsky.]

with Mr. Birkett?—A. I do not know. We were discussing binoculars, I am not sure that we were discussing the agreement.

Q. Had you arrived at the terms upon which you would do business before Birkett appeared in your office?—A. Yes.

Q. You had?—A. Yes.

Q. Did you find that the terms set out in the draft agreement which he produced corresponded with what you had arrived at verbally before?—A. I do not believe I read the draft agreement.

Q. But when the typewritten agreement came down from your office to the place where you and Birkett were having your interview, you saw the typewritten copies, did you not, before you signed them?—A. Yes.

Q. And presumably they were exact copies of the longhand draft of the agreement?—A. Undoubtedly.

Q. Was that longhand draft agreement returned to the office with the typewritten copies?—A. Undoubtedly it must have been returned.

Q. Was it?—A. My office tells me it was, but I do not remember.

Q. What was your recollection?—A. I do not remember.

Q. Do you recollect whether they brought back the draft agreement which you handed to your brother to have typewritten?—A. I do not remember.

Q. When the typewritten agreement was returned or brought down to where you and Birkett were having your discussion did you then discuss the terms?—A. No the terms were all discussed before Mr. Birkett came to the office.

Q. They were all discussed before Mr. Birkett went to your office?—A. That Saturday afternoon.

Q. Was the typewritten agreement in accordance with the terms you had arrived at?—A. When it came from my office?

Q. No, was the draft agreement which Birkett produced to you in accordance with the terms of the agreement which you had verbally arrived at?—A. I do not remember about the draft agreement.

Q. Never mind the draft agreement—the draft agreement apparently corresponded with the typewritten agreement which your office copied. Did not the typewritten agreement correspond with the verbal understanding that you and Birkett had arrived at?—A. No.

Q. How did it vary?—A. In regard to the two dollars which was erased in that agreement.

Q. Look at this agreement which is placed already on file as Exhibit 25 and will you please tell me who erased these words: "With two dollars deducted from the price for incidentals."—A. I did.

Q. Did you scratch these words out?—A. I did.

Q. Are you quite sure?—A. Positive.

Q. And down below, the following words are erased: "the two dollars above-mentioned to be borne half by S. Bilsky and quarter each by Birkett and Taylor." Did you erase these words from the agreement?—A. I did.

Q. Are you perfectly certain on that point?—A. Positive.

Q. Mr. Birkett says that he erased them?—A. I cannot help what he says, I erased them.

Q. Why did you erase them?—A. Because that was not the terms of the agreement that Mr. Birkett and I were to sign up before going to New York.

Q. Was anything said by Birkett then, when you insisted upon striking out these words, as to why he wanted the two dollars deducted from the price for incidentals?—A. Yes.

Q. What was his explanation?—A. He told me there was two dollars a glass going to Col. Hurdman.

Q. Did he raise any objection about your striking out that first item "two dollars to be deducted from price for incidentals," did he object to that being struck out?—A. No, I told them I would not stand for it. He did not object to it. We only had a few

[Binoculars—Bilsky.]

minutes time before train time if we were going to New York that day: It had to be done at once or not at all.

Q. Was there any other discussion about either of these two erasures?—A. After that?

Q. Yes?—A. No.

Q. At that time?—A. At that time.

Q. At the time the discussion took place in the office was there any further discussion then when you said you would not stand for it?—A. Nothing further.

Q. Are you positively certain that you are the one who made the erasures?—A. Positive.

Q. Were they made before or after you signed the agreement?—A. Before.

Q. Had anybody signed the agreement before these erasures were made?—A. No.

Q. Are you perfectly satisfied on that point?—A. Positive.

Q. Are you perfectly sure that you did not sign the agreement and that the erasures were made after?—A. No.

Sir CHARLES DAVIDSON: You might challenge him as to the statement made by Taylor. Taylor says the two dollars were for general expenses.

By Mr. Thompson:

Q. Now, Birkett in his statement, said he never mentioned Colonel Hurdman's name in connection with this transaction; do you still maintain that he did state that the two dollars that were to be deducted for incidentals were to go to Colonel Hurdman?—A. That is what he told me.

Sir CHARLES DAVIDSON: In whose presence?

The WITNESS: In my presence, in my office.

Sir CHARLES DAVIDSON: Was any one else present?

The WITNESS: Unless Mr. Taylor was there.

By Mr. Thompson:

Q. Do you not know whether Taylor was there or not there?—A. At the moment when the discussion took place Mr. Taylor went over to get his ticket.

Q. Perhaps this will help you to remember, did you and Birkett sign the agreement before Taylor?—A. No, I think the agreement was signed after Taylor came in.

Q. How long before Taylor came in was the agreement signed?—A. A few minutes.

Q. Do you think that is likely, because I find the order in which the agreement is signed is as follows:—

Sam Bilsky,
Alex. Taylor,
T. M. Birkett.

A. I think so.

Q. With that before you, do you still think that you and Birkett signed and left a space for Taylor to sign between your two names?—A. I think so.

Q. What would be the object of Birkett signing so low down on the page as to leave room for Taylor to sign above him?—A. I do not know.

Q. Can you give any reason for that?—A. I cannot give you any reason whatever, Mr. Thompson.

Q. You will notice that these two signatures are in different ink; Taylor and Birkett appear in one colour ink and Sam Bilsky in another?—A. I noticed that.

Q. Can you account for that?—A. The chances are Mr. Birkett used his own fountain pen and I may have used mine.

Q. I am asking you to see if you can recall the incident to your mind, when the agreement was executed, does that recall anything to your mind?—A. No, I always carry a fountain pen, and the chances are I just took the pen out and that would be the cause of the different coloured ink.

[Binoculars—Bilsky.]

Q. It would be rather unusual, would it not, for Birkett to leave a large space like that if Taylor had not signed first?—A. I do not know.

Q. You can see in that agreement the names occur in this order: Bilsky, Birkett, Taylor, and usually when agreements are signed, as you know, the signatures occur, if the persons are all present, in the order in which they occur in the agreement. Does it not appear to you that Taylor must have been there about that time?—A. Not necessarily.

Q. Not necessarily, but I call this to your attention to see whether you can now recollect whether Taylor was present when the agreement was signed by yourself and Birkett?

A. He went out; we only had a few minutes' time to get the agreement signed and catch the train.

Q. And you cannot tell whether he was present or not present when you and Birkett signed?—A. When the first discussion took place.

Q. No, when it was signed?—A. I think it was signed during the discussion, I scratched it off and signed my name, and then if Mr. Birkett wanted to sign all right.

Q. I want to know what was actually done?—A. There was nothing done outside the discussion and the scratching out of this clause.

Q. Did Birkett sign, in the matter of time, immediately after you signed?—A. He must have.

Q. Did he?—A. I signed it as soon as I scratched it off, I really do not know.

Q. Did you sign the agreement immediately after you erased the words above referred to?—A. I did, yes.

Q. Did you sign the agreement immediately after?—A. I did.

Q. How long after?—A. Perhaps a half a minute or a minute after.

Q. And you are perfectly sure that you are the one who erased these words from the agreement?—A. Positive.

Sir CHARLES DAVIDSON: Were you asked to pay any part of the sum of thirty dollars which Browne said he would give to Colonel Hurdman?

The WITNESS: I was not, my lord, I never heard it discussed.

By Mr. Thompson:

Q. After the agreement was signed, you and Taylor went to New York together?—A. We did.

Q. For the purpose of filling this order for 400 glasses?—A. Trying to get binoculars.

This meeting of the Commission adjourned until ten o'clock to-morrow, Wednesday morning.

OTTAWA, WEDNESDAY, JUNE 30, 1915.

PRESENT:

Sir CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,

As Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

The Commission met at ten o'clock this morning.

SAMUEL BILSKY, Jeweller, of the City of Ottawa, already sworn.

Examination resumed by Mr. Thompson:

Q. You went with Taylor to New York for the purpose of purchasing binoculars, did you not?—A. I did.

[Binoculars—Bilsky.]

Q. When you left here was there anything said by Birkett as to the price you were to pay for binoculars?—A. Mr. Birkett and I had an idea about what the utmost cost would be.

Q. What do you mean by an idea as to what the cost would be?—A. Somewhere between \$25 and \$28.

Q. Did he state that he would not pay beyond that?—A. No.

Q. It was just a general discussion, was it?—A. It was a general discussion.

Sir CHARLES DAVIDSON: And they proposed to have the Government, if they could, pay \$52 for them?

By Mr. Thompson:

Q. Did you know the price that Birkett was getting from the Government?—A. I figured out about \$48.

Q. Didn't he tell you he was getting \$52?—A. No, it was \$48 when the price was considered in the first place.

Q. Did he tell you he had an order at a specific price?—A. He did not.

Q. Are you perfectly sure about that?—A. Positive.

Q. Did he tell you the class of glasses that was required?—A. He had a list of glasses with him.

Q. Do you remember what that list contained?—A. Amongst the names there was Bausch and Lomb, Lemaire, and other names that I cannot recollect at the moment. There were six or seven names on that list.

Q. Did the name Megaphos appear on the list?—A. It may have.

Q. Well, did it?—A. I do not remember.

Q. Did Tylox appear?—A. The only two glasses I can recollect at the moment are Bausch & Lomb and Lemaire.

Q. When you arrived at New York with Taylor, what did you do?—A. I brought him to Mr. Harris and told Mr. Harris we wanted to get 400 pairs of glasses if he would be in a position to fill the order.

Q. Did you tell him what class of glasses was required?—A. In the morning, Bausch & Lomb.

Q. Did you state the price?—A. Mr. Harris told me the price of the Bausch & Lomb.

Q. Did you state the price you were willing to pay for Bausch & Lomb?—A. No, there was only one standard price.

Q. What price did he say that would be?—A. Between \$26 and \$28.

Q. What quality of Bausch & Lomb was that?—A. 8 x 21.

Q. Did you ask him the price of his 6 x 30?—A. We had a catalogue. Mr. Harris showed us a catalogue of all the Bausch & Lomb glasses and the prices were written on them.

Q. Did you ask him the price of the 6 x 30?—A. I am not sure that I did.

Q. What did he say when you asked him to supply 400 binoculars?—A. He figured he could get them.

Q. Did he say he had them?—A. Mr. Harris is not a binocular man.

Q. Did he say he had them?—A. He had none.

Q. What did he tell you?—A. He said he would try to get them through the jobbers.

Q. Did he say how long it would take him to get them through the jobbers?—A. He expected to get a large quantity of them at once.

Q. I understand that was on a Sunday?—A. On a Monday.

Q. Was it on Monday you first saw Milton Harris?—A. Yes.

Q. I thought you saw him at his residence on Sunday?—A. It was his manager we saw on Sunday.

Q. Do you remember seeing a telegram from Taylor which Birkett had sent to [Binoculars—Bilsky.]

Taylor, when you and Taylor were in New York. The telegram reads as follows and it is filed as Exhibit 27:—

OTTAWA, ONT., Sept. 28, 1914.

ALEX. TAYLOR,

Care Miller Harris, Jewellers Bldg.,
Maiden Lane, N.Y.

Wire received all mentioned are satisfactory if delivered at fifty-two as arranged, compasses all supplied, can you complete order, put check number in telegraph.

TOM.

Mr. THOMPSON: There must be some mistake about this. It was not the 28th of September, was it, that you went down with him first?

The WITNESS: I think it was.

Mr. THOMPSON: Was it the 28th of September you were down in New York with Taylor?

The WITNESS: What day was that agreement signed?

Mr. THOMPSON: The 26th.

The WITNESS: That was on the Saturday, it was the 28th.

By Mr. Thompson:

Q. So that this is probably the telegram I have been trying to find. Taylor says in his evidence that he received a telegram from Birkett to the effect that they were to buy glasses at a price which would clear. I presume this is the telegram, I will read it again:—

Wire received, all mentioned are satisfactory if delivered at fifty-two as arranged, compasses all supplied, can you complete order, put check number in telegraph.

“TOM.”

Do you remember Taylor showing you that telegram?—A. He did.

Q. What did you understand by that?—A. That was in reply to a telegram that Mr. Taylor sent to Mr. Birkett in regard to other makes outside of Bausch & Lomb.

Q. And Birkett said these other makes would be satisfactory if they could be secured at a price so that they could sell to the department at \$52, was that the arrangement?—A. I do not know what the arrangement was.

Q. That is what you understood when you saw the telegram?—A. That is what I understood.

Q. As a result of your first day at Milton Harris' place, how many binoculars did you secure?—A. I think it was 14 Bausch and Lomb.

Q. Did you tell Taylor what price you were paying for them?—A. Taylor was there and Taylor handed over the money.

Q. Did you tell Taylor what price you were paying for them?—A. I was not paying for them at all, Mr. Thompson.

Q. Did you tell Taylor what they were costing the joint venture?—A. Mr. Taylor sent invoices direct from the Bausch and Lomb factory, that Mr. Harris produced.

Q. Did Milton Harris produce the invoices at the time the glasses were delivered?—A. He did.

Q. The reason I am asking you this, Mr. Bilsky, is because Taylor, while, not in so many words perhaps, said that he was merely the chancellor of the exchequer and carrying the privy purse in this case, and that he handed over the money as you called for it?—A. He handed no money to me.

Q. I did not suggest he handed any money to you, but that when you bought binoculars his sole duty was to pay over to the vendor whatever was required to pay for the consignment?—A. All these glasses, when I was there, were coming to Mr. Harris c.o.d. with the invoice attached.

[Binoculars --Bilsky.]

Q. Did he pay the c.o.d. order?—A. Mr. Harris made out his cheques for the different parties, for which Mr. Taylor left enough money to Mr. Harris to cover.

Q. So that Taylor, as I understand it, then left a lump sum with Harris?—A. Yes.

Q. And then Harris would charge up against that deposit whatever was required to pay for binoculars?—A. That is what he did while I was there.

Q. Who negotiated as to the prices you were to pay Milton Harris?—A. I did.

Q. With regard to each consignment?—A. No, not with regard to them all, all I was getting purchased for Mr. Birkett.

Q. But don't you see, Mr. Bilsky, you only arranged for 14 binoculars, and then you left New York?—A. No, I arranged with Mr. Harris for all Mr. Taylor would get, but I only received 14 while I was there.

Q. Did you arrange with Mr. Harris to supply stereophos glasses?—A. No, I did not.

Q. Did Birkett buy stereophos glasses from Milton Harris, did he not?—A. After I left.

Q. Did he do that of his own motion, or was that in pursuance of an arrangement you made?—A. The arrangement I made with Harris was this: that Mr. Harris was to get ten per cent out of the actual net cost on all glasses purchased by him and which he was to turn over to Mr. Taylor. He was to produce the invoices, deduct the cash discount, and charge ten per cent for all glasses coming in to the Harris office for Mr. Birkett.

Q. When Taylor showed you that telegram did you tell Milton Harris how high he could go as to price?—A. Milton Harris knew.

Q. Did you tell him?—A. I did tell him we wanted to pay between \$26 and \$28 for glasses.

Q. Why did you say between \$26 and \$28?—A. That was the price of Bausch & Lomb.

Q. What quality?—A. 8 x 21, I think.

Q. Why did they not buy the Bausch & Lomb?—A. The day I was there we could not secure enough.

Q. Did you try in other places to secure Bausch & Lomb's glasses or any of the qualities mentioned to you by Birkett before you left Ottawa?—A. Before I left Ottawa?

Q. Yes. You have already told me that Birkett gave you a list of certain makes of glasses that he desired.—A. He gave it to Mr. Taylor.

Q. Did you see the list?—A. I did.

Q. Why did you not try Milton Harris for these makes of glasses other than Bausch & Lomb?—A. Because when I was there in the morning Milton Harris figured he could fill the complete order with Bausch & Lomb.

Q. Did he say how long it would take him?—A. In the course of a week.

Q. Birkett was an urgent man for these glasses; why did you not go to your other agents in New York and see if they could supply Bausch & Lomb or the other quality of glass which would be suitable?—A. Because Mr. Harris said he could fill them all. I was in Mr. Harris' office with Mr. Taylor most of the day.

Q. Apparently delivery was rather slow, was it not?—A. The day I was there, yes.

Q. And Taylor gave up his efforts and returned the following day, I understand?—A. I do not think so; he was there for a couple of days.

Q. Anyway, the deliveries eventually came in from Milton Harris very slowly, as would be indicated by the invoices, do you agree with that?—A. In the early part of the week, yes.

Q. Well, during the whole period in which he supplied glasses?—A. There were some periods of the time he was supplying glasses that he wrote and wired he could still supply them if he had the money.

Q. Mr. Harris' information to you was apparently not very correct when he said

[Binoculars—Bilsky.]

he could get Bausch & Lomb glasses within a week?—A. That is the information the Bausch & Lomb factory quoted to him.

Q. Then Bausch & Lomb, apparently, were not very sincere, were they, because I find under date October 6, Milton Harris has not supplied Bausch & Lomb glasses according to the invoice rendered to Birkett, but a binocular called the "Only" binocular?—A. Does it quote a price?

Q. Yes, and the prices vary. On October 6th, in the invoice rendered to Birkett, the first item is: "8 only Binoculars at \$20 a pair, \$160." He also sells to him a Zeiss, and another glass, so that Milton Harris evidently was experiencing some difficulties, was he not?—A. He might, I do not know.

Q. Would you not judge from this invoice—look at the invoice and tell me what you think as to Milton Harris' ability to carry out the suggestion from you in that respect?—A. He may have had trouble in regard to getting Bausch & Lomb glasses.

Q. Is not that the inference you would draw from the invoice?—A. From the invoice and also from letters he wrote to me.

Q. Do you think Milton Harris was the most likely place to secure Bausch & Lomb glasses, or glasses of the high grade that Birkett had mentioned as being the standard required?—A. I figured he would be one of them, yes.

Q. You and Birkett were figuring as you said, on getting glasses around \$28?—A. About that.

Q. You said before the Public Accounts Committee that the glasses would cost from \$33 to \$35 each in New York?—A. I do not know that I referred to a good glass. I said some glasses might cost that.

Q. In the Public Accounts Committee, I quote from the evidence, you were asked:—

Q. What prices were they asking?—A. The standard glasses would cost around \$30, about thirty odd dollars, \$33 or \$35.

Is that still your opinion, that standard glasses would cost at that time from \$33 to \$35?—A. About a week after that they advanced the price twenty per cent.

Q. I am asking you at that time, when you were in New York, what standard glasses would cost?—A. Between \$26 and \$28.

Q. Why did you state before the Public Accounts Committee that the standard glass would cost from \$33 to \$35?—A. One week or so after the Bausch & Lomb people advanced the price twenty per cent, or twenty-five per cent, which would bring the \$26 or \$28 up to around \$30 odd dollars.

Q. Do you know as a fact that Milton Harris had glasses of the standard required which he would sell to you or to Birkett at \$30?—A. He had none on hand.

Q. What were you to receive from the Government for these glasses?—A. I was informed \$48 by Birkett. Birkett asked me what he should charge for these glasses, and I figured \$48 would be a reasonable price to charge the Government. That is what they were paying, I was informed.

Q. Do you still say that the standard glass would cost you around \$33 or \$35 at that time in New York?—A. Bausch & Lomb glasses?

Q. Yes?—A. If they could be procured?

Q. Yes?—A. I think so, that is after the advance.

Q. But at the time you and Taylor were in New York what would they cost?—A. Around \$26 or \$28 the day I was in New York.

Q. Why was it that eventually Milton Harris did not supply glasses to you of the Bausch & Lomb make or the makes specified by Birkett?—A. I was not there, I do not know.

Q. When did Birkett tell you that the price he was charging the Government, and that they were going to pay him, was \$52?—A. I think it was Taylor told me.

Q. A few moments ago you said that Birkett told you?—A. A few moments ago I mentioned to you that the price we figured at was about \$48.

Q. I think you said that the price that Birkett was getting from the Government

[Binoculars—Bilsky.]

was \$48?—A. I did not know it that day what price Birkett was getting, because Mr. Birkett asked me what price he would charge and I told him.

Q. When was that conversation?—A. This was a week before I went to New York.

Q. Well, when you went to New York, did you know the price that Birkett was getting from the Government?—A. I am not sure if I did that day or the next day.

Q. If you knew it the next day, who would have told you?—A. Mr. Taylor.

Q. Do you mean to say that was not discussed by Birkett with you at the time the agreement was signed?—A. No.

Q. Are you quite sure about that?—A. Positive.

Q. When you were arranging previously with Birkett about the financing, do you mean to say Birkett did not tell you what the profits were likely to be?—A. At \$48.

Q. Did he say \$48?—A. That is the price he told me he submitted.

Q. Are you sure about that?—A. Positive.

Q. Did he speak to you about binoculars at all? After he had the contract?—A. I do not know when he had the contract, Mr. Thompson.

Q. When he spoke to you about binoculars did he not say that he had a contract up to 400?—A. When he first spoke to me, I do not think he did, he told me he would get a contract.

Q. When did he tell you that he had the contract?—A. Perhaps the Tuesday or Wednesday before the agreement was signed.

Q. Did he tell you at that time what the contract price was?—A. \$48 we were figuring on.

Q. Did he tell you it was \$48?—A. I do not know if he told me, but I know that was the only amount we were figuring on, it was \$48.

Q. What do you mean by figuring on?—A. He did not know what to ask. He did not know what to sell them for, and I told Mr. Birkett Mr. Bell had sold some binoculars a week or so ago at \$47.50 or \$48.

Q. Did he tell you the nature of his contract with Ellis?—A. He did not.

Q. Did he tell you that he had a contract up to 400 glasses at \$48?—A. No, he told me he had a contract for 400 pair of glasses.

Q. Without specifying in any way the price that he was to get for the Government?—A. If he did specify any price it was \$48, I am not sure he did it or not.

Q. Why do you fix the price at \$48 in your mind?—A. Because that was the price Mr. Bell sold some glasses for me a short time before that.

Q. Why should the price that Mr. Bell sold glasses at affect the price that Birkett might be selling glasses at?—A. That was the price I told Mr. Birkett.

Q. What did you tell Mr. Birkett as to price?—A. He asked me what would be the price to ask for them, and I said about \$48.

Q. Was that after or before he received the contract?—A. I do not know when he received the contract.

Q. At what date about did this conversation take place?—A. I should judge around the 22nd or the 23rd.

Q. Would that be the day on which the contract was executed?—A. With Mr. Birkett?

Q. Yes?—A. I had no idea when he had this contract.

Q. But that was not your evidence before the Public Accounts Committee. You were asked: Your evidence before the Public Accounts Committee was that Birkett told you so at the time. I will read the evidence:

Q. The agreement you say correctly expressed the intention on the part of three of you to supply them; he told you he could get \$52, why didn't you get the glasses and fill the order?—A. He was the man supplying the money. Now what do you say?—A. Did I say there that Mr. Birkett told me, I did not answer that, Mr. Thompson.

Sir CHARLES DAVIDSON: You answered that Birkett had told you that you were [Binoculars—Bilsky.]

to receive \$52 from the Government, that Birkett had a contract, of which you knew at that time, for \$52, and your answer to that was: he told me so.

The WITNESS: Was this before the agreement or after, my lord?

Sir CHARLES DAVIDSON: Previous to, and at the time concurrently with your signing the agreement.

The WITNESS: Would you mind reading that over again, Mr. Thompson?

Mr. THOMPSON: I will read:

Q. Birkett had a contract which you knew of at that time at \$52?—A. He told me so.

Now, the questions before this, are as follows:

Q. You all signed up, you being one agreeing to supply for the use of the Department, you knew what you were signing when you signed it?—A. Yes.

Q. That was what the intention was?—A. That was the intention.

Q. If you could get them why didn't you supply them?—A. The whole question was the price of the glasses that was being paid over in the United States.

Q. Birkett had a contract, which you knew of at that time at \$52?—A. He told me so.

A. I must have got Mr. Taylor and Mr. Birkett mixed.

Sir CHARLES DAVIDSON: That makes no difference; the question was, as to whether you knew the price you were to charge the Government was \$52?

The WITNESS: To the best of my knowledge, I did not know it.

By Mr. Thompson:

Q. Before the Public Accounts Committee you stated that you knew it at the time you were signing the agreement and that the price was \$52; you now tell us it was \$48?—A. To the best of my mind it was \$48.

Q. That is what you think now?—A. To the best of my recollection.

Q. Which recollection is better, your recollection now or your recollection before the Public Accounts Committee?—A. I think my recollection now.

Q. Your recollection is better now?—A. Yes.

Q. Why do you think it is better now?—A. I was under cross-examination Saturday and Monday, and the questions were coming to me from different parts of the room, from different members, and sometimes two or three questions were asked me at the same time from different parts of the committee room.

Q. That is one respect in which you agree with Mr. Birkett that the Public Accounts Committee is a terrible place to be examined in?—A. I do not know that it is a terrible place, but it is not pleasant.

Q. Now, Mr. Bilsky, as a matter of fact, was not the whole trouble over this transaction the fact that you were to get five dollars a glass out of it, the expenses were to be also covered, and that Taylor and Birkett were to reap a profit?—A. My price was named the day before the contract was signed.

Q. Where did you name it?—A. Mr. Birkett was in my office and we spoke it over.

Q. Did you arrive at any sort of an agreement at that time?—A. At that time?

Q. Yes?—A. In case the deal was going through that was to be my price.

Q. What do you mean by stating: in case the deal was going through?—A. Friday, Mr. Birkett telephoned me he was not sure the deal was on or not, owing to financing.

Q. What do you mean by that?—A. I was not in a position to finance it, and that Tuesday or Wednesday Mr. Birkett was trying to finance it himself, and he told me, this was Friday, that he was not in a position even up to Friday to finance it, and on Saturday he phoned me at noon, saying he was in a position to finance it.

Q. And your terms were that if he was able to finance the enterprise, you were to receive five dollars each for every glass you indicated to him that could be bought?—A. All glasses that Taylor was purchasing in New York.

Q. And as eventually you signed the agreement by which you were to get five dollars on each glass, and these two were to pay expenses, was it not necessary that the price of the glasses should be pretty low in order that you should get your five dollars and that the other two should be able to "clear" as Taylor expressed it?—A. That was not referred to me at all.

Q. As a matter of fact, was not that the reason why a high class of glass was not bought?—A. I may have thought that might have been the reason.

Q. Was it not the reason?—A. The chances are it was.

Q. Is it not a fact that that was the reason?—A. According to the letters I received from Mr. Harris—

Q. Never mind the letters you received from Mr. Harris, was it not owing to this circumstance that you did not go and buy the higher quality, even of Bausch & Lomb?

—A. I was only there the one day.

Q. Never mind whether you were there the one day or not. I want to know is not that the reason?—A. We only figured on one price of a glass, \$26 or \$28. We did not figure any more than that.

Q. And were you not obliged to figure at a glass worth \$26 or \$28, or lower than that, because the three of you had to reap a profit out of it?—A. That may have been Mr Birkett's intention; it did not make any difference to me.

Q. It made this difference to you, that if no glasses were bought you did not get the five dollars on each glass?—A. It did not make any difference to me whether there were none bought.

Q. It made this difference to you, that unless they bought glasses you got no pay?—A. Right.

Q. And you were anxious to buy glasses?—A. I went over there with that intention.

Q. You were anxious to buy glasses?—A. I was not very anxious.

Q. Does not a five dollar bill appeal to you?—A. Not to me.

Q. Does a ten dollar bill appeal to you?—A. Not in these amounts.

Q. Does not a five dollar bill on each glass, to the extent of 116 glasses, appeal to you?—A. I do not know that it appeals to me, it is a matter of business.

Q. And you thought the business worth while transacting to go to New York at your own expense?—A. For 400 pair, yes.

Q. Four hundred pair, or less?—A. In that neighbourhood.

Q. Do you remember Birkett telephoning to you about the 15th of October last and asking you what style of glass the firm was supplying to the Department?—A. On the 15th of October?

Q. About the 15th of October?—A. No.

Q. Do you remember his telephoning to you at any time and asking you what style of glass you were supplying or that Milton Harris was supplying?—A. The glasses were being supplied to Mr. Birkett, not to me, I never seen any glasses after I left New York.

Q. I did not ask you that, I asked you whether Birkett phoned you around the middle of October or at any time, asking you what the make of glasses was that were coming from Milton Harris?—A. I do not remember.

Q. If Birkett says that he did telephone to you, would you say that Birkett was mistaken, or that it was untrue?—A. It depends what he wanted to find out.

Q. I did not ask you that, I asked you a simple question and I would be much obliged if you would give me a simple answer.

Question repeated.

Q. Do you remember Birkett telephoning you at any time and asking you what style of glasses you were supplying, or that Milton Harris was supplying?—A. He may have phoned me.

Q. Did you tell Birkett over the phone that the glasses being supplied by Milton Harris consisted of Bausch and Lomb, Lemaire, Busche and Gorenz?—A. I do not think so.

Q. If Birkett says you did give him that information over the phone, would you say that he was mistaken?—A. I was continually talking to him on the telephone.

Q. That is not the question I asked you Mr. Bilsky, answer the question?—A. I may have been speaking to him in regard to glasses.

Q. That is not an answer to my question, answer the question.

Question repeated.

Q. Do you remember telling Birkett over the phone that the glasses being supplied consisted of Bausch and Lomb, Lemaire, Busche and Gorenz?—A. I do not think I mentioned the name Lemaire. I do not think the Lemaire glass was talked of at Mr. Harris'.

Q. I did not ask you whether it was talked of there or at any other place, I asked whether you told Birkett over the telephone that the glasses being supplied by Harris were Bausch and Lomb, Lemaire, Busche and Gorenz?—A. I may have told him, and I may not.

Q. You say you might or you might not have told him, what is your recollection on that point?—A. I do not see any reason why Birkett should have asked me.

Q. I did not ask you that, I asked you what your recollection was? I did not ask you how many times you had been speaking, I asked you what was your recollection as to that?—A. On that particular day, I have no recollection.

Q. Have you any recollection of telephoning Mr. Birkett at any time that the glasses being supplied by Milton Harris were Bausch and Lomb, Lemaire, Busche and Gorenz?—A. I never mentioned the name of Gorenz, I never heard of it.

Q. Did you mention to Birkett over the phone these other three names of glasses?—A. I have no recollection of it.

Q. Birkett says that you did give him these names, is Birkett mistaken?—A. He may be right.

Q. I judge from what you have been saying now that you telephoned Mr. Birkett around October?—A. Around that date, yes.

Q. What was the purpose of these messages?—A. In regard to taking the glasses from Milton Harris.

Q. Was it not in regard to the class of glasses which was being supplied by Milton Harris?—A. I do not think so.

Q. What do you think it was about?—A. Harris was writing Birkett also, telephoning him and writing him that he could supply glasses.

Q. But was he not already supplying glasses?—A. Not in the quantity that he wanted to supply.

Q. And Milton Harris wanted to supply more than he was actually furnishing?—A. Around that time, I should think so.

Q. And was Birkett unwilling to accept them?—A. I have no idea what he was willing to do.

Q. What did you infer from the conversation over the phone?—A. I figured he had not enough money to pay for them.

Q. Did he say he did not have enough money to pay for them?—A. Mr. Taylor was telling me so.

Q. I am not referring to Taylor; I am asking you what Birkett said over the phone?—A. We had so many conversations.

Q. But I want the general tenor of your conversation about glasses. You may not consider your fee much, but I consider it very handsome, and you are evidently interested in binoculars and had many conversations with Birkett, and I want to know what the general tenor of the conversations was?—A. The general tenor around that date was through a conversation I had with Mr. Birkett.

Q. I want to know the general trend of the conversations with Birkett at that

time?—A. The general trend of the conversations I had with Mr. Birkett and with Mr. Taylor—

Q. I am not asking you about Taylor; I am asking you about Birkett?—A. That was around the latter part of October.

Q. Around the middle of October?—A. It was that they were waiting to get a cheque from Ellis brothers.

Q. Who were waiting?—A. Mr. Birkett.

Q. Was Birkett anxious about the cheque from Ellis, or were you?—A. I was not anxious about it at all.

Q. Who did the telephoning, who called up, did you call him up, or did he call up?—A. He called me several times and I called him up several times.

Q. Did he call you up to know whether the Ellis cheque had come?—A. He did not.

Q. Did you broach the subject of the payment?—A. I never did.

Q. It evidently was as to the payment from Ellis that the telephone messages started?—A. It was, with regard to accepting these other glasses from Milton Harris. Harris could not get any glasses until Birkett sent him money for them.

Q. Was the payment from Ellis a matter that came up incidentally?—A. It was spoken of between us.

Q. Can you give us any more definite information as to these glasses that Birkett says he asked you for and that you gave him over the phone?—A. I cannot.

Q. Do you remember Birkett phoning to you and asking you as to the power of the glasses that were being supplied by Milton Harris?—A. I do not remember; he may have.

Q. Do you recollect Birkett phoning to you, or did Birkett phone to you and tell you that the Ellis Company were not satisfied with the information which the invoices disclosed? And they were writing to him for further information?—A. He never told it to me.

By Mr. Hammet P. Hill:

Q. You were subjected to a long examination before the Public Accounts Committee?—A. I was.

Q. I see there are about sixteen printed pages of your examination, and it would be rather strange if there were not a few discrepancies between your evidence as given now and as given then?—A. It should be right.

Q. I want to have you explain two or three little points of difference; on page 285 of your evidence, a question was asked you in regard to your visit to New York with Browne and Trad-Burks. I quote:—

Q. What did you do when you got there?—A. Went down to the hotel.

Mr. Trad-Burks says: here, Bilsky, we have got to divide the profits of these glasses in four. I asked why, he said: well, Mr. Brown had to divide with another party. He did not mention the name of the third party.

You now say that the third party was Mr. Askwith?—A. At that time I did not remember, but I spoke to Mr. Trad-Burks since then and he mentioned the name to me.

Q. I wanted to have it explained how the discrepancy occurred—Mr. Bilsky, when you were in New York with Mr. Taylor, do you remember writing out a telegram for him to send to Mr. Birkett, in the first floor of Milton Harris' office building?—A. You ask me did I write out a telegram?

Q. Yes?—A. I may have, I do not know.

Q. I now produce the telegram, and I ask you if that was the telegram?—A. That is right.

Telegram filed as exhibit 33. (Exhibit 33 is to T. M. Birkett, Junior, Ottawa, signed Sandy).

Q. That Exhibit No. 33 is in your hand-writing, Mr. Bilsky?—A. Yes.

[Binoculars—Bilsky.]

Q. And it was in response to that telegram that Mr. Birkett sent the telegram, which is Exhibit No. 27?—A. Yes.

Q. In this telegram, Exhibit 33, you say: "10 Lemaire high power chargeable, etc" that is what the message reads, so that it would indicate there was some discussion down in Milton Harris' office about Lemaire glasses?—A. In Milton Harris' office, in the afternoon, yes, there was.

Q. So that, when you told my learned friend that the Lemaire glasses were not mentioned, it was an oversight on your part?—R. Did I mention Lemaire glasses?

Q. I think you told my learned friend, when he was asking you about Birkett's telephone messages to you about the kind of glasses, that Lemaire was not mentioned;—A. That must have been an oversight on my part.

This was on October 15th, was it not?

Q. Yes, the telephone message from Mr. Birkett to you?—A. I do not think it was an oversight, because these glasses mentioned in the telegram were not purchased.

Q. Did you mention in reply to my learned friend that you did not think you said Lemaire, because Lemaire glasses were not mentioned in Mr. Bilsky's office?—A. Not in my office no.

Q. I mean in Mr. Harris' office?—A. I do not think I mentioned Lemaire glasses, although there may have been a run of glasses over there in the early part of September that were not purchased.

Q. In that telegram, Exhibit No. 33, you use the words: "equal, guaranteed, manufactured, fifty-two, delivered to customer"? Now what do you mean by those words?—A. Just what it says. I wish you would read it all and it will explain itself.

Q. Then I will read the whole telegram, it reads:

T. M. Birkett, Jr.,
Ottawa, Canada.

Immediate delivery Bausch and Lomb high power five six by thirty, sixty-seven; three eight by twenty-five, fifty-five; two ten by thirty-two, eighty-five. Ten Lemaire high power changeable six to ten power, ninety-two; can secure forty-seven pair six and eight power Colomonte and equal guarantees manufactured fifty-two dollars delivered to customer.

Bank have not received identification signature. Answer.

SANDY.

Q. What does it mean there saying: "five, six by thirty, sixty-seven, three eight by twenty-five, fifty-five, two ten by thirty-five, eighty-five; "what does sixty-seven, fifty-five" mean there?—A. Those are dollars.

Q. What was meant by the \$52 delivered to customer?—A. It meant that the price would be about what we intended in the first place.

Q. That is that these glasses could be delivered to the Government for \$52?—A. Yes.

Q. And that covered everything?—A. Yes, that is just the Colomonte glasses.

Q. As to that list that Mr. Birkett or Mr. Taylor showed you in Ottawa, did Mr. Taylor or yourself bring that to New York with you?—A. Mr. Taylor had it.

Q. He brought it to New York?—A. Yes.

Q. Do you remember whether or not he showed it to Milton Harris down there?—A. He may have.

Q. You cannot recall that?—A. I cannot recall, he may have showed it to him.

Q. In your evidence to-day you stated that the Bausch & Lomb Company had raised their price shortly after you were down in New York, do you recall what action they took?—A. I think in the course of a couple of weeks they advanced the price twenty per cent I believe.

Q. Is it not a fact that they stopped their trade discounts just at that time?—A. Some of the trade discounts which would bring the glasses to about twenty per cent or perhaps twenty-five per cent up.

[Binoculars—Bilsky.]

Q. Was it just about that time or shortly after you were down there?—A. Shortly after.

Q. Do Bausch & Lomb make glasses known as 6 x 21?—A. I am not positive, they might.

Q. Do they make glasses known as 6 x 25?—A. I think they manufacture a full range of them, but I have never handled any except the 8 power glasses, that is the only glass I ever handled, although they may manufacture them. I believe they manufacture from six to ten or twelve power.

Q. At that time in question, when you were in New York you returned on the morning of the 29th September, did you not?—A. Yes.

Q. When you returned did you explain to Mr. Birkett that Mr. Harris was to send up Bausch & Lomb glasses?—A. I told him that Mr. Harris expected to be able to send 100 glasses the following Saturday.

Q. Bausch & Lomb?—A. Bausch & Lomb.

Q. Returning to the agreement between you and Mr. Birkett, I understood you to say that the first agreement was that you were to divide the profits?—A. We had a talk over it which did not go through.

Q. At that time the intention was to divide the profits equally between you both?—A. In the early part of the week, yes.

Q. Did Mr. Birkett say anything at that time in regard to any payment to Colonel Hurdman?—A. He may have.

Q. You do not recollect that?—A. I know it was during that week the name of Colonel Hurdman was mentioned.

Q. Did you tell us that it was on Saturday you first heard the name?—A. When the agreement was drawn up.

Sir CHARLES DAVIDSON: Was his name mentioned during your visit to New York with Browne?

The WITNESS: No sir, it was not.

Sir CHARLES DAVIDSON: You did not return with Browne, and that was on the 28th of August.

The WITNESS: I stayed there for some days.

Sir CHARLES DAVIDSON: You did not return with him?

The WITNESS: I did not.

By Mr. Hill:

Q. You cannot recollect whether Mr. Birkett mentioned the name of Colonel Hurdman at any time prior to Saturday the 26th September?—A. I am not positive, of the exact date.

Sir CHARLES DAVIDSON: When he first mentioned it in connection with your concession, did he say that that was the destination of the two dollars?—A. He just told me there would have to be two dollars provided for Colonel Hurdman.

Sir CHARLES DAVIDSON: Did he say why?

The WITNESS: I am not exactly sure if he said why.

By Mr. Thompson:

Q. In the Public Accounts Committee, at page 303 of the evidence, you were asked this question:

Q. And you would have delivered a thousand pairs of glasses to the department at \$52, for which they paid from \$48 to \$52?—A. That is the best of my belief, I believe I could.

What was the foundation for your belief that you could supply glasses at that price?—A. From the Consolidated Optical Company.

[Binoculars—Bilsky.]

Q. At what date could you have supplied glasses from them at that price?—
A. Around September.

Q. Why did you not fill the Birkett order?—A. I was over in New York with Mr. Taylor calling on Mr. Harris.

Q. But then you had a telephone conversation with Mr. Birkett after you returned, during the month of October, about glasses, they were coming in slowly, and why did you not suggest to Birkett to fill up that order of 400 glasses with the Consolidated Optical Company?—A. I figured he could get all he wanted from Mr. Harris, in October.

Q. Well, he eventually did not get all he wanted from Mr. Harris, why did you not turn him to the Consolidated Optical Company, so that he could buy from them?—A. I did not know he was in a position to buy.

Q. Why didn't you ask?—A. I was told they were held up by the cheque not coming from Ellis.

Q. Why did not you mention that to Birkett?—A. I did not mention the Consolidated Optical Company to Birkett.

Q. Why did you not do so?—A. I had no necessity because Harris kept on supplying them.

Q. Did not Birkett tell you in the course of the telephone conversation that there was difficulty about getting glasses from Milton Harris?—A. No.

Q. He made no mention to you about the difficulty of getting glasses from Milton Harris in Canada?—A. Harris was writing he could keep on supplying.

Q. I do not care what Harris wrote; he may have been bluffing; I want to know whether Birkett told you anything about the difficulty of getting glasses from Harris?—A. In October?

Q. In October or September?—A. The first few days after I came home I mentioned to him——

Q. What did you mention to him?—A. That Mr. Harris expected to ship 100 glasses the following Saturday.

Q. I am asking you whether Birkett told anything to you in September or October about the difficulty of getting glasses from Milton Harris?—A. He may have the first week in September.

Q. Then why did you not tell him to get the glasses from the Consolidated Optical Company in Montreal at \$42?—A. Because I was figuring that those from Harris were coming on Saturday.

Q. But they did not leave an order for more than 100 glasses with Harris did they?—A. At that time, no.

Q. Why did not you tell Birkett he could fill up the balance, namely, 300, with the Consolidated Optical Company?—A. I did not mention it to him.

Q. I know you did not mention it to him, but why did you not mention it to him? There was five dollars a glass profit in it for you, if you did mention it, and if the Consolidated Company would have supplied them, and why did not you suggest that to Birkett?—A. I knew that he would get them from Harris.

Q. No, you did not know he could get them from Harris, you thought he could?—A. Harris was writing me and telephoning me that he could keep on supplying them.

Q. Why did you not turn to Birkett and tell him you could get glasses from the Consolidated Optical Company?—A. I have no reasons for telling him.

Q. Don't you recollect that he only left money with Milton Harris for 100 glasses?—A. No, it was a deposit of \$100. There was not enough left to cover 100 glasses.

Q. And you can give no reason for not mentioning the Consolidated Optical Company to Birkett?—A. To Birkett, no.

Q. Did you have an option with the Consolidated Optical Company for \$42?—A. I did not.

Q. Did you see their glasses?—A. I purchased some shortly before.

Q. Did you see their glasses then?—A. Do you mean the Consolidated glasses?

Q. Yes, did you see the glasses you speak of?—A. No.

Q. How many did you see in their shop?—A. I was never in their shop.

By Mr. Beament:

The conversation which led you to believe you could get these glasses from the Consolidated Optical Company was with their manager?—A. In my office.

Q. You have told us of a number of conversations you had with Mr. Birkett during October and so on, while these glasses were being delivered; were you receiving any communications from Mr. Harris at that time?—A. I was.

Q. What was the nature of these communications?—A. The nature of the communications was that he was writing to Mr. Birkett for the money, as he could keep on delivering glasses, as he was delivering them.

Q. And you communicated the effect of these letters to Mr. Birkett?—A. I believe Mr. Birkett also received letters.

Q. At all events, what letters you received calling for money you communicated to Mr. Birkett?—A. I did.

Q. So far as you knew did he send the money which Mr. Harris was calling for, in order to enable Mr. Harris to deliver the goods; to deliver the glasses he had on hand?—A. He was sending part of the money and Harris was sending part of the order.

Q. Did he supply the money that Harris called for in order to enable Harris to furnish the glasses he claimed to have under control or in his possession?—A. No.

Q. You therefore continued to believe that if Birkett would supply the money that Harris required that he could get the glasses?—A. I did.

Q. Do you believe that now?—A. I believe it, yes.

Sir CHARLES DAVIDSON: Mr. Bilsky, from the point of view of an ordinary business transaction, what would you consider to be an acceptable profit to make on an order for the delivery of 400 glasses at \$52?

The WITNESS: I would figure anywhere from ten to twenty per cent.

Sir CHARLES DAVIDSON: Yet in this case you were proposing, if you could, to obtain from the Government the difference between \$26 and \$28 and \$52, which was to be the price to the Government, is not that so?

The WITNESS: I was not figuring on that; I was not obtaining the \$52, it was Mr. Birkett.

Sir CHARLES DAVIDSON: No, but you were in the whole scheme.

The WITNESS: I was not in any scheme.

Sir CHARLES DAVIDSON: You were proposing to buy these glasses at \$26 or \$28.

The WITNESS: Over in New York, and there is the duty to be paid on them, brought into Canada.

Sir CHARLES DAVIDSON: What will they cost laid down?

The WITNESS: They would cost laid down on an average of about \$37.50 or \$40, or about that.

Sir CHARLES DAVIDSON: What would be the total profit which on an ordinary business transaction you would think acceptable?

The WITNESS: That would bring the glasses laid down up to \$37.50 or \$40.00.

Sir CHARLES DAVIDSON: Did I understand you to say that ten per cent would represent an acceptable and a reasonable profit?

The WITNESS: I mentioned from ten to twenty per cent.

Sir CHARLES DAVIDSON: There is quite a margin between the two.

[Binoculars—Bilsky.]

The WITNESS: It depends on the amount of trouble in procuring the glasses or what time it would take to fill the contract.

Sir CHARLES DAVIDSON: Would you accept an order of that kind if you had reasonable certainty of making ten per cent on 400 glasses?

The WITNESS: If I had the order?

Sir CHARLES DAVIDSON: Yes?

The WITNESS: I would.

Mr. THOMPSON: Yesterday, when Mr. Bilsky was giving his testimony, he stated that a person named Askwith was mentioned in the discussion with Trad-Burks. Mr. Askwith called on me this morning and asked permission to make a statement before the Commission.

The witness (Bilsky) retired.

WILLIAM ROBERT ASKWITH, of the city of Ottawa, mining engineer, sworn.

Mr. THOMPSON: Will you tell the Commissioner what if anything you had to do with the supplies of binoculars?

The WITNESS: I cannot tell you exactly the time, I do not remember whether it was September or October, Trad-Burks called me up and said that he understood the Government were very desirous of obtaining glasses, and that he had 300 glasses, or somewhere about that number, if I can recollect well, that he could supply, and he asked me if I would go down to see if I could get the order. I hesitated, but I decided to go down, and I saw Mr. Brown.

Mr. THOMPSON: What Mr. Brown?

The WITNESS: Mr. Brown, the Director of Contracts, and he told me he was not enthusiastic about giving an order or talking about it, but he said they were very anxious to secure glasses. However, that they would like to deal with a recognized firm in regard to the matter. I said that this man told me he had these glasses.

Sir CHARLES DAVIDSON: What man?

The WITNESS: Trad-Burks. Trad-Burks did not give me to understand he had them, himself, but he had some place he could secure these glasses at. This is a long time ago and I did not pay much attention to it at the time. Mr. Brown suggested that they might take the glasses if they were proper in price or right, and I asked Trad-Burks how much they were and he said he did not know, and I asked Mr. Browne how much they were and he said he did not know, that really it was not in his hands, and they were wanting several hundred pairs. And I told Trad-Burks about the matter and that is as far as I know about it. Oh yes, he said if there was an order secured that he would finance it, that he would buy the glasses and I would share with him in the profits.

Q. Do you know whether he did secure the order?—A. Outside of that I know nothing further.

Q. Did you receive any profits from Trad-Burks?—A. No.

Q. Or profits from any one?—A. No.

Q. You have nothing further to state to the Commission?—A. No, I had nothing further to do with it.

The witness retired.

Lieutenant-Colonel W. G. HURDMAN, of the City of Ottawa, recalled:

By Mr. Thompson:

Q. You were asked yesterday by the Commission to produce a copy of a report you
[Binoculars—Hurdman.]

made as to the inspection of glasses, did you secure a copy of such report from the department?—A. I did. I have here a couple of copies.

Q. Are these sample copies of the style you turned in in respect to all inspections?—A. They are.

Mr. THOMPSON: Mr. Commissioner, those copies which the witness has made are from the originals on the file, one of them is dated September 13, 1914.

COPY OF REPORT FILED AS EXHIBIT No. 34.

The other copy is dated the 11th of November. These are merely copies to show the manner in which the report of inspection was made by Colonel Hurdman. Both of these reports are pinned together and filed as Exhibit 34. They are on printed forms and filled in.

By Mr. Thompson:

Q. To whom is this report directed?—A. To the Director of Contracts.

The material part of the report, the written part, is as follows: In the report of the 30th of September there are the words "binoculars, prismatic, Hern and Harrison, 2; Keystone Supply Company, 24; H. Birks and Sons Vancouver, 51; H. Birks and Sons, Winnipeg, 22; H. Birks and Sons, Ottawa, 26; E. R. Watts and Son, 1; Consolidated Optical Company, 70; total, 196."

Then on November 11, the Inspector's report, signed by Colonel Hurdman, the written part of which is material, reads: "Binoculars prismatic, Topley Company, 344; Keystone Supply Company, 4; P. W. Ellis Company, 136; Ryrie Brothers, 3; Eaton and Company, 10; Hughes-Owens Company, 34."

Mr. THOMPSON: It would be, perhaps, of interest to note that the inspector reports that these articles were received from P. W. Ellis Company, Toronto, and that that applies to both reports.

By Mr. Thompson:

Q. What do you mean, Mr. Hurdman, by indicating that these came from P. W. Ellis Company, Toronto, did they come consigned by the Ellis Company?—A. They were ordered through the P. W. Ellis Company by the department.

Q. You state in this report they were received through the P. W. Ellis Company?—A. Yes.

Q. As a matter of fact, did you not receive them direct from the persons indicated, the owners of the articles inspected?—A. They were shipped in on the orders of the P. W. Ellis Company.

Q. Do you know from whom the shipment came direct?—A. The shipment I am satisfied came direct from the parties whose names were mentioned; they were shipped right in.

Q. In the report of the 30th of September you have the Keystone Supply Company entered for 24; have you any memorandum book or book of account which would show what the style of glass was that was supplied by the Keystone Company to the extent of 24?—A. No, I have nothing whatever with regard to that.

Q. That is the extent of your report?—A. That is the extent of the report to the department.

Q. So that after you inspected the Keystone glasses and they were stamped in the manner required by the Government, all trace of them would be lost as to whether they were Birkett's glasses or the Keystone Company's glasses?—A. I would not be able to tell who they were from. They would be mixed up.

Q. You have no sort of information which would enable us to judge exactly what the glasses were that were shipped to the department by the Keystone Company?—A. None whatsoever.

[Binoculars—Hurdman.]

By Mr. Hill:

Q. You have been present here and you have heard the evidence given in this investigation?—A. I have.

Q. You were here yesterday and the day before present in the room?—A. Yes.

Q. Can you explain this—Mr. Mason has stated that Mr. Birkett came to your office with sample glasses and both you and Mr. Birkett have given evidence to the contrary, can you explain how this apparent contradiction arises?—A. The only explanation I have is that Mr. Mason has mistaken Mr. Browne for Mr. Birkett. Mr. Browne was there with sample glasses. That is the only explanation I have. I think he confused between Mr. Browne and Mr. Birkett. I think confusion has arisen between Mr. Browne and Mr. Birkett.

By Mr. Thompson:

Q. You stated, Colonel Hurdman, in your testimony yesterday, when I was asking you about prices, that you had mentioned prices once and that you received a rebuff, from whom did you receive it?—A. Well, I do not know that it was in that way, in discussing prices I have been told it was not my business, I do not know that it was exactly that way, but I did not care to interfere.

Q. Did the Ellis Company suggest that?—A. I do not know that they did. I do not think that they did. I discussed prices on one occasion with Mr. Mason.

Q. And was he at all hot that you should interfere?—A. No, I would not like to put it that way.

Q. Did you infer from him that he was unwilling to discuss prices in any way with you?—A. No, I would not like to infer that.

Q. Because, apparently, unless Mr. Mason has got a very vivid imagination, there was some discussion at your office about prices?—A. There was discussion on one occasion about the prices; we discussed whether it was the same article that was supplied at a different price by some other person, and Mr. Mason tried to convince me that it was not the same thing at all, and I let the matter drop.

Q. After having heard both Birkett and Mason testify, you still say that Mason must have been mistaken about meeting Birkett in your office?—A. Yes, I am satisfied, I am honest about it, I have no reason to speak otherwise, none whatever.

Q. Did you ever telephone to Birkett that Mason was in town and that Mason would go down to see him?—A. Yes, I stated that in my evidence.

Q. That was your evidence?—A. Yes.

MR. THOMPSON: I had forgotten whether that was in your evidence or in some other evidence.

By Mr. Thompson:

Q. And you say you had nothing to do with the prices?—A. I did not use the word "rebuff" when I made the statement in my evidence, I think I said I was not thanked for interfering. That is the way I put it, I may have been wrong in thinking so.

Q. At page 392 of the evidence, I asked you the question and this occurred:

Q. I am not suggesting that you are responsible for the prices in anyway, but I want to ascertain whether you would have considered it your duty to have called Ellis' attention to the fact that he was paying rather a high price for a moderately equipped glass?—A. I did that on one occasion and I do not think I was thanked for it, and I shut up afterwards.

That was your evidence?—A. That was the occasion I had reference to. That may be a little strongly put, perhaps I should not put it that strong, but what I mean is I did not take it as being my business because previously, always in the contract business, I have been told so often that I had nothing to say about prices, that I did not care to interfere. I have been fourteen years at this work, and naturally you don't want to interfere where you have no authority.

[Binoculars—Hurdman.]

Q. In Ellis' letter to you they state that they had written to the Keystone Company and asked for particulars as to power, diameter and make, so that they could judge as to the value of the glasses, and you answered;

If I remember correctly there was only one pair other than these makes and in fact I was surprised at receiving such a lot of good glasses, and judging from the prices paid for this class of goods their price was reasonable.

Did you know when you wrote that that Birkett was getting \$52 per glass?—A. I very likely did. I would not like to swear I did not or that I did. No doubt I did know something about it but not officially.

Sir CHARLES DAVIDSON: But this is official.

The WITNESS: That letter from Ellis does not mention the price to me in that letter.

By Mr. Thompson:

Q. They do not mention the price to you, but you say that the price is reasonable?—A. Well, judging from what was paid for glasses right through, these glasses were of good quality.

Q. Did you know what was being paid for glasses right through?—A. I would see the invoices after the glasses were in. The invoice came to me from the department attached to the inspection report. I never paid any attention to prices, on anything, as Inspector.

Q. No, but officially you stated that the price was reasonable?—A. Yes.

Q. When you see the invoices from Milton Harris to Birkett, do you consider now that these prices were reasonable?—A. The only explanation I can give of that is that Mr. Birkett must have got his glasses pretty near first-hand cost and not after two or three different people had a profit on them. The same class of glasses have been coming in from other people at a much higher price.

Q. Not a much higher price, you do not mean that?—A. I mean from the dealers all over the country, the same class of glasses have been coming in.

Q. For instance, were there megaphos glasses?—A. A great number of megaphos had come in from different sections.

Q. At what price about?—A. Speaking merely from memory, I think I noticed that there was a variation in price up to ten dollars from different people.

Q. Do you know what the megaphos glass was turned in at?—A. I would not like to swear to that.

Q. Birkett bought these megaphos glasses at \$17 and the stereophos glasses at \$17 and \$21, and he was selling them at \$52?—A. I stated in my evidence yesterday that I had seen a copy of these invoices in the report of the Public Accounts Committee.

Q. Do you think now that a glass purchased for \$17 in New York was good value at \$52 to the Government of Canada?—A. Well, Mr. Thompson, as I stated yesterday, I am not competent to judge that.

Sir CHARLES DAVIDSON: But you did judge.

The WITNESS: Not as to price.

Mr. THOMPSON: Yes, you did.

The WITNESS: I might explain, my lord, that I considered them all right for the purpose we wanted them for, from an inspection point of view.

By Mr. Thomson:

Q. You need not explain that, Colonel Hurdman?—A. That is what I intended.

Q. You stated specifically that they were good value at that price?—A. That was my intention, and if I did not put it that way it was badly worded, I had no reason to do otherwise.

Q. I will just read your letter, from page 392 of the report, or rather will you read it yourself?

[Binoculars—Hurdman.]

The WITNESS:

"My dear MASON,—I am in receipt of your favour of 21st inst. and contents noted, and in reply say that binoculars supplied by the Keystone Supply Company were satisfactory in every particular."

I mean by that——

Sir CHARLES DAVIDSON: Keep on reading.

The WITNESS: I continue to read:

"As stated by them, a large proportion were 6 power 30 m.m. others were 8 power and were of the best qualities, principally Carl Zeiss, Lemaire, and better quality of Bausch glasses, such as Terlux and Sollux and Bausch & Lomb six and eight power."

Sir CHARLES DAVIDSON: Read on.

The WITNESS: (Reading):

"If I remember correctly there was only one pair other than these makes and in fact I was surprised at receiving such a lot of good glasses and judging from the prices paid for this class of goods their price was reasonable.

"They have 2 pairs on hand which had been purchased prior to their order being cancelled, and I think it would be advisable to accept them. Please advise me *re* this matter."

By Mr. Thompson:

Q. Would you explain that?—A. The only explanation I have, my lord, is that I had examined these and inspected and passed them and found them all right, and that was my way of putting it in the rush of work. The letter was unfortunately worded.

Sir CHARLES DAVIDSON: You see, Mr. Mason puts on you the responsibility of his payment for these glasses. If you will refer to page 469, his evidence, you will see that he expressly says: "We could not get information from them, we turned to Colonel Hurdman, and he advised us to pay as the prices were reasonable."

The WITNESS: That is from this letter of mine.

Sir CHARLES DAVIDSON: Yes.

The WITNESS: I admit that.

Sir CHARLES DAVIDSON: Yesterday you stated you had nothing to do with the prices and did not know anything about them officially, and yet here were glasses for which they paid the sum of \$16 or \$18, and they were receiving this monstrous profit, which is represented by the difference between \$16 or \$18 and \$52.

The WITNESS: My lord, I did not know anything about the price the parties that were supplying the glasses were paying for them. I only could judge from my inspection; their illumination and definition were good, their defining and penetrating powers were good. That is the part I had to do with from using the glasses, to test them, and that is the only explanation I have of that. I was very much rushed with work, the work was piling on, and I was working very late hours.

By Mr. Thompson:

Q. Do you remember the Ellis Company complaining and that you phoned Birkett?—A. I phoned Birkett and asked him to send the information in that the Ellis people wanted, and he told me he had done so.

Q. Did you not phone to the Ellis Company that they were asking for too many details?—A. No, I do not remember any question to that effect.

Q. If they say that you did phone in reply to their letter, to that effect, will you deny it?—A. I did reply by phone to their letter.

Q. You did reply by phone?—A. Oh, yes, there is no question about that.

[Binoculars—Hurdman.]

Q. What did you tell them over the phone?—A. As far as I remember, that the glasses had passed inspection and were all right.

Q. Did you say anything to the Ellis Company about sending on a cheque in payment?—A. I have no recollection of having said anything about sending on a cheque for payment, because it did not concern me in any shape or form.

Q. If they say you did ask them to send a cheque for payment, would you say you did not make that request?—A. I would not like to say because I did not see why I should.

Q. It is immaterial as to why you should, the point is, whether you did make the request?—A. I may have said that Birkett was asking me for the cheque, asking me when the cheque would come through, but I do not know. It was of so little importance to me that I do not remember anything about it.

The witness retired for the time being.

MATTHEW C. ELLIS, Toronto, wholesale jeweller and manufacturer, sworn:

By Mr. Thompson:

Q. You are a member of the firm of P. W. Ellis & Company?—A. I am vice-president of that Company.

Q. You received a contract, I understand, from the Minister of Militia to provide a certain number of binoculars for the forces?—A. We did.

Q. I will come back to the contract itself later on, but what was the first intimation you had of the contract with the Birkett Company or the Keystone Company?—A. The first intimation I received was from Mr. Mason.

Q. What did Mr. Mason report to you?—A. That he had ordered 100 glasses from Thomas Birkett and Sons and that they had the glasses on hand with their New York agents.

Q. What date was that?—A. About September 23.

Q. How do you fix September 23 as the day on which he reported that to you?—A. Because one week afterwards I sent Mr. Mason to Ottawa with an option we had obtained from the B. & L. people and I asked him to go and see Thomas Birkett & Sons and ask them why, if they had glasses on hand, they had not been delivered.

Q. Did he go to Ottawa?—A. He did.

Q. What was the next information you had about this contract with Birkett?—A. The next intimation I had was a telephone message from Mr. Mason.

Q. When?—A. October 1.

Q. How do you fix October 1 as the date of the conversation?—A. Because shortly after the conversation by telephone, I received a telegram from the Keystone Supply Company.

Q. Are you sure it was the Keystone Supply Company?—A. Yes, sir.

Q. I find here a telegram dated Ottawa, October 1, 1914, to M. C. Ellis, care P. W. Ellis, Toronto, Ontario, and it reads:—

Have assurance that 300 to 400 binoculars from \$52 to \$56, delivery not later than 12th, wire tonight.

T. M. BIRKETT.

Is that a telegram you received?—A. Yes, sir.

Q. Did you reply to that?—A. Yes, sir.

Q. What did you reply?—A. The exact words are here. I replied:

We have at present all binoculars we require.

Q. The telegram is dated the 1st of October?—A. Yes.

Q. In pursuance of the contract which Mason said he had given the Keystone Company for 100 binoculars, did the Keystone Company or Birkett make any delivery?—A. At that time, no.

[Binoculars—Ellis.]

Q. When did they commence to make delivery?—A. I might say that we wrote Col. Hurdman on the 7th of October, these glasses not coming to hand, to ask him why the 100 glasses which were to be delivered were not on hand.

Q. You wrote to Col. Hurdman?—A. Yes, sir. That letter is in evidence.

Q. That was on the 9th of October, had any glasses been delivered up to that time?—A. Not that I am aware of.

Q. When did the first delivery take place?—A. We wrote Thomas Birkett & Son on October 13.

Q. Did you receive invoices at that time?—A. His reply intimates twice, that ten and fourteen were delivered.

Q. Had he sent you any invoices or did you receive any invoices for these 10 and 14 glasses?—A. We received them just after that letter.

Q. Was the price set forth?—A. The price was.

Q. What was the price set forth in the invoices?—A. 10 and 14 glasses at \$52 each.

Q. Why did he render the account at \$52?—A. For the reason that Mr. Mason had fixed that as an acceptable price, quoted by Mr. Birkett at \$52 for the delivery of the high-grade glasses which he had shown him.

Q. We have already put in evidence the various letters written by you to the Keystone Company requesting particulars and so on, of the glasses supplied, and the various answers, which you have probably already perused?—A. Yes, sir.

Q. Now, you eventually received a letter from Colonel Hurdman, which he sent to you on the 22nd of October, and which is already in evidence, stating the quality of the glasses supplied?—A. Yes, sir, that is the letter which you have read.

Q. When did you recommend payment?—A. We recommended payment, when we were thoroughly satisfied that the Department of Militia and Defence had received glasses up to the specifications required.

Q. When was that?—A. After Mr. Birkett had written to us that the glasses were B. & L., Lemaire, Busch and Gorenz.

Q. Did you recommend payment then?—A. Not then, because we wanted to get further particulars.

Q. Did you recommend payment immediately on receiving that?—A. No, sir.

Q. How long after that?—A. After I received Colonel Hurdman's letter.

Q. On the 22nd of October?—A. Yes.

Q. You recommend payment after you received the letter from Colonel Hurdman of the 22nd October?—A. I would say after that.

Q. You would not think it would be before you received that letter?—A. I would like to say just how these payments were recommended, and then you will understand very clearly just how these recommendations were made: Colonel Hurdman examined the glasses and after that inspection they were forwarded on to the financial department. Then H. W. Brown, the Director of Contracts, sent us in one invoice and a batch of invoices which were ready and approved of by the financial department and ready for our "O.K." and then they come up and we always have one invoice ourselves, three going to the department. We went carefully over these and when we were perfectly satisfied we gave our "O.K." and sent them to the department. After they went back to the department the department sent us a cheque. They started out at first by sending the cheques to the individual firms, but afterwards they decided to send the cheques to P. W. Ellis & Company and we ourselves made the distribution. So that the recommendations of payment only came from us after we received the department invoice and their "O.K." of inspection.

Q. I do not understand what duty you had to perform if it passed through all these hands and was recommended for payment?—A. Our duty was to find the glasses.

Q. Yes, but with regard to the payments?—A. We had very little to do with regard to recommending payment, practically nothing.

Q. If you did not O.K. these invoices or whatever was sent to you, would the

[Binoculars—Ellis.]

contractors have been paid?—A. No, the contractors would get paid only after we had received all these invoices.

Q. What was it that you had to check up on these invoices?—A. We had to see that the values were correct, and we had to give to the best of our belief and knowledge our recommendation to the Government that it was fair and proper for them to pay the invoices.

Q. Then it was after you received Colonel Hurdman's letter of the 22nd of October that you gave your O.K.?—A. The invoices came on from the department. I will not be sure, but I will say that the Birkett & Company invoices came through the department with greater speed than any other invoices I know of.

Q. Whose invoices?—A. Thomas Birkett & Sons or the Keystone Supply Company, I do not know how they managed to get them through with great speed.

Q. The last of the first batch of Birkett binoculars was supplied on the 17th of October; on the 22nd of October Hurdman reports that they were good quality, and he gave you the makers' names?—A. Yes, sir.

Q. And he states that the large proportion were 6 power 30 m.m.?—A. Yes, sir.

Q. And that others were of 8 power and of the best quality?—A. Yes, that they were all absolutely high-grade glasses.

Q. And when you received that letter from Colonel Hurdman, you were satisfied?—A. Surely, it was complete.

Q. And you recommended payment?—A. We were ready to recommend payment when the invoices arrived.

Sir CHARLES DAVIDSON: When the invoices arrived—he does not say he paid on that letter, he says he was ready to recommend payment when the invoices arrived—were you ready to recommend payment on the invoices?

The WITNESS: No, on that letter.

By Mr. Thompson:

Q. Perhaps I misunderstood, I thought you had the invoices at the time you received this letter from Colonel Hurdman?—A. We received concurrently with the delivery of the glasses to the department—where the invoices accompany goods at the time of delivery, we also received one invoice; we always have the information in advance, unless there is some neglect in forwarding the invoices.

Q. So that on the 22nd of October you had the invoices covering all the binoculars which Birkett received from Milton Harris of New York?—A. I think so, I think we had them all.

Q. You probably had, because he rendered invoices with respect to the last batch received from New York on the 17th of October, when would that reach you?—A. Well, if he sent the invoice to us on the 17th of October, naturally it would reach us the following day. I made a mistake there, the last invoice was rendered by Milton Harris on the 17th of October, and it was passed through the customs on the 22nd of October. I see the Birkett invoices started on September 30th, and the last one was rendered on the 12th of December, with reference to that invoice of September 30th, if you refer to my letter to Thomas Birkett & Son of October 13th you will find a reference to it.

Q. On October 14th you write to Thomas Birkett & Son:—

Your invoices as "Keystone Optical Company," dated September 30th, for 24 glasses at \$52, lack any description of maker.

—A. That is the letter I am referring to.

Q. Is that the letter you are referring to?—A. Yes, sir.

Q. And you say:—

As we have to carefully check all our prices, we would like you to kindly advise us the maker, size and power.

—A. Yes, we wrote that letter.

[Binoculars—Ellis.]

Q. Did the invoices from other dealers or suppliers contain this information?
—A. Yes.

Q. They contained that information?—A. Yes, all of them had sufficient information for us to judge of the value of them.

Q. What invoices from the Keystone Company did you have on the 22nd of October? Can you tell from that?—A. The last invoice is October 15. We certainly should have had that invoice then.

Q. You probably had that invoice then. So that when Col. Hurdman wrote you on the 22nd of October it is probable he was referring to the binoculars which had been delivered according to these invoices?—A. Yes, sir.

Q. Namely the invoices of the 30th of September, the 8th of October, the 13th of October and the 15th of October?—A. Yes, sir, all of them.

Q. And, looking at the Birkett invoices, that is the invoices which Birkett received from Milton Harris, can you tell me whether the glasses specified there correspond with the description given you by Col. Hurdman?—A. They certainly do not.

Q. Do the glasses specified in the Milton Harris invoices to T. M. Birkett show that the glasses were Bausch and Lomb, Lemaire, Busch and Gorenz?—A. There are a very few Bausch and Lomb's. There are three of the Lemaire's. There are no Busch. There are no Gorenz.

Q. He stated in his letter to you that he had no further information he could give as to makers, power, or millimeter and you subsequently wrote him and asked him for his invoices. That is the invoices that were rendered to him, that if he had not a copy he could get them from the Customs. Now, if you had had the information in your possession which Birkett had and which is contained in the invoices sent to him by Milton Harris, would you have recommended payment?—A. If I had known the invoices of Milton Harris and he had given the same descriptions as Milton Harris had given on his invoices, I certainly would not have passed the invoices at the price.

Q. Col. Hurdman has stated in his letter to you of the 22nd of October that the glasses supplied included some called Terlux and Sollux. Do you find this among the Milton Harris invoices?—A. No, sir. Terlux is a glass made by the Busch people.

Q. The Sollux?—A. The Sollux is also made by the Busch people.

Q. Do you find any of these mentioned in the Milton Harris invoices?—A. No, sir.

Q. After you recommended payment of that first lot, Birkett supplied about thirty-six other glasses?—A. Forty-six altogether.

Q. Did you have any difficulty with regard to the specifications of these glasses?
—A. Let me say in the first place we did not order these forty-six.

Q. That does not matter?—A. We had difficulty with the specifications, the same difficulty repeatedly.

Q. And did you write to him?—A. We did.

Q. Did you ask him for specifications?—A. We did.

Q. I see that you did. I think I read from the letter?—A. A pretty strong one.

Q. On December 16 Birkett writes to you. I have read this letter already:—

Messrs. P. W. ELLIS COMPANY,
Toronto, Ont.

DEAR SIRs,—

Your favour re binoculars to hand, and in reply, as we had not a memorandum of the make of these goods, they having been sent direct from the Customs to Col. Hurdman, we phoned him asking if he could give us this information and he said that he had also had a communication from you and had explained it to you over the phone.

Hoping this will be satisfactory and that you will forward us cheque at once payable par Ottawa, we remain,

Yours truly,

KEYSTONE SUPPLY Co.,

per T. M. B.

Q. Did Colonel Hurdman telephone you about the Keystone glasses?—A. He telephoned Mr. Mason.

Q. I shall have to call Mr. Mason as to what he said then. You apparently had not written to Colonel Hurdman asking him to give this information?—A. Because when we wrote to the Keystone people he phoned us. I suppose they referred it to him.

Q. He telephoned to you and was it in consequence of his telephone message to you that you made the further and apparently last payment to the Birkett Company?—A. We wrote a letter before that.

Q. To whom?—A. To the Keystone Supply Company.

Q. You wrote to them apparently on the 18th of December:

The Keystone Supply Co.,
P.O. Box 114,
Ottawa.

GENTLEMEN,—Your letter 16th December just to hand and we regret to say it is not satisfactory.

You are business men and anything you buy, you want to know all about what you are purchasing and we are the same. The Customs House require a proper invoice and it would be no difficulty in your getting a copy of same. There would also be no difficulty in getting a duplicate from whom you purchased.

We are given to understand from Colonel Hurdman the Inspector, that the glasses are satisfactory both as to price and quality but we must have a proper description of same and you should be most particular and desirous to provide it.

Your invoices are the only exception to all we have passed and as we particularly drew your attention to this omission before, there is no excuse for its repetition.

Yours truly,

P. W. ELLIS & CO., LTD.

Did they reply to that?—A. No.

Q. They did not reply?—A. We took Colonel Hurdman's assurance that they were all right and passed them.

Q. Was it after that letter of yours of the 18th of December that Colonel Hurdman telephoned?—A. I will not be sure about that, whether it was the day before or the day after.

Q. You rested satisfied then with Colonel Hurdman's assurance that the glasses were all satisfactory?—A. Yes.

Q. In the discussion with Colonel Hurdman over the phone did you tell him what the price was you were paying the Birkett Company?—A. No.

Q. Did he speak to you or to Mason?—A. To Mason. It was not necessary, for the goods indicated the prices.

Q. I shall call Mr. Mason after adjournment as to that telephone conversation more specifically. When you got your contract with the Government to furnish these glasses or act as their purchasing agent did you write to Bilsky and ask whether he could supply glasses?—A. Yes, sir.

Q. What did he reply?—A. He did not reply. We sent him the same letter as we supplied to each of the leading jewellers and one or two opticians in Ottawa.

Q. Now there is a statement of Bilsky's before the Public Accounts Committee that I would like to call your attention to, I find this at page 303:—

[Binoculars—Ellis.]

Q. And you would have delivered a thousand pairs of glasses to the department at \$42 for which they paid \$48 to \$52?—A. That is to the best of my belief, I believe I could.

And he told us to-day he was going to purchase them from the Consolidated Optical Company. What do you say as to that. He says you charged \$48.62 for those glasses?—A. He speaks in terms as though we gave blanket orders to different people for glasses at a price whereas it was entirely different in our whole dealings and transactions. Different makers and different powers and glasses brought different prices and it was from that we were doing our business. We were not giving out blanket orders to any one.

Q. He says he could have bought one thousand binoculars from the Consolidated Optical Company for \$42 and you eventually got them for \$48.50?—A. When he says he could get a thousand glasses from the Consolidated Optical Company, he speaks what is not true. We were getting all the glasses from the Consolidated Optical Company they had from Bausch & Lomb. I asked the Consolidated Optical Company why they even delivered some twelve to Bilsky as they were all promised to us. They said the reason was that Bilsky had written to them a very urgent message that he wanted twelve for presentation to military officers at Ottawa. That was the only reason he got even the twelve. The Consolidated Optical Company have their headquarters in Toronto.

Q. They have a branch in Montreal?—A. They have a branch in Montreal.

Q. Are they manufacturers of glasses?—A. No. The Consolidated Optical Company and Topley of Toronto and Topley and Company of this city are the two agents for the Bausch & Lomb people of Rochester who are the manufacturers.

Q. I should like to know whether the prices which Birkett paid in New York for glasses was high or low, whether it was reasonable or unreasonable. For instance through Bilsky's efforts Birkett purchased some Megophos and Stereophos glasses. I see one Stereophos glass at \$21 and one Megophos glass at \$17. Prices apparently vary. They rendered the invoices to you in respect of those glasses at \$52. Did you buy any Stereophos and Megophos glasses?—A. Not Stereophos but Megophos and Colmont.

Q. What did you buy any of these glasses at?—A. The Megophos glasses we delivered to the department for \$20. They are \$17 and with the duty and commission would cost \$23.38.

Q. And what did you deliver those glasses to the department at?—A. At \$20 and some higher.

Q. How much higher?—A. I would have to go through my invoices. We got some from small retail dealers at the start which we would no doubt pay higher for.

Q. So that you actually furnished to the department at around \$20 glasses which Birkett has charged the department \$52 for?—A. \$52. Colmont glasses would cost, laid down, Birkett's invoice \$35.46; we laid those glasses down to the department for \$23.63, duty paid. The Bausch & Lomb glasses which the Birkett people laid down, I consider good prices.

Q. Did you place any blanket orders with any persons or firms?

Sir CHARLES DAVIDSON: What does that mean "good prices"?

Mr. ELLIS: I considered them good value at proper prices.

Examination resumed by Mr. Thompson:

Q. What do you consider proper prices?—A. Well at the time that they were purchasing glasses in New York we were purchasing glasses from the agents of the Bausch & Lomb people, the Topley and the Consolidated people and we were paying to them as agents higher prices than the Keystone Supply Company were paying Milton Harris.

Sir CHARLES DAVIDSON: It looks as though they were competing with each other.

Mr. ELLIS: No, the situation is this. The Bausch & Lomb people with their agents here had fixed prices. We were later able to break these fixed prices and get rebates on the glasses which of course brought them down to lower prices than charged by Milton Harris delivered but at that time they were good prices.

Sir CHARLES DAVIDSON: I mean that you were in the market to buy glasses and you authorized Birkett to go into the market and buy as well.

Mr. ELLIS: We did not authorize him. We bought the glasses from him because he had them on hand and anybody that had glasses on hand that could be found we were after them because the scarcity was great.

Sir CHARLES DAVIDSON: You had no idea he was going to search for them?

Mr. ELLIS: None whatever.

Examination resumed by Mr. Thompson:

Q. That is what Mr. Mason said?—A. All this train of circumstances in connection with Bilsky and all that are entirely beyond our purview and we were entirely ignorant of anything of that kind. We bought them because they were on hand and we certainly wanted them. The emergency was great.

Q. Did the glasses marked as indicated in the invoices rendered to Birkett correspond with what you understood the contract to be?—A. The glasses are not according to contract.

Q. You say they are not according to contract?—A. With the exception of the Lemaire and one of the Bausch and Lomb 8 by 25. I think there were seven glasses altogether in the whole lot of 166 that came up to specifications.

Q. You were acting as agent for the Canadian Government in the purchase of these glasses, were you not?—A. Yes, sir.

Q. Was it on a commission?—A. Yes, sir.

Q. What was your commission?—A. Ten per cent.

Q. Ten per cent on what?—A. On the prices of the glasses turned in to the Department of Militia and Defence.

Q. Will you please explain your contract and what your duties were?—A. Yes, sir. Before leaving the Milton Harris invoice might I be permitted to make a statement? I might say that the glasses which were invoiced by Milton Harris were according to their grade, good value and efficient glasses. The whole trouble seemed to have been that in purchasing they were charging for a medium grade of glass the price of a high grade. I myself have figured out what profit there was in the whole transaction with Milton Harris in regard to the glasses supplied by Thos. Birkett & Son to ourselves.

Q. Have you got that in writing?—A. Yes, sir, I have it in writing.

Q. Will you let me see it? That will be interesting, as the commissioner has asked Mr. Birkett to work out the same statement. Would you read it, please?

.(Statement of Account filed and marked as Exhibit No. 35.)

The statement is as follows:—

STATEMENT AS TO GLASSES BOUGHT BY BIRKETT.

14 glasses—\$	379 00	—Invoice dated	28th September.
10 “	247 97	“ “	29th “
50 “	1,200 50	“ “	6th October.
39 “	1,017 00	“ “	9th “
5 “	122 42	“ “	10th “
2 “	50 00	“ “	17th “

[Binoculars—Ellis.]

13	"	293 02	"	"	4th December.
3	"	67 32	"	"	9th "
30	"	911 40	"	"	12th "

166	\$4,288 63	
	428 86	Commission 10 per cent.

\$4,717 49

1,179 37 0.50 duty 25 per cent.

\$5,896 86 0.50 cost of 166.

Average price laid down, \$35.53.

Paid by Government—120 at \$52—\$6,240

" " 46 at 48— 2,208

Total paid by Government—\$8,448

Goods cost \$5,896 86

Goods sold to Government at..... 8,448 00

Profit 2,552 00—44 per cent advance on cost.

The average cost of 166 glasses, \$35.50.

Laid down in Ottawa.

Q. I was asking you to explain the nature of your contract with the Government and what duties you had to perform?—A. Yes, sir. We first received a telegram from the Minister of Militia.

Q. To what effect?—A. That he wished us to undertake the purchase of binoculars. The telegram is on file. And then we did undertake the purchase of the binoculars required by the Government and the remuneration arranged upon was that we were to receive a ten per cent commission.

Q. Was that by arrangement?—A. After that arrangement we received an order signed by H. W. Brown, Director of Contracts, for six hundred glasses, August, I think, the 24th. Immediately upon the receipt of that order we made an attempt, as a responsible house, having this trust placed in us, to purchase glasses for the Government from actual headquarters. We cabled to London the following day to two important houses there, large houses which we had personal connection with, to get all the binoculars they could secure for us and specify the prices and grades. They telegraphed back that there were none to be obtained. We wrote to Ross and Company, the largest manufacturers who manufacture for the British Government, and they wrote a long letter stating that glasses had been declared contraband by the British Government not only to foreign nations but to the colonies, and that they were four months behind in supplying their own Government with glasses. We also wrote to the Carl Zeiss Company, a branch of the German house in England, and their answer was to a similar effect. Not succeeding in getting them at these places and knowing that we could not get them from Lemaire which was in the war zone, and of course from Germany where the greatest manufacturers of binoculars are, we turned our attention to the only manufacturers of any scale in America, Bausch and Lomb of Rochester, and within twenty-four hours we had our agents in Rochester and Bausch and Lomb, with whom we have dealt many years, told our expert, Mr. Wilkinson, whom we sent there that they could not supply us any glasses as they were contraband.

Q. Was that statement made to your agent?—A. Yes, sir, that even if they had glasses they could not supply us as they were under a penalty with the American Government for glasses to be supplied within a specified time and they had to carry that contract out.

Q. Did they state what the specified time was?—A. I think the 1st of November.

[Binoculars—Ellis.]

Q. Because apparently they were supplying large quantities of glasses through their Canadian agents before the 1st of November?—A. Oh, yes. I found Bausch and Lomb very peculiar people to deal with.

Q. So their statement evidently was not reliable in that respect?—A. No, sir. I have letters from Bausch and Lomb telling the difficulties and I have their notices about the change of discount.

Failing in that, then our object, of course, was to see what we could do. We had made our arrangements on the Canadian side. We then took the matter up with our manager in New York. We have a large business in the United States and keep seven travellers going over all the United States so we are intimately acquainted with the trade in the United States as in Canada, having some fifteen travellers out here. He was able through Susfeld Lorsch & Co. to get a considerable number of very desirable glasses, especially Lemaire, Susfeld Lorsch of New York. They are agents for the Bausch people. They sell only to jobbers, not to retailers, and they also supplied us with a large number of Lemaire glasses. They themselves are the sole agents for the Lemaire people in America so we were at absolute headquarters for those two lines. We took from Susfeld Lorsch all the desirable glasses they had; and therefore I little wonder that these gentlemen could not get any glasses from Susfeld Lorsch and Company. We then went to Albert Berger and Company of New York and got all they could let us have. We then went to two prominent houses in Chicago. When our agent went to Chicago F. A. Hardy and Company, the largest optical dealers there said: We cannot sell you any glasses at all. We have a number of glasses on hand but we cannot sell you any because they are contraband unless you put up the cash down. We would be glad to trust P. W. Ellis and Company but we cannot take the risk of seizure. I made arrangements with the Canadian Customs authorities in Toronto through Mr. McMichael to have the Canadian Customs officer in Chicago mark these trunks which would be taken by our men through direct in bond to Toronto. These trunks usually are opened at the border and American officials might have seized them in this case and we got both in Buffalo and Chicago a very large number of glasses. In that operation we paid our own spot cash, and we got the spot cash discounts. We did more than that; we laid down from Buffalo, the Niagara Optical Company. Bausch and Lomb glasses at a price at which they had never been delivered to the Militia Department of the Government of Canada or sold by the agents in Canada. The prices of the glasses we obtained from the Niagara Optical Company—here is where it shows that Bausch and Lomb were not very straightforward. We had already got Mr. Topley in Ottawa, agent for Bausch and Lomb, and Mr. Amsden and Mr. Crewes, the head men of the Consolidated people, to go themselves to Bausch and Lomb. They entirely failed. They could not get any glasses at that time. The Niagara Optical Company were closely and intimately connected with the Bausch and Lomb firm and they were able to get and keep getting for quite a little while a number of Bausch and Lomb glasses at a time they were saying they could not supply us. But of course they were not telling them that they were for the Canadian Government. We gave the Niagara Optical Company a commission of six per cent with the consequence that we laid down Bausch and Lomb glasses 8 x 25 for \$33.54 and 6 x 30 for \$41. I have spoken about what we did in the States.

In Canada, we of course, had our travellers assisting us in every way possible and we sent a letter to the men whom we were personally acquainted with and with whom we were doing business, only to one prominent, leading retailer in each city in Canada entrusting to him in our behalf to go to all the jewellers and optical people and purchase all the glasses obtainable in the different cities. We sent to one man only in each city so as not to create any artificial competition that would result in raising prices and we were wonderfully successful in obtaining from the retail dealers from Halifax to Vancouver in Canada all the glasses they had on hand and although we had scooped, or secured, Canada very thoroughly for all the glasses in existence, we obtained some glasses from the retail trade at ten per cent advance on their cost, some

[Binoculars—Ellis.]

at a little more and some at still more. Knowing that we were in the trade, selling them, and knowing that we knew the value, naturally our own trade responded well and gave us good values.

There has been a statement made that glasses supplied by the Keystone people at \$17—I think that is their cheapest, and upwards—are not efficient glasses and that officers somewhere at the front have glasses which are jeopardizing the lives of the Canadian troops. I want to state as positively as I can state here that every glass that went through the inspection room is an efficient glass for the subdivision and for the purpose required by the various corps. To emphasize that fact I do not think I can do better than to say that probably the best known, the largest people and the most reliable firm in so far as Canada is concerned is the firm of Henry Birks & Son of Montreal, than which there is no more reliable firm in our line of business. Here is an invoice from Henry Birks & Sons; they have glasses at \$17, at \$19, at \$16.20, at \$15.30; at \$13.50, and at \$14.40, lower prices than glasses were purchased at by the Keystone people and these were the glasses which they carried in stock, thoroughly reliable and efficient. They were only the medium grade but as binoculars they were as efficient, and more efficient for the shorter ranges, than the more expensive glasses, because they have not the variety of adjustment.

Sir CHARLES DAVIDSON: What were these turned in at?

The WITNESS: They charged ten per cent on this lot of glasses.

Sir CHARLES DAVIDSON: To what extent were these goods of Birks loaded up by the time they reached the Government hands?

The WITNESS: Everything we got from them went direct to the Government at the cost price because there was no loading.

Sir CHARLES DAVIDSON: It was loaded by you with your ten per cent commission.

The WITNESS: The ten per cent commission was added to these prices. These glasses had come from Henry Birks & Sons.

Sir CHARLES DAVIDSON: Did you sell any glasses yourself to the Government?

The WITNESS: Not one.

Sir CHARLES DAVIDSON: The statement discloses 136.

The WITNESS: I will explain that.

Sir CHARLES DAVIDSON (to Mr. Thompson): It just came up while Mr. Ellis was giving his evidence. I asked what these glasses supplied by Birks were loaded with and he said they added ten per cent to the invoice prices and that Ellis & Co. added their own ten per cent.

The WITNESS: Yes, there was an addition of ten per cent on our own sale price and ten per cent added for them. They added ten per cent on their cost. They turned these goods in at their cost with ten per cent added.

Sir CHARLES DAVIDSON: That was lower than the ordinary retail price?

The WITNESS: It certainly was.

Examination resumed by Mr. Thompson:

Q. What should be the retail price of those glasses?

The WITNESS: I think 50 per cent additional in the ordinary retail trade.

Sir CHARLES DAVIDSON: Then he made a general statement as to the cost to the Government. What struck me was that there were 136 of these glasses inspected by Col. Hurdman which were apparently bought from the Ellis Company.

The WITNESS: Yes, sir. I will thoroughly explain that I said that P. W. Ellis & Co., did not sell any glasses themselves. The 136 glasses mentioned were the glasses we bought in the States. They had to be billed to us in order to pass the Customs. They were billed to us and that bill went down to Ottawa and pinned to our own invoice was the original invoice of the people we purchased from.

[Binoculars—Ellis.]

Sir CHARLES DAVIDSON: So that you sold none to the Government?

The WITNESS: None to the Government ourselves. None of our directors nor any person participated in it to the extent of a five cent piece.

Sir CHARLES DAVIDSON: Except your ten per cent.

The WITNESS: Yes, our Company got that. I have explained how we were successful in the United States in getting Bausch & Lomb glasses down to prices that were less for delivery to the Government in war times than in peace times. The result of our making the market, or the prices, of these glasses, was that we went to the Consolidated Optical Company and to the Topley Company who had charged us, in our opinion, when charging the Government, too high a price—that is the price given to them by their principals, Bausch & Lomb—and we said to them: In view of the prices we have had laid down you ought to give a rebate to the Government on those glasses you have already supplied. After considerable correspondence and difficulty we got these two firms to rebate on all Bausch & Lomb glasses which they had delivered and effected a very large saving for the Government.

At the end of September, we, ourselves, received an option from the Bausch & Lomb Company for delivery in January of 1,200 glasses at discounts of 25 per cent, 25 per cent, and two per cent. The Topley people at the same time got an option but their delivery—I suppose they favoured them as being their own agents—was in October and on account of that the Topley people got that order. Instead of the prices which they had been charging the Government, and as a result of our being able to lay down a lower price, we were able to make a most advantageous contract for the Government for the supply of 500 glasses and we gave an order for 200 glasses later at a price of \$38 for 8 x 25, for which they formerly charged \$50 and at a price of \$46.46 for 6 x 30 for which they formerly charged \$60. We were able to get 500 glasses from the Topley people upon these very favourable conditions. We placed an order with them for 200 more which they agreed to supply at the same price along with the same contract. They delivered the 500, but the English Government agent, Mr. Stobart, got our 200 glasses at a very much higher price. The British Government paid Bausch & Lomb just immediately at that time prices fifty per cent higher than we were charging the Canadian Government.

We received an option from the Bausch & Lomb people for 1,200 glasses to be delivered in January, 1915. I sent Mr. Mason down immediately to Ottawa and he went to Mr. H. W. Browne, Director of Contracts, with instructions that P. W. Ellis & Co. asked no profits on this option whatever as it was beyond the term and the time of the contract. This option was taken by the Director of Contracts and referred to Sir George Foster. Sir George Foster took the option into consideration and after a meeting stated that the Government would not do anything. We regretted this very much as it would have saved \$25,000.

Examination resumed by Mr. Thompson:

Q. What date was that?—A. That was on the 29th September. We ourselves could have made a very large amount of money out of that because Bausch & Lomb raised their price right after this option but we would not speculate as we could not do so with the Government, having a contract with the Government for the supply of goods. The number of glasses that we supplied altogether was 2,234 and the average price of the glasses supplied by us was \$39.

Q. That is the average cost was \$39?—A. Yes sir.

Q. How many?—A. 2,234, and the average price cost to the Government of that 2,234 we figured at \$39 in war time and which is less than peace time prices.

I want also to make a statement in regard to an order that was given for 1,000 glasses to the Consolidated Optical Co. in October. The Consolidated Optical Co. neither put up cash nor duty as we had been doing but the Government paid cash and duty and got the glasses f.o.b. in Rochester at \$33 for 8 x 25; \$42 for 6 x 30, which

[Binoculars—Ellis.]

cost laid down in Ottawa \$41.25 as against what we had laid down for \$33.54. A 6 x 30 cost the Government \$52.50 as against what we had laid down for \$41.

Q. Was that after your contract had expired with the Government?—A. No, our contract was not finally completed until the 5th of January. It took five months for the bulk of it to be completed but there was ample time to provide for the equipment of the first contingent. We carried our contracts out, we got the glasses, we gave the glasses to the Government at right prices, we gave the use of our own personal cash, every cent of reduction we got we gave to the Government and we effected a very large saving. We have succeeded in saving the Government \$12,887 and the facts are on record. The only thing that has turned up at all is this affair of Thomas Birkett & Son.

Mr. HILL: The Keystone Supply Co.

The WITNESS: The Keystone Supply Co., and I think the correspondence shows that we took more than ordinary precautions to protect the Government in regard to the prices.

Sir CHARLES DAVIDSON: Why did you deal with the Keystone Supply Co. instead of with Birkett.

The WITNESS: Our first letter expressed surprise that the Keystone people were interested. We thought we were dealing with Thomas Birkett & Son.

Sir CHARLES DAVIDSON: I see that the goods are billed to the Keystone Supply Co.

The WITNESS: No, billed to Birkett.

Sir CHARLES DAVIDSON: Thomas Birkett?

The WITNESS: Not to Thomas Birkett & Son.

Sir CHARLES DAVIDSON: From the United States?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Why?

The WITNESS: Of course, we did not know what was going on between him and Milton Harris.

Sir CHARLES DAVIDSON: That does not affect the question.

The WITNESS: As to the Keystone Supply Co., if they wanted to follow it up in that form it did not make any difference; it was the glasses we wanted. As long as they were up to the standard we took them because they wanted them very badly at that time.

Sir CHARLES DAVIDSON: You have no idea why Birkett wanted to disguise or conceal his own name have you?

The WITNESS: I have not the slightest idea.

At one o'clock the Commission took recess.

The Commission resumed at 2 p.m.

Mr. THOMPSON: I expect, Mr. Commissioner, to close this case to-day as far as the available evidence in my possession and now before the Commission is concerned and I think there is very little further that will be available. I hope we may be able to adjourn at three o'clock this afternoon if that will be convenient to you, Sir, or half past three at the latest, as there are one or two people who have some information to give me in reference to some further contracts that may have to be investigated. As these two cases will close the matters which I have looked into personally up to date, I would suggest an adjournment until Monday, say, at two o'clock.

Sir CHARLES DAVIDSON: Mr. Hill, do you object in the public interest?

Mr. HILL: No, my Lord. I understand that the investigation into the Birkett contract will be completed this afternoon at three o'clock?

[Binoculars—Ellis.]

Sir CHARLES DAVIDSON: Yes.

Mr. HILL: I presume that if we wish to recall any witnesses we can do so on Monday in case we find it necessary?

Sir CHARLES DAVIDSON: Oh, yes. It is likely there will be some fragments to pick up.

Mr. P. W. ELLIS, recalled.

Examined by Mr. Thompson:

Q. Mr. Ellis, you have given us a pretty full explanation of your activities, but before you continue there is one point I would like to ask you about now. Your commission amounted to over \$9,000?—A. Yes, sir.

Q. You have not told us very much yet to show what you or your firm did to earn that amount of money.—A. I am ready to explain to you, sir.

Q. I think it would be valuable information.—A. We were paid a commission of ten per cent on all the purchases of binoculars. In earning that I will state what work we had to do in order to earn it. In the first place, we placed our large organization in Toronto at the full disposal of the Government and also our organization in New York city. I put myself in full charge of the work and three of the heads of our department, all highly paid expert men in regard to purchasing, buying and handling merchandise, were also engaged in this work. We used, which we were in no way authorized to do, an amount of over \$18,000 of our own cash in order that we might get closer spot cash prices in order to give the full benefit to the Government. We did get these additional close prices and gave to the Government every cent obtained.

Q. How many months did your activities extend over?—A. Our work took five months and our correspondence was unusually heavy. I have here a file of it. You can see it is a tremendous amount of correspondence. I have here the main file of the correspondence. We have quite a considerable quantity at home which is not pertinent to the question before us.

Q. You spoke about having a number of agents in the United States working for you?—A. Yes.

Q. Were these under salary?—A. All.

Q. Paid by you?—A. Yes, sir.

Q. Were you paid for their activities and expenses in addition to your \$9,000?—A. None whatever.

Q. You paid that out of that \$9,000?—A. We paid all our help out of that \$9,000 both in New York and here.

Q. Did the activities which you expended on this contract take you or your men away from your own business?—A. Myself and the three heads of departments were almost continuously at this work at the very busiest time of the jewellery trade, at a time when we do two-thirds of our business. It interfered a great deal with our regular business but we made this our chief and foremost business.

Q. Did it interfere with the activities of your agents in the United States?—A. It interfered with the activities of our men because they were taking on additional work to what their usual work was. In addition to this work which I am explaining to you we had a work that was not specified at the time that we took the contract and which was entirely unexpected. That was that nearly all the binoculars that were purchased were in black cases and the Government wished them placed in tan cases. We had to measure out all these glasses and get factories to manufacture tan cases to fit them in order that our troops should have cases uniform with their khaki uniform.

Sir CHARLES DAVIDSON: What became of the black cases.

[Binoculars—Ellis.]

The WITNESS: They are all on hand in the Department of Militia. We took none of them; they were all left there. They are in the hands of the Government. We filled our orders, we filled them in good time and we filled them at lower prices than in peace time. In addition I want to say that this work is by no means what would properly be termed a commission. It was a tremendously heavy buying campaign. I am in a business which does very large purchasing but this was a much heavier campaign than I have ever had in any business transactions that I have been connected with. Furthermore, if you want to get a real commission transaction, such as seems to be in the minds of many people, you might take the illustration that is before you and before us to-day. That is the Consolidated people. They gave the name of Bausch & Lomb to the Government, they did no more, the Government paid the cash, brought the goods over here and paid them their commission. That would be a transaction on a commission basis. Our work was to hunt up all the dealers, hunt up all the trade in Canada and in the United States, under the most extraordinary conditions and under great difficulties in order to procure glasses. We were fighting all along the line to get the Government better prices and rebates, and we secured glasses at very low average prices and under conditions very satisfactory to the department.

Q. What do you consider you saved?—A. I gave the data, the invoices and every particular in my evidence, and I showed that we had saved the Government \$12,887.

Q. That is in your evidence before the Public Accounts Committee?—A. Yes.

Q. And that was referred to?—A. I have referred to it.

Q. Did you, or any member of your firm that you know of, receive directly or indirectly any compensation from any person in respect of this supply of binoculars other than the commission from the Government?—A. Not a single cent.

Q. If any sum of money was received directly or indirectly by your company would you know of it?—A. I would. I personally examined everything.

Examined by Mr. Hill:

Q. Mr. Ellis, in this statement you gave of Mr. Birkett's profits on this glass transaction you have not allowed anything for his expenses?—A. No, sir; I have just taken the naked transaction, the naked cost.

Q. In estimating a fair profit, should not the expenses be taken into account?—A. In estimating a profit a business man would have to take the cost of the purchase plus any expenses.

Q. What would you include in your expenses?—A. Well, all the expenses incurred in buying the goods, telegraphing, writing, expressage, and so forth.

Q. Do you allow anything for overhead expenses?—A. All business men, in order to know whether they are making a profit, must know, first of all, what the overhead expenses are. Until they are paid there is no profit.

Q. In this statement of your's showing Mr. Birkett's profit of 44 per cent, to estimate what would be his fair and proper profit you should deduct from that all his expenses for travelling, telegraphing and other items, as well as a certain proportion for overhead expenses?—A. No, you should not figure overhead expenses in figuring the cost of the goods, but when you come to mark the goods for sale you then come to your overhead expenses.

Q. Do you claim that your overhead expenses should be included in the 25 per cent profit which you say is a fair profit?—A. No, the 25 per cent should include all the overhead expenses. If we figure in a transaction, say a wholesale transaction, from ten to twenty per cent, we figure that that ought to cover all expenses and a calculation for overhead.

Q. So that when you say that Mr. Birkett's profit, if it had been 25 per cent, would have been a reasonable profit, that is, 25 per cent over and above all these expenses you have mentioned?—A. I would say so. That is the fair way of figuring profits, but, of course, this is a commission transaction—the turning over of one lot.

Q. It was not a commission transaction with Mr. Birkett?—A. It was a turnover.

[Binoculars—Ellis.]

SIR CHARLES DAVIDSON: Would that be based on the supposition that he had them under control at the time?—A. Yes, sir.

SIR CHARLES DAVIDSON: So that this statement of yours, showing a profit of forty-four per cent, is not quite fair to Mr. Birkett?

THE WITNESS: It is absolutely fair, with the addition only of expressages or any cost he was put to in obtaining the goods.

By Mr. Thompson:

Q. That should be deducted from the forty-four per cent profit?—A. To arrive at the true cost.

Q. In your evidence before the Public Accounts Committee you stated that you had not been in the binocular business?—A. For some time we had not been in it.

Q. Had you bought any glasses from Bausch & Lomb for the last few years?—A. We buy all of our magnifying glasses in the watch-making business, but not binoculars. We have not bought binoculars for some time.

Q. And you do not deal in any of the German binoculars or the French binoculars?—A. Not in any binoculars.

Q. And you were not familiar with the price of these binoculars during the last summer, for instance?—A. We were absolutely conversant with the price of every maker.

Q. Prior to the war were you?—A. Immediately as we got our contract, as prudent business men buying goods, we obtained catalogues and information from every manufacturer.

Q. You took these catalogues that were issued prior to the war?—A. Yes.

Q. You were governed by these catalogues?—A. Yes.

Q. And you knew no more about the prices than any one else who would pick up a catalogue and look at it?—A. Oh, yes, we knew more about them because we discussed these prices with optical men and went into the thing thoroughly; we had an absolute commercial knowledge of the whole situation.

Q. I think you will agree that from the invoices which Mr. Harris rendered Mr. Birkett, with the single exception of the one invoice, there was not sufficient data there for Mr. Birkett to have answered the questions you put, the makers' names, etc.?—A. Well, I would say this, you remember he wrote us a letter in which he gave us the makers' names.

Q. You have explained that?—A. Now, after giving these makers' names, it was a very easy thing for him to see whether Bilsky or Harris were supplying these makes.

Q. If he had thought of it?—A. Well, but it was his duty to give us that information, if he was supplying these glasses he should have given us the information of what he was supplying. Millions of dollars are transacted every day on business faith in regard to the filling of goods according to specifications; that is the basis of all business.

By Mr. Thompson:

Q. Mr. Ellis, before you leave the stand, I asked you about that letter that Colonel Hurdman wrote to you on the 22nd of October, 1914, in which he gave you the names of the makers of the glasses supplied by Birkett?—A. Yes, sir.

Q. In your opinion, there are obvious errors in that statement?—A. You refer to Colonel Hurdman's statement?

Q. Yes?—A. Yes, sir.

Q. Have you known Colonel Hurdman for some time?—A. Yes, we knew him when he was in the retail jewellery business with Olmstead.

Q. What do you think of his ability to inspect glasses and to perform the duties that were allotted to him with respect to this work?—A. Colonel Hurdman has not only been in the jewellery business handling binoculars, and where specially that class of work was done, but he has been on the field using glasses, and I do not know any man who has a more thorough knowledge as to what the efficiency of a glass should be.

[Binoculars—Ellis.]

I think he is thoroughly capable. I may say further, that so far as P. W. Ellis & Company are concerned, that in all their transactions with Colonel Hurdman, in the data and manner in which he kept record and track of everything, we found him most accurate and efficient.

Q. That being so, does it not make it all the more obvious that in his letter to you of the 22nd of October, when he was giving the names of the glasses supplied by Birkett, that he must have confused the names with other glasses?—A. Certainly, that letter to me is very confusing and surprising. It certainly gives specific names of glasses that were there and were not on the invoice. It certainly speaks as to the price being reasonable.

Q. It is a mere matter of inference, of course, but would your opinion be, from what you have already told us about Colonel Hurdman's experience and knowledge, that this mistake, if there was a mistake, arose through overwork or confusion of glasses rather than from inexperience and ignorance?—A. I do know this: from what Mr. Mason was continually telling me that the staff were working into the small hours of the morning, they were tremendously overworked. They had more to do than they should have or could accomplish efficiently, and that may be the reason. Of course it is not for me to say.

Q. That was reported to you by Mr. Mason?—A. Yes, sir.

Mr. THOMPSON: I will call Mr. Mason on that point.

ALFRED MASON, of the city of Toronto, already sworn, recalled.

By Mr. Thompson:

Q. Mr. Mason, during the time you were engaged in this contract and securing glasses from the Government, were you in Colonel Hurdman's office on a number of occasions?—A. Yes, sir.

Q. Can you tell me on about how many occasions you were there?—A. A great many occasions, I cannot say how many.

Q. Did the staff appear to be very busy?—A. They certainly gave me the impression of being very much overworked.

Q. How did Colonel Hurdman give you that impression?—A. He could scarcely get time to get his attention for any length of time to consider the matter in question, whatever it was, from time to time as things came up. People were constantly coming in, and there were numerous inquiries of all sorts, and the phone was ringing continuously with inquiries coming up, and I myself was surprised that he could continue the work.

Q. And were there various persons employed in the Militia Department in his office, in connection with their duties?—A. In the adjoining offices and all through the inspection department, there were.

Q. What was your general idea as to their duties?—A. I knew nothing as to their specific duties.

Q. I refer to the number of duties they had to perform?—A. They struck me as all being overworked, but the heavy end seemed to fall upon the inspector, Colonel Hurdman, by long odds.

Q. Would it appear to you, therefore, a reasonable explanation for that obvious error in Colonel Hurdman's letter of October 22, in which he gave the names of glasses supplied by Birkett, which quite obviously were not on Birkett's list?—A. I can think of no other reason.

Q. Would that be a very possible explanation?—A. I would say it would be a very possible reason. I can think of no other reason.

Q. Colonel Hurdman was inspecting a very large number of glasses; he has stated that he examined them all personally?—A. Yes, sir.

Q. He had no technical apparatus there to enable him to make the inspection,

[Binoculars—Mason.]

and I think he said he took them up by the Supreme Court here where he was able to observe some object at a distance, would you say it was quite possible or probable that in making these examinations he confused the glasses supplied by Birkett with glasses supplied by other persons?—A. I would say it was possible owing to the tremendous number of glasses that accumulated in the department. The inspection department room would be piled three or four feet high with cases and glasses.

Q. Did you ever render any assistance to Colonel Hurdman?—A. I did.

Q. In the matter of the binoculars?—A. I did, in changing the glasses from their original black cases into light tan cases.

Q. Why did you render that assistance?—A. Simply because I understood from Colonel Hurdman that the Militia Department demanded everything that could possibly be done and I was in his office at that time and rather than just remain there in conversation with him, I assisted him for possibly an hour or two.

The witness retired.

COLONEL W. G. HURDMAN, of the city of Ottawa, already sworn, recalled:

By Mr. Thompson:

Q. The Commissioner, Sir Charles Davidson, asked you, Colonel Hurdman, if the glasses were supplied by the department free of charge to the officers, or whether the officers were charged for them, can you speak as to that?

The WITNESS: I called up the principal Ordnance officer, and he informs me that according to Militia Order 202, 1915, the officers, if they want to get their glasses from the department, have to pay \$40 for them, they have got to refund \$40.

Q. In another case that was under investigation here, the name of Colonel Jones was mentioned, on a number of occasions, can you state whether Colonel Jones is absent from the country or whether he is here?—A. He is absent from the country.

Sir CHARLES DAVIDSON: Where?

The WITNESS: I think he is in France, he is at the front, anyway, with the forces.

Sir CHARLES DAVIDSON: Colonel Hurdman, if it would not inconvenience you as regards your duties, you might be here on Monday at two o'clock.

The witness retired.

ALEXANDER TAYLOR, of the city of Ottawa, hardware clerk, already sworn, recalled:

By Mr. Hill:

Q. Mr. Taylor, in your evidence that you gave before, you told us that you returned from New York on the morning of Tuesday, the 29th of September?—A. Not Tuesday the 29th, I think it was Thursday.

Q. When did you arrive in New York, the first time you were down there? You went on Saturday the 26th and Mr. Bilsky came up on the evening of the 28th?—A. Yes, sir.

Q. And you left the next evening, Tuesday, the 29th?—A. Yes.

Q. And you arrived here when?—A. Wednesday morning.

Q. That would be the 30th of September?—A. Yes, sir.

Q. Did you go to Birkett's office to work during that week?—A. No, sir.

Q. Why?—A. I was on my holidays.

Q. Were you in the building of Thomas Birkett & Son Company, on Thursday, the 1st of October?—A. No, sir.

[Binoculars—Taylor.]

Q. You received a telegram from Mr. Harris on that day?—A. Yes, sir.

Q. Do you remember what you did with that telegram?—A. Opened it, and read it, and phoned it to Mr. Birkett.

Q. So that if Mr. Mason stated he saw you in the building of Thomas Birkett & Son Company on the 1st of October, he would be mistaken?—A. It is impossible, I was not there.

Q. You were on your holidays?—A. I was on my holidays.

Q. The telegram was from Milton Harris, where was it delivered to you?—A. At my own house where I board.

Q. How was it delivered there?—A. Well, by a boy, I suppose.

Q. But how did it come to be delivered there?—A. I cannot explain unless I gave my address to Milton Harris.

Q. There is a telegram read into the evidence dated October 1 to you from Milton Harris, where is that addressed to you at?—A. 55 Church street, Ottawa, Ont.

Q. How would Milton Harris know where your address was?—A. I do not know unless I told him.

Q. You must have told him?—A. I must have told him, yes, sir.

Q. What time was that telegram received?—A. I do not know, I am not in the habit of receiving telegrams.

Q. There is marked on it "12.30 p.m." at the corner there, do you see that?—A. Yes.

Q. You told us that you accompanied Mr. Birkett to Mr. Bilsky's office in the afternoon of September 26?—A. Yes, that is the day I went to New York.

Q. Did you go into Bilsky's store?—A. Yes, sir.

Q. Just tell us what occurred when you were there at the store?—A. Mr. Birkett and I went into the store and Mr. Bilsky took us into his small office and they started talking.

Q. What were they talking about?—A. Talking about profits and expenses. Finally Mr. Birkett put his hand in his vest pocket and he pulled out a little piece of paper.

Q. How big a piece of paper?—A. I do not suppose it would be more than a couple of inches square, it was rolled up or folded up small, and they talked away and talked away.

Q. What were they talking about?—A. Talking about profits, how they were going to divide them, and the expenses.

Q. Did Mr. Bilsky have that little paper in his possession?—A. I cannot say that.

Q. Did Mr. Birkett read him the paper?—A. I cannot say that, I know that they had the paper between them. And finally I was going out, and just as I was going out Sam Bilsky said: all right, that he would have it typewritten. He took the piece of paper and went upstairs with it and Jack Bilsky and I went out.

Q. How long was it from the time the conversation started between Mr. Bilsky and Mr. Birkett until Mr. Bilsky went upstairs?—A. Oh, less than five minutes, I should judge.

Sir CHARLES DAVIDSON: Has Mr. Taylor fully explained as to the erased lines?

Mr. HILL: He says he went upstairs.

Sir CHARLES DAVIDSON: But he signed it.

Mr. HILL: He signed it when he came back.

Sir CHARLES DAVIDSON: Has he stated what these erased lines meant?

By Mr. Thompson:

Q. Did you sign the paper before you left the premises?—A. Yes, sir, I signed second.

Q. Were you there in the office in the presence of Birkett and Bilsky when the agreement or the document was brought down from upstairs?—A. No, sir.

[Binoculars—Taylor.]

Q. Was it in their possession when you arrived?—A. It was.

Q. Had they already signed?—A. One of them.

Q. Who?—A. Mr. Bilsky.

Q. Did you observe, when you were signing, whether the words were erased which you now find erased?—A. Yes, sir, they were erased.

Q. Did you ask who had erased them?—A. I did not, sir.

Q. Did you hear any discussion as to the erasure?—A. Only that they had come to terms and Mr. Bilsky was to get five dollars and pay his own expenses.

Q. Did you hear any reason why these words were erased?—A. No, sir.

Q. And you did not ask?—A. I did not ask, we had to catch the train fast.

Sir CHARLES DAVIDSON: Did you hear Colonel Hurdman's name mentioned.

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: And you did not read it?

The WITNESS: Mr. Birkett told me they had come to terms, and Mr. Bilsky's signature was on.

Sir CHARLES DAVIDSON: Did you read the agreement?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: The erased lines did not attract your attention?

The WITNESS: I was told to initial them.

By Mr. Thompson:

Q. I suppose, Mr. Taylor, your position was really this: that Mr. Birkett was financing the undertaking and you were trusting to his shrewdness?—A. Certainly, I did not consider my name should have been there at all.

The witness retired.

T. M. BIRKETT, jr., hardware merchant of Ottawa, already sworn, recalled:

By Mr. Thompson:

Q. Have you prepared a statement, Mr. Birkett, showing how much you paid for the various glasses and what you received, and what you paid out in respect to the venture?—A. Yes, sir.

Paper filed as Exhibit No. 35.

Q. Have you given in this statement, Exhibit 35, all the details as to the various glasses?—A. I have not specified the names, Mr. Thompson, because the invoices did not give me that information. My statement, if I remember aright, reads just the same as Mr. Ellis read, although I did not know that he was preparing one.

Q. You have not shown in this statement, Exhibit 35, what the B. & L. glasses cost you?—A. No, sir.

Q. Or what the megaphos glasses cost you?—A. I took them on the average, that is already here in evidence, the invoices are all here.

Q. But what the Commissioner wants you to prepare is a statement, showing how much you paid for the various class of glasses, and that you will find set out in the invoices from Milton Harris?—A. No, sir.

Q. Because they did not give any particulars and that they simply invoiced them as "Only" binoculars?—A. Yes, sir, I could not give the information.

Q. And in your statement here, Exhibit 35, you put them all down as "only" glasses?—A. Yes, sir.

Q. Whereas the invoice from Milton Harris gave quite a lot of information as to what you paid for Colm, stereophos, megaphos, B. & L., and Zeiss. Before we close the case, will you prepare a statement showing that, and in the meantime, will

[Binoculars—Birkett.]

leave this statement on file—does this statement, as it is, principally show your financial dealings in this matter?—A. Precisely.

Mr. THOMPSON: The statement is of value for that purpose.

By Mr. Hill:

Q. When did you first start doing business under the name of the Keystone Supply Company?—A. Somewhere in the latter part of 1911.

Q. Did you have contracts with the Government under that name, since 1911?—A. Yes, sir.

Q. By tender or otherwise?—A. All by tender.

Q. All by tender, with the exception of this contract?—A. When I accepted this, I had discontinued the Keystone Supply Company; I did not wish to enter into any more contracts. I was busy enough with my own business and that was simply a little side line that I started. This contract I accepted, and explained as fully as I could to Mr. Mason that it was entirely a transaction with me. I was particular in that, and I mentioned that my firm was not in it in any one way, shape, or form, I said he was dealing with me personally.

Q. Why did you invoice them under the name of the Keystone Supply Company?—A. I had not a bill-head under any other name, and I had some of these bill-heads there and I simply used them; not for any other reason whatever.

Q. It was with no intention to deceive any one?—A. Absolutely, no. I think there must be a letter on file in which I stated, when the Messrs. Ellis had written under the name of Thomas Birkett & Son Company, in which I directed attention to that and made a contradiction.

Mr. HILL: That letter is on file.

The witness retired.

MATTHEW C. ELLIS, of the city of Toronto, wholesale jeweller, recalled; already sworn:

By Mr. Thompson:

Q. Mr. Ellis, what would you have considered a reasonable profit for Birkett to have made on the seventeen dollar glasses laid down here, what would you have considered a fair price to have charged the department?—A. \$17 in the States and ten per cent on that cost would be \$18.70; the duty on \$18.70 would be \$23.38, laid down—at the outset, twenty-five per cent added to that.

Sir CHARLES DAVIDSON: How much would that leave the cost here?

The WITNESS: \$23.38.

Sir CHARLES DAVIDSON: That would be the cost to Birkett laid down; how much did he receive for the glasses?

The WITNESS: He received \$52 for them.

By Mr. Thompson:

Q. What would have been a reasonable price to have turned such a glass in to the department at?—A. Not more than \$30.

Q. What percentage are you allowing on that?—A. I am allowing, at the outside, twenty-five per cent.

Q. Would you speak of the other glasses in the same manner; some of them cost him much higher than \$17. What do you say would have been a fair average to turn them all in to the department at?—A. Not over twenty-five per cent.

Q. Not over twenty-five per cent on the average of \$25.53?—A. Yes.

By Mr. Hill:

Q. Of course, you would add to that his expenses?—A. I think twenty-five per cent should cover all that, I said in figuring his cost, travelling expenses and expressage.

Q. That should be added?—A. I think that would be fair.

By Mr. Tilley:

Q. What do you mean figuring his cost?—A. We figure an article costs us, first, what it is invoiced at; next, there is always expressage and freight, which we add. Of course, it does not often occur in business that there is travelling expenses in connection with a particular article. The travelling expenses, as a rule, are lumped with the whole.

Q. But that would not apply here?—A. In this special instance he went to New York, and it is fair to add his expenses; if he is going to find his profit that should be added.

Sir CHARLES DAVIDSON: There would be no expense in so far as the understanding with Mr. Ellis is concerned, that he had the glasses under his control?

The WITNESS: That would not necessitate his going to New York. If we had known he had to go to New York to get the glasses we would not have entered into that agreement with him.

Sir CHARLES DAVIDSON: He would be a competitor with you?

The WITNESS: Certainly, he was interfering with us. We were paying \$52 for what he specified to supply.

By Mr. Tilley:

Q. And in this calculation you allow nothing for expenses?—A. I have not.

Q. If you were allowing for the expenses you would add the expenses to the cost?—A. I would add whatever it cost him to go to New York, and the expressage coming here and so on, and it would probably come to \$36. I daresay fifty cents each would cover his expenses on the whole lot. It would come to \$36 or it might come to a little more than that.

Q. And you would take twenty-five per cent on that as being the cost?—A. Yes.

By Mr. Thompson:

Q. As a matter of fact, if Birkett did supply the quality, make and m/m. size of glass, which you supposed him to have been supplying, could he have bought these glasses and made a profit of twenty-five per cent by turning them in to the Government at \$52?—A. He could not, unless he had a very advantageous and exceptional purchase.

Q. If he had the glasses under his control in New York, as you thought he had when you made the contract for \$52, he would not have had anything like a profit of twenty-five per cent in the deal with the Government, according to your opinion?—A. He would not.

Q. Is that correct?—A. Correct. As a buyer, I was anxious to get the best goods I could for the Government, at the lowest prices, and if he was keen to give them at a low price, I wanted that advantage for the Government.

Q. It was because you knew \$52 was a very close price, that you made that contract with him?—A. For that quality of glass at that price, exactly.

Mr. THOMPSON: That is all to-day, sir.

The Commission adjourned until Monday next, the fifth of July, at two o'clock in the afternoon.

OTTAWA, Monday, July 5, 1915.

PRESENT:

SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,

As Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

The Commission met this afternoon at two o'clock.

At the sitting of the Commission.

Mr. THOMPSON, K.C.: With regard to the binocular case, sir, Mr. Ellis the other day, in reply to a question of mine as to why he did not buy a number of glasses from the Consolidated Optical Company, stated that he had obtained from them all that they had to sell. I asked the question, because Mr. Bilsky stated that he had an offer of one thousand glasses from them, and it was in reference to that Mr. Ellis stated—I am reading from page 564 of the record—

When he says he could get a thousand glasses from the Consolidated Optical Company, he speaks what is not true. We were getting all the glasses from the Consolidated Optical Company, all the glasses they had from Bausch and Lomb. I asked the Consolidated Optical Company why they even delivered some twelve to Bilsky as they were all promised to us. They said the reason was that Bilsky had written to them a very urgent message that he wanted twelve for presentation to military officers at Ottawa. That was the only reason he got even the twelve.

Mr. Bilsky asked me to put in a letter which he received from the Consolidated Optical Company, addressed to him, and dated, Montreal, September 14, 1914; it is follows:—

CONSOLIDATED OPTICAL COMPANY, LIMITED,
MANUFACTURERS OF "CONSOL" PRODUCTS.

MONTREAL, Sept. 14, 1914.

Messrs. M. BILSKY & SON,
Ottawa, Ont.

Attention of Mr. S. Bilsky:

GENTLEMEN:—Your prism binoculars will go forward to-morrow. If you can anticipate your requirements on these goods, or can use another dozen of them at once, let us know immediately, as both the supply and demand will cease in a few days, but the supply is more likely to cease than the demand.

Wire us if you contemplate further requirements in this line.

Yours very truly,

CONSOLIDATED OPTICAL CO., LIMITED.

T. F. BUTLER.

This letter was filed as Exhibit No. 36, Binoculars.

7131—16½

Mr. Bilsky asked me to put in that letter, to show it is not quite correct, as stated by Mr. Ellis, that he had obtained these glasses from the Consolidated Optical Company on the representation that they were for presentation to officers.

Sir CHARLES DAVIDSON: Would it not be more regular to have Mr. Bilsky produce this?

Mr. SAM BILSKY, jeweller, Ottawa, already sworn, was called:

By Mr. Thompson:

Q. Is this a letter you received from the Consolidated Optical Company, and which has been marked as Exhibit No. 36?—A. It is.

Q. Did you write to the Consolidated Optical Company, asking them for twelve glasses for presentation to be made to officers of the force?—A. I did not.

Q. Had you any previous correspondence with them?—A. No.

Q. Had you any correspondence prior to the letter which has been marked as Exhibit No. 36, with reference to binoculars?—A. No sir, I had not.

Q. You evidently had some communication with them, either verbal or written, because they had evidently sent you some binoculars prior to the date of this letter?—A. I had, through their representative, Mr. Butler, who was in my office on Labour Day, the first Monday in September.

Q. Was that the occasion on which you asked him for twelve binoculars?—A. I asked him to send us up a dozen.

Q. Did you state for what purpose you wanted them?—A. No, just seeing if I could carry them in stock and sell them, if I had an opportunity to sell them.

Q. Did not you tell them they were for some special purpose?—A. I did not.

Q. You did not tell him they were for presentation to officers?—A. I did not.

Q. Did the agent of the Consolidated Optical Company offer you these glasses, or did you have to use some persuasion to get him to part with them?—A. He offered them, the same as he has offered them for years before.

The witness retired.

Mr. THOMPSON: There was some little conflict, sir, in the evidence, apparently with reference to the condition in which the agreement between Birkett, Taylor, and Bilsky, was executed. At the suggestion of Mr. Beament, I will call Mr. John Bilsky, who is stated to have taken the draft agreement upstairs to have it typewritten.

JOHN BILSKY, jeweller, of the city of Ottawa, sworn.

Examined by Mr. Thompson:

Q. You are a brother of Mr. Sam Bilsky, are you not?—A. Yes.

Q. Are you employed in the same shop?—A. Yes, sir.

Q. Were you present during the discussion which led up to the signing of the agreement between Birkett, Bilsky and Taylor?—A. No, sir, I was not present.

Q. What was the first you knew about that?—A. About the agreement?

Q. Yes?—A. Practically the only thing I knew about the agreement was that I was called into the office to bring the agreement up to our office upstairs, to have it typewritten.

Q. Who handed it to you?—A. Mr. Bilsky handed it to me.

Q. Will you describe the document which was handed to you?—A. I cannot very well describe it.

Q. What size was it?—A. I have no idea.

Q. Was it the size of a newspaper?—A. No, sir.

[Binoculars—Bilsky.]

Q. Was it the size of a postage stamp?—A. No, sir, it was an ordinary bit of paper.

Q. What would you call an ordinary paper, was it larger than an envelope?—A. I should think it was.

Q. Can you state more accurately what the size was?—A. I cannot, no.

Q. You have no idea what the size of it was?—A. No, sir.

Q. Did you look at the handwriting?—A. I may have at the time.

Q. Do you recollect now in whose handwriting it was?—A. No.

Q. To whom did you hand it?—A. After it was typewritten?

Q. No, when you took the paper upstairs?—A. I handed it to Miss Grant, the stenographer.

Q. What more do you know about it; did you take it downstairs afterwards?

—A. I did.

Q. Were you there while she copied it?—A. I was upstairs while she copied it, yes.

Q. Did you see them sign this document which is marked as Exhibit No. 25?

—A. You want to know if I saw them sign it?

Q. Yes. Did you see them sign this document which is marked as Exhibit No. 25?—A. I did not.

Q. Is that your name as a witness?—A. It is.

Q. If you were present when the document you took upstairs was being copied on the typewriter, can you state whether this is the result of the stenographer's work?

—A. Yes, that is the original, the other there is a duplicate.

Q. Which is the original?—A. No. 25 is the original and No. 24 is a carbon copy.

Q. After it was written did you take it downstairs, or was it sent downstairs?

—A. I took it downstairs.

Q. Were you in the room when all three of them signed?—A. No.

Q. Whom did you see sign the document?—A. I did not see any of them sign it. I was called in to the office to witness the signatures.

Q. When you brought it downstairs, did you leave the office or did you remain there?—A. I left the office, in fact I was not inside the office when I brought it back.

Q. What did you do?—A. Handed it in.

Q. Did you notice the erasures when you signed as witness?—A. I must have signed, yes.

Q. Did you notice the erasures at that time?—A. I think I did.

Q. Did you?—A. I think so.

Q. Can you say that you did?—A. Why, yes.

Q. Are you sure you are not speaking from recollection now?—A. No.

Q. Was there anything said in your office as to who had erased the words?—A. No, there was not any conversation when I was there.

Sir CHARLES DAVIDSON: Then you do not know why the erasures were made?

The WITNESS: No, sir, I do not know anything further about it.

By Mr. Beament (for Mr. Bilsky):

Q. How long were Mr. Birkett and Mr. Bilsky in the office before they called you in to give you this paper?—A. I should think only a very few minutes.

Q. Five minutes?—A. Oh, it might be eight minutes, between eight and ten minutes.

Q. Where was Taylor during this time?—A. Mr. Taylor was out.

Q. Mr. Taylor was out?—A. Yes.

Q. Did not you go out with him?—A. No, sir, I did not.

By Mr. Thompson:

Q. Did you not go out with him and go around to the King Edward Hotel with him?—A. I did not.

[Binoculars—Bilsky.]

Q. Did you not go out that afternoon with him?—A. Not with Mr. Taylor. When Mr. Taylor was out I was upstairs having this contract typewritten.

Q. Mr. Taylor has told us that you and he went out and had a cigar at the King Edward Hotel?—A. That is not right. Taylor came back and handed me a cigar in the store.

Q. You did not go out with him?—A. No, sir.

Q. Did you hear any of the conversation that went on between Mr. Birkett, Mr. Taylor and Mr. Bilsky in the office?—A. Not a word.

Q. You say they were there at least eight minutes prior to giving you the paper?—A. I should judge about that time.

The witness retired.

TILLY GRANT, book-keeper and stenographer, of the city of Ottawa, sworn:

Examined by Mr. Thompson:

Q. Miss Grant, were you employed in the shop of M. Bilsky & Sons in September of last year?—A. Yes.

Q. What is your occupation?—A. I am a book-keeper.

Q. You act as stenographer, too?—A. Yes.

Q. Do you recollect, in September of last year, Mr. Sam Bilsky bringing you a document to have it copied?—A. No, not Mr. Sam Bilsky, Mr. Jack Bilsky.

Q. Do you recognize Exhibit No. 25 as the document which you copied?—A. I cannot say that I do.

Q. Would you recollect the document from which this Exhibit No. 25 was occupied?—A. I cannot say that either, because I do not do the regular stenographic work; I just did that.

Q. Did you copy faithfully the document which Jack Bilsky brought up to you to copy?—A. I did.

The witness retired.

T. M. BIRKETT, hardware merchant, of the city of Ottawa, already sworn, recalled:

By Mr. Thompson:

Q. Mr. Birkett, you told us that the Keystone Supply Company was organized in the autumn of 1911?—A. Yes.

Q. Who were the Keystone Supply Company at that time?—A. Myself.

Q. Who else?—A. No person else.

Q. No person whomsoever?—A. No, sir.

Q. Are you an incorporated company?—A. No, sir.

Q. Just a trade name?—A. That is all.

Q. Are you registered?—A. No, sir.

Sir CHARLES DAVIDSON: What is your law in Ontario; are you bound to register under penalty?

Mr. THOMPSON: A partnership has to be.

Sir CHARLES DAVIDSON: Yes, but in this case, for example?

Mr. THOMPSON: It would have to be registered in the Registry Office; that is, the partners' names have to be set out and the interests.

By Mr. Thompson:

Q. Have you, at any time since 1911, when this Keystone Supply Company was formed, had—

[Binoculars—Birkett.]

Mr. HILL (For Mr. Birkett): I do not wish to make a needless objection, but I think, Mr. Thompson ought to confine his examination into war contracts, because under your commission, sir, we are only investigating contracts relating to militia purchases since the war broke out. I submit we should not go beyond that.

Sir CHARLES DAVIDSON: This is a statement which has some adjacent relevancy to other statements made by the witness before. I do not know how far Mr. Thompson may be desirous of further elucidating the matter; it is a matter of no importance, Mr. Hill, in any event.

Mr. HILL: I do not know what my learned friend, Mr. Thompson, is going into, but I thought I would call attention to it.

Sir CHARLES DAVIDSON: It is a relevant question.

Mr. THOMPSON: I do not purpose investigating any of their transactions prior to the declaration of war.

Sir CHARLES DAVIDSON: You can go on.

By Mr. Thompson:

Q. Have you, at any time since 1911, had any associates, as shareholders, in your profit in the Keystone Supply Company?

Mr. HILL: My lord, I object.

Sir CHARLES DAVIDSON: Why, Mr. Thompson, do you go to a date previous to these contracts?

Mr. THOMPSON: My information, whether well-founded or not, is to the effect that there were partners or associates, and I wish to ascertain just the exact date in which Mr. Birkett would appear to be the sole owner of the Keystone Supply Company. However, if your lordship objects—

Sir CHARLES DAVIDSON: It may not be undesirable to bring it out, Mr. Thompson; there may be a continuity of interest.

Mr. THOMPSON: Exactly, sir, that is what I was aiming at. The question was repeated.

Q. Have you at any time since 1911, had any associates, as shareholders, in your profit in the Keystone Supply Company?—A. I have shared on a couple of occasions.

Q. Who were the shareholders in the profits?

Mr. HILL: It does seem to me, my lord, that this is very far afield. If they were sharing in any war contract or any contract with the Militia Department since the commencement of the war, there would be justification for asking that question. Surely if a man deals, for instance with the Department of Public Works, and has an arrangement with another party, that has nothing to do with this inquiry.

Sir CHARLES DAVIDSON: Mr. Thompson has made the statement that possibly there was continuity of interest, even if there was a disappearance of the partners' names.

Mr. HILL: I submit that that has nothing to do with this contract. You know, my lord, that as soon as a name is mentioned in this investigation, there is more or less suspicion—perhaps suspicion is not the right word to use—there is more or less questioning about the matter. I would be quite willing to confer with my learned friend, Mr. Thompson, and perhaps we can give him the information he desires, but it seems to me we are going far afield now.

The WITNESS: If the Commissioner would allow me to make a statement.

Sir CHARLES DAVIDSON: Oh no, it is a matter between counsel so far. What do you say, Mr. Thompson? With a question of that kind going unanswered, suspicions are naturally accentuated, and perhaps it had better be brought out.

The WITNESS: I have nothing pertaining to war contracts whatsoever in connection with the Keystone Supply Company. As I explained before you, my lord, the other day, I used their bill-head simply because I had not any other one to use; that is

[Binoculars—Birkett.]

the only reason why the Keystone bill-head was used. I have not had with any department a contract or an order for the Keystone Supply Company since the war started, and have not solicited any.

Sir CHARLES DAVIDSON: Save this one.

The WITNESS: No sir, I solicited that and took it in my own name. As I explained, I had no bill-heads with my own name upon them and I had these in stock and that is the only reason why the Keystone bill-head was used, that is absolutely the only reason.

Sir CHARLES DAVIDSON: The witness has already stated that while he used the bill-heads of the Keystone Supply Company it was a transaction personal to himself.

By Mr. Thompson:

Q. Why did you use the name of the Keystone Company?—A. As I have said, for no other reason whatever, than that I had no bill-heads with my own name. I have explained to Mr. Mason, when he gave me the order; I said “Mr. Mason, you are dealing with me personally.” He mentioned my firm’s name, Thomas Birkett & Son Company, and I said “You are dealing with me exclusively, be particular about that, please.” They wrote their first letter to the company, intending it for me, and I contradicted that and said they should not have written in that way.

Sir CHARLES DAVIDSON: The witness has been emphatic as to that distinction with respect to his firm and himself.

Mr. THOMPSON: That is Thomas Birkett & Son, Limited, as distinguished from T. M. Birkett.

Sir CHARLES DAVIDSON: Yes; the explanation became more shadowy when he was asked why he used the Keystone Company.

The WITNESS: I think you put the question to me, your lordship.

Sir CHARLES DAVIDSON: The explanation to my question became more shadowy when I asked why the Keystone Supply Company’s name had been used.

By Mr. Thompson:

Q. Could you not have carried on your correspondence with Ellis as T. M. Birkett without using the stationery of another firm?—A. I could have used plain paper, certainly.

Q. It was rather inconvenient was it not, because the mail of the Keystone Company is directed to be sent to a post office box, which would necessitate your calling for it?—A. That is in my name as well; all mail addressed to me goes there too.

Sir CHARLES DAVIDSON: You might refer to a letter, in which the witness objected to the use of his personal name, when he was addressed in the letter, by Ellis, in which I think he said something to the effect that he desired it to be understood that it was the Keystone Supply Company and not himself.

The WITNESS: I do not think I used that language.

Sir CHARLES DAVIDSON: Perhaps not.

The WITNESS: What I did say was that the letters were not to be addressed to my firm, Thomas Birkett and Son Company.

Sir CHARLES DAVIDSON: Perhaps so.

By Mr. Thompson:

Q. I will read the letter of the 14th of October addressed to the P. W. Ellis Company by the Keystone Supply Company, which reads:—

Your favour of the 13th to Messrs. Thomas Birkett & Son Company, Limited, has been handed to me, and in reply, my invoices for binoculars have been [Binoculars—Birkett.]

rendered to the department under the above heading as you have mentioned, etc.

Have you, since the declaration of war in August last, had any contracts with the Militia Department under the name of the Keystone Supply Company?—A. No, sir.

Q. Is any person or persons entitled to any share, either directly or indirectly, in the profits of this binocular contract, other than Bilsby, Taylor and yourself?—A. You ask are there any others?

Q. Yes?—A. No, sir.

Q. Not directly or indirectly?—A. No, sir.

Q. Have you made any promise to pay anybody any of the profits arising from this contract, other than those mentioned in the agreement?—A. No, sir.

Q. You have sold, Mr. Birkett, have you not, quite a lot of material to the Militia Department since the outbreak of war?—A. No, sir.

Q. Not personally?—A. Not a cent.

Q. Was it all in the name of T. M. Birkett & Son?—A. Might I say that there is no such firm as that, there is Thomas Birkett & Son Company.

Q. Were all the transactions in the name of that company?—A. Yes, sir.

Q. What about the lumber supplied, did you supply that or did your firm supply it?—A. I do not know of any having been supplied. There were some large blocks and there was a little lumber supplied, but that is all.

Q. Was that your own contract?—A. No, sir, that was supplied by the firm. It came on an order for some other material and we said we did not have it, and they asked us to get it and deliver it at the same time as the other order, and we did so.

Q. You say you had no other contract with the Militia Department?—A. Myself personally?

Q. Yes, with the Militia Department?—A. Absolutely no.

The witness retired.

Mr. HILL: I understand from Mr. Thompson that this concludes the evidence about the binocular matter. Mr. Birkett asked me if I would read this statement to you, sir:—

At the conclusion of the investigation by the Public Accounts Committee into Mr. Birkett's dealings with the Government respecting the binoculars, he felt that he was subjected to unmerited criticism and suspicion, on accusations against him made during the investigation:—

Firstly, that he had sold the Department of Militia and Defence inferior and shoddy binoculars, thereby endangering the lives of the officers and men of the Canadian Expeditionary Force, and

Secondly, that he had bribed or attempted to bribe an honest and trustworthy official of such department.

In view of the serious nature of these two accusations and the extremely painful position in which Colonel Hurdman was placed, he did not feel that it would be proper for him to repay, or to express any willingness or desire to repay any amount which he had received from the Government before a complete investigation was made. To have done so at that time would have cast upon him the reflection that he was endeavouring to burke further inquiry or other action by the Government.

Mr. Birkett accordingly wrote the Right Honourable the Prime Minister on the 12th of April, 1915, asking for a full investigation before a judicial official, and pledging himself to assist in every way possible the carrying out of the same.

I would respectfully submit to you, Mr. Commissioner, that my client has faithfully carried out his pledge to the Right Honourable the Prime Minister, contained in this letter.

[Binoculars—Birkett.]

In view of the evidence of Mr. M. C. Ellis, as set forth in the official record, to this effect, namely, that the glasses were efficient and suitable for military purpose, and that he, Mr. Ellis, would have been pleased to purchase them, but at a lower price than was paid Mr. Birkett, Mr. Birkett feels that he now has been cleared of the accusation that the binoculars which he had furnished to the department were of such an inferior quality as to endanger the lives of the officers and men of the Canadian Expeditionary Force. He is also confident that the accusation that he had bribed or attempted to bribe, or had any understanding of any nature whatsoever in that respect with Colonel Hurdman, will be found by you to be unwarranted.

Mr. Birkett now feels that he is in a position, without admitting any fraud or deceit on his part, to very properly declare his willingness to return to the Government any amount which you consider has been overpaid him. He, therefore, has instructed me to very respectfully request you, Mr. Commissioner, in drafting your report, to specify therein the amount, if any, which in your opinion was overpaid him, and he will very cheerfully forthwith pay such amount to the Government, together with interest from the date of payment to him.

As an evidence of Mr. Birkett's good faith and sincerity, he has asked me to hand to Mr. Thompson a cheque for \$1,000, with instructions to pay such amount to the Government as you may specify.

Mr. Hill then placed a cheque on the table before Mr. Thompson.

Sir CHARLES DAVIDSON: Mr. Thompson seems somewhat coy about that cheque.

Mr. THOMPSON: I notice that the cheque is made payable to my own order, so that I do not care to take it.

Sir CHARLES DAVIDSON: It would be hardly a proper way to make a return, to hand the cheque to counsel personally.

Mr. THOMPSON: I would suggest to my learned friend, Mr. Hill, that he should write a letter addressed to the commission, enclosing the cheque, and make it payable either to the Minister of Finance or to the Department of Militia and Defence. When Powell returned some \$6,300 to Mr. Morphy, Chairman of the Public Accounts Committee, that cheque was endorsed over to the Minister of Finance, and I think in this case it might be done that way.

Mr. HILL: I am quite willing to do that, but I would trust Mr. Thompson just as soon as I would trust the Minister of Finance. However, we are quite satisfied to make it payable to the Minister of Finance.

Sir CHARLES DAVIDSON: Well, I do not know that it is any part of my duty to receive that cheque, or to refer to it. I spoke of a certain appearance of coyness on the part of the learned counsel, and I was thinking as regards my own responsibility in the matter. Possibly the proper course for you, Mr. Hill, would be to return it to the department.

Mr. HILL: The only reason I made it payable to Mr. Thompson was that I do not know how much you would say, sir, there should be returned. I presume that if there was any balance left over Mr. Thompson would return it to us.

Mr. THOMPSON: A balance?

Sir CHARLES DAVIDSON: File your letter, and it will be considered in due season.

Mr. THOMPSON: I have here a statement made by Birkett, showing the various purchases made by him, and it appears under two different forms, and I was a little puzzled as to how the statement should be prepared. This statement could be compared with the one furnished by Ellis.

Sir CHARLES DAVIDSON: After a moment's reflection, Mr. Hill, quoad Mr. Birkett, I do not for a moment feel at all able to fix what it would be proper for him to return. I have to deal with the general question of the utter extravagance, the enormous and

[Binoculars—Birkett.]

monstrous profits in relation to a particular individual, but I do not know that it would be any part of my function to settle the question of financing between him and the department.

Mr. HILL: Mr. Ellis stated that twenty-five per cent would be a fair profit.

Sir CHARLES DAVIDSON: Why do you not rely on that and send your cheque to the department?

Mr. HILL: There are expenses to be allowed in connection with that, and we do not know how your lordship would feel about that. There were the expenses to New York, and things of that kind.

Sir CHARLES DAVIDSON: Well, Ellis covered all that specifically.

Mr. HILL: We will be very much obliged if your lordship, in your report, would specify what you think it would be proper to pay, and we will pay it.

Sir CHARLES DAVIDSON: I do not feel at the moment that it is possible for me to do so.

Colonel W. G. HURDMAN, Militia Department, Ottawa, already sworn, recalled.

By Mr. Thompson:

Q. The witness, W. J. Browne, stated that he offered you a cheque for thirty dollars, which you refused, did you report that to your superior officer in the department?—A. I did not report it to any one.

Q. Did you not consider that would be the proper course to pursue in a case like that?—A. I may say, Mr. Thompson, that he came into my office, and I was so dumbfounded that I told him to take the cheque away. I do not suppose he was three minutes in my office.

Q. Upon reflection, did it not occur to you that that would be the proper course to pursue, to report such an incident?—A. I do not know, probably it would have been better, but I was driven to death at the time and I was so dumbfounded.

Q. I ask you, did you not on reflection consider whether that should not be reported to your superior officers?—A. I do not know, as the way matters turned out, probably it would have been better.

Q. Did you consider the matter?—A. I did not consider it afterwards. As I told him at the time, I said "You put me in a very nasty position; that cheque was made out in your office that way, and the talk may get around and see what position you will put me in. It is liable to cost me my position in the department." After that, I did not discuss it or talk to him about it.

Q. Did it not occur to you that while you might be invulnerable in that respect, if a person like W. J. Browne were to visit others in the department and make a like offer they might succumb to the temptation?—A. I will tell you honestly what I think in the matter. W. J. Browne is a real estate agent and I understand it is customary with them to give commissions to those who bring them orders, and I suppose he was dealing with us in the same way, and that is honestly all I considered about it.

Q. Do you consider a real estate agent is a person with a different code of morality from others?—A. I do not mean that, Mr. Thompson, my understanding is that if I brought an order to W. J. Browne about real estate, on which he might make a big commission, he would pay something, and I suppose he thought this was the same thing. That is all I can make out of it. I felt very much annoyed and much worried about it. I felt worried to think that this cheque would be made out in a public office and it might be discussed anywhere, and it would put me in a very disagreeable position.

Q. So that your view, on consideration or reflection, was that Browne considered this offer of the thirty dollar cheque as a matter in the ordinary course of business?—

[Binoculars—Hurdman.]

A. I do not know in that way what he considered; it is done, I understand, in the real estate business.

Q. Was it because you knew he was a real estate agent and therefore possibly likely to make an offer of that nature, that you did not report him?—A. No, I state honestly and frankly, that I did not consider the question of reporting him. In fact, I had not thought of it in that way at all. No doubt, as it has turned out, it would have been better if I had done so, right at the time.

Sir CHARLES DAVIDSON: So far as my knowledge of the regulations and orders of the Canadian Militia goes, there is nothing which covers a point of this kind, is there?

The WITNESS: I think there is, there may be something in some military respect about it. I was, as a civil servant then, my lord. I came under the Civil Service. I am acting now in a military capacity, but I was a civil servant doing military work.

Sir CHARLES DAVIDSON: You are on the Permanent Force?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Have you not been on the Permanent Force?

The WITNESS: No, my lord. I have been in the militia of Canada for forty years.

Sir CHARLES DAVIDSON: And you are now?

The WITNESS: I am acting at headquarters now. Really I am acting in a permanent officer's capacity at the present time.

Sir CHARLES DAVIDSON: But this was a civil appointment you were acting in at the time.

The WITNESS: A civil appointment, my lord. As inspector of carriages it was a civil appointment. A civil servant.

Sir CHARLES DAVIDSON: You were not on active service at the time?

The WITNESS: No, my lord.

Sir CHARLES DAVIDSON: When did you come to be on active service?

The WITNESS: I was given employment in the middle of May, the 17th of May, and I am now in the office of the Director of Artillery, who is at present in France.

Sir CHARLES DAVIDSON: You are at the present time holding the military position of Director of Artillery?

The WITNESS: Yes, acting Director of Artillery, and I have two sons at the front in the ranks.

Sir CHARLES DAVIDSON: You came from civil life to serve Canada in the South African War, did you?

The WITNESS: Yes, that is fifteen years ago. I had been twenty odd years in the service before that in the militia of Canada. I was in the three branches of the service.

Sir CHARLES DAVIDSON: But not in the Permanent Force?

The WITNESS: Not in the Permanent Force at all.

Sir CHARLES DAVIDSON: You were never in the Permanent Force until May last?

The WITNESS: The Permanent Force was my service in South Africa. We were classed as permanent there.

Sir CHARLES DAVIDSON: And when you left that service you went back into civil life.

The WITNESS: Into civil life.

The witness retired.

Mr. THOMPSON: That concludes the evidence I have at present to offer on this matter.

Sir CHARLES DAVIDSON: What will you take up next, Mr. Thompson?

[Binoculars—Hurdman.]

Mr. THOMPSON: I would like to take up one of the cases mentioned by the Auditor General when he said: hospital uniforms had been supplied by an Ottawa contractor at a high price, and that the material was somewhat inferior material. I refer to the Mackenzie Company case.

Sir CHARLES DAVIDSON: Is the Auditor General here?

Mr. THOMPSON: The Auditor General will be here in a moment.

Mr. R. A. PRINGLE, K.C. appeared to represent the Mackenzie Company.

Sir CHARLES DAVIDSON: Are you interested in this case, Mr. Pringle?

Mr. R. A. PRINGLE, K.C.: Yes, I am only interested to this extent, that Mackenzie Limited are clients of mine.

Sir CHARLES DAVIDSON: I appreciated that from the outset, and I have given wide latitude in respect to the appearance of counsel; wider latitude than perhaps any previous commission has given.

Mr. PRINGLE: We are not complaining at all of what the Auditor General said; no doubt he said it for the best, but at the same time it is absolutely incorrect. We are only too glad to give him an opportunity of putting the matter fully before the Commission and before the public.

Mr. THOMPSON: I think we might proceed with the examination of Mr. Mackenzie.

Sir CHARLES DAVIDSON: Before you close, it would be desirable to have from the Auditor General the specific ground of his desire for an inquiry in this case; I think he mentioned this case only in general form.

Mr. THOMPSON: In general terms, yes, sir, and he stated he did so without having definite or accurate information before him.

Sir CHARLES DAVIDSON: You can call Mr. Mackenzie.

JOHN ANGUS MACKENZIE, manufacturer, of the city of Ottawa, sworn:

By Mr. Thompson:

Q. What is your company's firm name?—A. Mackenzie Limited.

Q. Are you a member of the firm?—A. Yes, sir.

Q. I understand you received a contract from the Department of Militia and Defence for the furnishing of some hospital suits?—A. Hospital clothing.

Q. Since the outbreak of the war?—A. Yes.

Q. What do you include under the term "hospital clothing"?—A. The hospital gown, the hospital jacket, and the hospital trousers.

Q. How many did you supply of these articles?—A. I supplied 16,676 garments; do you want each separately.

Q. Yes, how many jackets did you supply?—A. 4,170.

Q. At what price?—A. At \$3.50 each.

Q. How many trousers did you sell to the Department?—A. 7,278.

Q. What price were the trousers?—A. \$2.60 for some and \$2.70 for others; we got the higher price later.

Q. How many hospital gowns did you supply?—A. 5,228.

Q. At what price?—A. At \$4.50, \$4.70 and \$4.81.

Q. What was the total cost of the 16,676 garments that you supplied?—A. I have not made it up; my accountant can make it up if it is necessary.

Q. Were tenders called for for these garments?—A. Yes sir.

Q. Have you the request for the tender?—A. I have not, I thought the Auditor General might have that.

Q. You got them all by tender, did you?—A. All by tender. In the first place we tendered; we were asked to tender on the whole thing.

[Hospital Clothing—Mackenzie.]

Q. Are you sure about that?—A. Positive.

Q. Was the request to tender by telephone or by letter?—A. I think in the first place it was by phone. I tried to get every paper I thought you would ask me for, and I cannot find that. I might have it; I would not like to say we had not.

Q. When you tendered, did you submit a sample?—A. Yes sir.

Q. So that the Government knew exactly what they were buying and what they were getting?—A. Absolutely.

Q. Can you tell me what the material cost you which entered into the manufacture and make-up of these garments?—A. Yes sir, I have it all here.

Q. I would like you to show me the invoices of the material?—A. I did not bring all the invoices, they are strung over several months and some of them go two years back.

Q. Give me one invoice showing what you paid for material, a sample will do, I want to get an idea of the value of the material?—A. This here which I show you is the material that went in the largest portion of them.

Q. What did it go into; did it go into the trousers, jackets or gowns?—A. It went into everything, it had to be matched up, you know. The goods cost at the mill 27 cents a yard, and we had to have it dyed, you can see the invoice from Parkers for dyeing it, they charged us five cents a yard for dyeing it.

Sir CHARLES DAVIDSON: I suppose we need not, at the present moment, go very much into these details.

The WITNESS: I have it all here, sir.

By Mr. Thompson:

Q. I want to arrive at the profit; what did the material cost you per yard?—A. Thirty-five cents we figured it at.

Q. How many yards entered into the manufacture?—A. I have it here for each one specifically. I may say that the material was sent to that party.

Q. Who is that party?—A. The Royal Tailors.

Q. That is where you had some garments made up?—A. They supplied us with labour.

Q. In other words, you kept a check on what the Royal Tailors cost you; you looked after their honesty?—A. We always do that in business; I have all the papers here.

Q. I think it is good business, what is this statement that you now show me?—A. That is the cost of the trousers per dozen.

Q. That is the cost to you?—A. Yes.

Q. What did they cost per dozen?—A. They cost \$28.60 a dozen.

Mr. THOMPSON: The statement which the witness produces shows that the actual cost of the material to his company was \$26, to this is added a sum of \$2.60 for overhead charges, making the total cost to him amount to \$28.60 per dozen.

By Mr. Thompson:

Q. How much did you receive from the department?—A. \$31.20,

Q. What is your profit on a dozen trousers?—A. Well it shows there a profit of \$2.60 but in that \$2.60 there is nothing for me or nothing for the office, or nothing for capital, or none of that overhead charge in that statement.

Q. What do you mean by the \$2.60 overhead charges?—A. That is the factory overhead charge alone, and there is no firm in Canada figures on less than that, that is the lowest I have ever heard of; it runs from ten to twenty per cent.

Paper showing this information filed as Exhibit No. 38.

Q. Will you state what the jackets cost you?—A. The jackets cost us \$36.85 per dozen.

Q. How did you arrive at that sum?—A. There is 38 yards of material at 35 [Hospital Clothing—Mackenzie.]

cents, making \$13.30; 38 yards of canton flannel lining at 15 cents a yard, making \$5.70; then there are buttons, canvas, and tape per dozen, which cost \$1.25. We pay the Royal Tailors for labour, \$12. Then there was repairing, examining, pressing, stamping, and so on, that had to be added when it came back to our own plant.

Q. What does all that amount to?—A. \$33.50 actual cash paid out for a dozen.

Q. Then you have added 10 per cent which is \$3.35, what is that ten per cent?—A. That is the factory overhead charge. That only includes rent, light, heat and power factory supervision, waste, things like that, repairs to machinery.

Q. That amounts all told to \$36.85?—A. Yes, sir.

Q. How much were you paid per dozen for these articles?—A. \$42 a dozen.

Q. So that your profit per dozen is what?—A. \$5.15. That does not include the other charges I have referred to. We made more money on the jackets than on any of the other things. We were always lowest on them until our last tender, when we got the trousers and the gowns, but we did not get the jackets. It shows that our figures were right, compared with those of other people.

Q. What did the gowns cost you per dozen?—A. \$53.24.

Q. How do you make that up?—A. 72 yards of cloth at 35 cents a yard, 38 yards of canton flannel at 15 cents a yard, buttons, thread, canvas, and tape, \$1.25, paid the Royal Tailors \$15, examining, repairing, pressing, folding, and stamping, \$1.25.

Q. What does it all amount to?—A. \$48.40.

Q. Did you add anything for overhead charges?—A. Ten per cent.

Q. How much did that amount to?—A. \$4.84.

Q. Making a total of how much?—A. \$53.24.

Q. And what did you receive from the department for them?—A. \$54 per dozen.

Sir CHARLES DAVIDSON: That does not appear to be quite correct.

The WITNESS: It is absolutely correct, sir, and I will explain that if I may. If we had done that work in our own plant, I don't mind explaining that—

Sir CHARLES DAVIDSON: But this is the point, you sold them at \$4.50, \$4.70 and \$4.81. You apparently now want to strike an average price.

The WITNESS: Well, that is so. At this time we were only getting \$4.50 when we let out the work. When we got a higher price we did it all in our own plant at the higher money; we did not make any money on these at all.

By Mr. Thompson:

Q. Do you say you got a higher price when you did the work yourselves?—A. Yes, so we didn't make any money on these. We were not going to do it any more, and they asked us again, and we asked for more money.

Q. Did your material cost any more when you were getting the higher price, or did you buy your material at the same price, or was it material you had on hand?—A. We had this material on hand then.

Q. Had you material on hand for the full orders which you filled?—A. At the commencement of the war, no, sir.

Q. When you bought the material, did the material which you bought in one consignment, or in two consignments, suffice for all the gowns, jackets and trousers which you sold to the department?—A. Oh, no.

Q. Did the price increase or decrease?—A. The prices increased right along.

Q. Do you say that the price of cloth increased?—A. No, sir, because in the woollens they increased and in the cottons we bought them cheaper. We bought the canton flannel cheaper. The fact is, that the cottons went down and the woollens cost a little more.

Q. Have you the invoices?—A. Yes, I have everything here. The part I want to get out is this: we did sublet this work, Mr. Thompson. In this money that we paid to the Royal Tailors, you see that is charged to wages. You may ask why we did this, but you will see from my tenders that we got different orders. We did not get all the

[Hospital Clothing—Mackenzie.]

one order at the one time. We were doing lots of other work. This was a small matter; there were other bigger matters ahead. Take the flannel shirts and that was a much larger business altogether. To satisfy themselves, the department asked me what I could do and I told them, but they said they were from Missouri, and Mr. Burns came down and saw the stuff in our warehouse.

Sir CHARLES DAVIDSON: Who is Mr. Burns?

The WITNESS: He is the Assistant Inspector of Contracts and Inspector of Clothing. I showed him that we had the goods and we got the business. As you know, when the war broke out in August, every plant was running at its lowest capacity, and we were glad if our help took a holiday. We certainly were not operating over fifteen per cent of our plant, and although we had the plant capacity we did not have the help. When we got this work we advertised all over. Probably you all know we advertised in the Montreal papers. We sent our forelady and others to get skilled help. You could get all the green help you wanted, but that would not do for military work. We were glad to get anybody to work. They were rushing us for delivery, and we were glad to get anybody that could help us to get the goods out.

Q. You received this order at a time when you were rather short of hands?—

A. Yes.

Q. And it was for that reason you farmed the making of it out to the Royal Tailors?—A. No, I would not put it that way.

Q. Did you do the cutting-out in your own establishment?—A. No, we sent our tailor over there with our cutting machine. They were not responsible to the department; we had to take all the responsibility for it, and we checked these things over and they came back to our factory.

Q. Do you say that this Exhibit 38, the particulars of which you have just read to the commissioner, is true and correct?—A. I do, as near as possible.

Q. Is it a fair average?—A. It is.

Q. Have you calculated what your profit was on the jackets, gowns and trousers, taken as a whole?—A. I have never done it; it just fitted in with the rest of the work we were doing; we only take our profit once a year.

Q. But you calculated what these things cost you?—A. Yes, this Exhibit 38 is according to our calculation.

Q. I do not want your profit in dollars and cents, I want to know what percentage of profit it was that you made?—A. I think we made about ten per cent.

Q. However, I suppose that is immaterial, if you got your order by tender?—A. We are willing to let the Auditor General go down to our place and look at everything.

Mr. THOMPSON: I put in as Exhibit No. 39 invoices for payments made by Mackenzie, Limited, showing the cost of the material of the goods, the cost of dyeing and the cost of labour to outside firms, for making garments, etc.

Documents filed as Exhibit No. 39.

By Mr. Thompson:

Q. Had you ever made any hospital gowns, jackets or trousers previous to this?—

A. No, we had never made any previous to this.

Q. Had you ever tendered on any?—A. Yes, we tendered before.

Q. And did you receive an order?—A. No, sir.

Q. You were too high, were you?—A. Yes, sir.

Q. Do you know what price the Government had been paying for these articles?—

A. Yes, sir.

Q. How do you know?—A. From the Auditor General's report.

Q. What does the Auditor General's report say about that?—A. The gowns cost, in 1912, \$5.55, and the jackets, \$4.27; and in 1913 the gowns cost \$5.55, the jackets \$4.27, and the trousers \$3.23, about twenty-five per cent higher than my price.

[Hospital Clothing—Mackenzie.]

By Mr. Pringle:

Q. You refer to the Auditor General's Report for 1912, would that be the 1911 orders or the 1912 orders?—A. That would be for the 1911 orders.

Q. And you say the prices for the 1911 orders were twenty-five per cent higher than the prices you got in 1914?—A. Yes, sir.

By Mr. Thompson:

Q. You have referred to the Auditor General's Report as to the prices paid by the Government for these hospital suits, prior to the time that you received the order by tender?—A. Yes, sir.

Q. Can you tell me in what quantities these were ordered at that time?—A. They were about the same quantities as I tendered on, in the first place, about 300, or 200, of each, or something like that.

Q. But your present order has run into thousands?—A. Yes, but we tendered on that at different times.

Q. What was your first order?—A. Our first order was for 600 jackets, 400 gowns, and 600 trousers. It was not a big order, but you see how they came along; they knew we had the goods.

Q. Do you know what size order the Auditor General's Report refers to in 1912 and 1913?—A. I suppose it must be a duplicate of that.

Q. Do you know?—A. I could let you know; I could refer to the files.

Q. Do you know now?—A. I do not, I just was anxious about the prices and that is the information I brought up here.

Q. Can you tell us how the price of material compared in 1912 and 1913 with the price of material at the time you received these orders?—A. At the present time we are paying higher prices than we ever paid for that material.

Q. Did you purchase any of this material, that went into the gowns, jackets and trousers, as far back as 1912 and 1913; did you carry it in stock at that time?—A. Not regulation stuff, no. But we know from the men we bought from what their prices were years before. We tried to get back to that price, but they would not do it.

Q. And you say that the cost of material now is higher than it was at that time?—A. Yes.

Q. And, therefore, according to you, the margin of profit would be smaller now?—A. Certainly, I doubt very much if we made any money on hospital clothing at all, and I am anxious at any time to make a statement with regard to that, and if there are any accounts we have that the Government, the Auditor General, or any of his assistants, think should be brought to their notice, they can come to our office at any time and the files are there for them, either before the war or now.

By Mr. Pringle:

Q. What are the references to the Auditor General's Report that you have made?—A. Volume 2, page C-108 for 1912; and Volume 8, page C-132 for 1913.

By Mr. Thompson:

Q. Do you know of your own knowledge whether all these gowns, jackets and trousers were inspected by the Department?—A. I do.

Q. Who was the inspector, do you know?—A. We only know Mr. Caldwell, and Mr. Perkins, we would not know who would do the work.

Q. Do you know who actually made the inspection?—A. Absolutely no.

Q. Were any of your garments rejected?—A. Oh yes, they were.

Q. I hope they were not sent back by you in the same condition?—A. Well, if they were they would come back again. We were never paid for anything that was not inspected.

Sir CHARLES DAVIDSON: Mr. Auditor General, can you assist in any way with further questions; have you the evidence before you?

Mr. FRASER: No.

Sir CHARLES DAVIDSON: You will find at page 24 and page 30 some reference to this contract. Perhaps you would like to read what you stated with reference to these contracts.

The Auditor General read the reference at page 24 of the report.

By Mr. Thompson:

Q. What percentage of the garments were made in your shop and what percentage was farmed out?—A. About twenty-five per cent.

Q. Was farmed out?—A. There was none "farmed out"; I do not like that term.

Mr. THOMPSON: Perhaps I may be wrong in using that term.

Mr. PRINGLE: He utilized the labour of another firm, and he paid for it.

The WITNESS: And it all came back into our own factory.

By Mr. Thompson:

Q. Was the material supplied by you?—A. Yes.

Q. And you say about twenty-five per cent of the garments were made outside your factory by some one else; I did not intend to use the term that you farmed it out?

The WITNESS: Yes, and there is another thing. During that little rush time, when we did it, we found that the department did not like us to do it. They phoned us just as soon as they found out; they rung us up and said that we had to cut that out or else not have the contract. They said: If you cannot do the work yourselves you cannot do it at all, and so we did the work ourselves.

Sir CHARLES DAVIDSON: As I understand, you were furnishing the material, cutting out the garments, and they were sewing them together?

The WITNESS: Yes, and then the garments had to come back to our place for trimming, repairing and pressing, and that sort of thing.

By Mr. Thompson:

Q. In other words, what you say is, that all that the Royal Tailors did was to sew the garments?—A. Yes.

Q. And in the end you found it cheaper to do the work in your own factory when you got the extra assistance?—A. Of course, yes.

By Mr. Pringle:

Q. There was a time limit on all these orders; they were rush orders?—A. Yes.

Mr. FRASER (Auditor General): Mr. Commissioner, I want to point out that I did not state that the material was defective.

Sir CHARLES DAVIDSON: No, but that it was a cheap class of material.

Mr. FRASER: Yes, and I was informed that the price was high and I have so stated.

Sir CHARLES DAVIDSON: Did you refer to the pages of the evidence where you made references to it?

Mr. FRASER: Yes, I simply stated that I thought the price was high and that that was the information I had.

Sir CHARLES DAVIDSON: (To the Witness). There was apparently a close scrutiny by the department on the work, and the moment they heard you were giving out this part of the work, you say they hauled you over the coals?

The WITNESS: They did that right away.

By Mr. Pringle:

Q. What do you say as to the price being excessive?—A. Well, they asked for tenders twice after that, and we got the contract; that is the best answer you can get to that.

[Hospital Clothing—Mackenzie.]

Q. And if there was a margin of profit at all, it was a very narrow margin?—A. It was very narrow.

Q. I see that the gowns cost you \$53.54 and that you got for them \$54, leaving a difference of 46 cents, and that without taking into consideration any cost of capital or office expenses?—A. None whatever.

Q. And I suppose that is the reason you had to raise your figure a little in the next tender?—A. Yes. I might say that as far as the price goes, in my experience in tendering, that any one who gets away with ten per cent, he is dealing with something I am not; ten per cent is a high margin of profit for us.

Q. What you say is, that if any one succeeds in getting ten per cent he is doing a more profitable business than you do?—A. Yes, and I think that is the experience with all the contractors in my line; I think I can speak for them all. We might make something on jackets one time under a tender, and we might lose on jackets the next time. What I object to about this thing is, that the newspapers said we were putting in inferior goods and buying from other people, and that news spread all over Canada.

Q. Where did you buy your goods?—A. We bought some of them in the old country, and some of them in Canada.

Q. And that material was submitted to the department before it went into the garments?—A. Yes.

Q. And it was inspected?—A. Yes, and not only submitted to them but approved by the head medical officer at the time.

By Mr. Thompson:

Q. And you say that the garments were inspected after they were completed?—A. Absolutely every one of them, and those that were not up to the mark were sent back and we did not get paid for them.

Sir CHARLES DAVIDSON: Have you any question to ask the witness, Mr. Auditor General?

Mr. FRASER: No.

Sir CHARLES DAVIDSON: This transaction appears to have been a thoroughly businesslike transaction.

Mr. FRASER: Yes.

Sir CHARLES DAVIDSON: And Mr. Mackenzie has given his evidence in a very frank and satisfactory way.

Mr. FRASER: Yes, it looks all right.

Mr. PRINGLE: We have our book-keeper here who has all the documents here to show that there was a very narrow margin of profit in this transaction and he can be examined if Mr. Thompson wants to call him. He is here with all his books.

Sir CHARLES DAVIDSON: At the moment, it looks as if Mr. Mackenzie ought to be appointed His Majesty's hospital tailor.

Mr. FRASER (Auditor General): Might I have a remark in reference to what Mr. Mackenzie said about the newspapers? A comparison of what was in the newspapers with my evidence as officially recorded will show that the newspapers were not correct in attributing such a statement to me.

Sir CHARLES DAVIDSON: Is it possible that the newspapers could be incorrect.

Mr. FRASER: I was careful not to make the statement that the material was defective, because I did not know.

Sir CHARLES DAVIDSON: And you did not make such a statement; you simply told us that it was a low-priced material.

Mr. PRINGLE: We also have the representative of the Royal Tailors here, if it is necessary to examine him.

Mr. THOMPSON: I do not think it would be worth while to call him.

Sir CHARLES DAVIDSON: I do not think so; you do not suggest it, do you, Mr. Fraser?

Mr. FRASER: No.

Mr. PRINGLE: The only other witness would be the Inspector of Clothing, to show that he really did inspect these garments and that they were up to the sample, whatever it was. Mr. Mackenzie has sworn to that, but if there is any doubt about it at all, that witness can be brought forward.

Mr. THOMPSON: That is the only evidence I had; the Inspector of Clothing is out of the city to-day.

Sir CHARLES DAVIDSON: Do you want to call him or did you intend to call him in relation to this matter?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: Why pursue it further?

Mr. THOMPSON: Now that I have heard Mr. Mackenzie's explanation, I do not think it is worth while. That will close this case. The witnesses in the other cases will not be ready until to-morrow, sir.

Sir CHARLES DAVIDSON: Very well.

The Commission adjourned until ten o'clock to-morrow morning.

OTTAWA, Tuesday, July 6, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight.
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met at ten o'clock this morning.

Mr. THOMPSON: The evidence I was going to adduce this morning is with reference to the contract to T. A. Brownlee, to supply drugs and medical supplies to the Department of Militia and Defence, with special reference to what is called "hospital boxes." It will be explained what these are. I understand that they are somewhat the size of a carpenter's tool-chest, and that each box was filled with drugs and bandages and sent to the various hospitals, both in the field and at the base.

HARRY W. BROWN, Director of Contracts, Department of Militia and Defence, sworn:

Examined by Mr. Thompson, K.C.:

Q. You are the Director of Contracts in the Militia Department?—A. Yes.

Q. Do you recollect an order being given to Brownlee in August or September last year for hospital boxes?—A. Yes, on August the 11th.

[Brownlee Supplies—Brown.]

Q. Was that by tender or without tender?—A. Without tender.

Q. Will you explain how it was that this order was given without tender?—A. These were boxes containing drugs and medical supplies for hospitals, which were about to be mobilized at that date. They were boxes that were made especially for this purpose, they never had been supplied before. Colonel Jones and his officers, I believe, made arrangements with Mr. Brownlee for the supply of these, and Colonel Jones sent over a requisition to me, with the exact information and with the additional information that these should be secured from Mr. Brownlee because he had arranged the matter with Mr. Brownlee beforehand. That, and the additional reason that Colonel Jones wanted to get these stores with the least possible delay. He asked us to place the order with Mr. Brownlee.

Q. In consequence of that, did you place the order with Mr. Brownlee?—A. Yes, on the 11th of August.

Q. Who was Mr. Brownlee?—A. Mr. Brownlee is a druggist here in Ottawa.

Q. A wholesale druggist or a retail druggist?—A. A retail druggist. Mr. Brownlee had, prior to the outbreak of war, a contract for the supply to the medical stores of certain pills and tablets, and in that way he had been in connection with the medical officers all the time, and I suppose that is the reason they went to him.

Q. When you say he had a contract with the Militia Department, do you mean to say he had a contract for a steady supply of these materials, or were they bought from him from time to time on separate orders?—A. My recollection is that there was a requisition of Colonel Jones in May or June, I think in June, for a large quantity of pills and tablets, and which probably represented their requirements for some time to come, I do not know how long. That was in June, and Mr. Brownlee got that, after tenders had been obtained from all the Canadian manufacturers we knew of, some ten or twelve altogether. He was supplying these, or had been supplying these, about the time the war broke out.

Q. Then when war was declared, Colonel Jones recommended you to place an order for hospital boxes with Brownlee, is that correct?—A. That is right.

Q. Do you recognize this document, which will be filed as Exhibit 40, copy of the requisition directed to Brownlee for hospital boxes?—A. Yes, that is not exactly a correct copy, for the name Innes is there instead of Jones, but it is substantially correct.

(Document filed as Exhibit 40.)

Q. Attached to this requisition appears to be a statement as to the number of boxes and the contents of each box?—A. Yes.

Q. As well as the number of each style of box required?—A. Yes.

Q. These are specifications such as were sent to Brownlee, are they not?—A. I assume they are. If that is a copy of the requisition on the file, they would go to Brownlee.

Q. I am assured that this was furnished to him by your assistant, Mr. Donaldson?—A. That is no doubt correct, then.

Mr. THOMPSON: I was putting this in instead of the original document, so as not to spoil the departmental file, which might cause inconvenience.

By Mr. Thompson:

Q. Do you know how long after that requisition was given to Brownlee that he completed his contract to deliver the goods?—A. No, I do not, I think they were delivered fairly promptly, but I cannot say positively.

Sir CHARLES DAVIDSON: I assume that Exhibit No. 40 gives the contents of each box.

Mr. THOMPSON: There were five descriptions of boxes, and thirty of each kind. At the present moment, I was merely identifying the record. I am going to give further evidence as to that.

By Mr. Thompson:

Q. Then you wrote a letter to the Director General of Medical Service, apparently after the order was filled by Brownlee, do you recognize that letter?—A. That is on the occasion of the accounts being passed for payment. Prior to the accounts being passed for payment, that letter was written, and that, of course, was after the delivery of the goods.

Q. You wrote the following letter, apparently; this is a letter from H. W. Brown to the Director General of Medical Service dated September, 1914, and it is as follows:—

OTTAWA, Sept. 28, 1914.

Director General of Medical Services.

Attached hereto are six copies of invoices from T. A. Brownlee for boxes Biological and boxes Medical Stores complete. Will you please say if the prices charged for the respective boxes are fair and just.

(Sgd.) H. W. B.,
Director of Contracts.

Q. You wrote that letter?—A. Yes.

Q. Then the Director General of Medical Services apparently replied to you?—A. Yes.

Sir CHARLES DAVIDSON: Is that Jones?

Mr. THOMPSON: It is signed Major H. M. Jacques, for the Director General of Medical Services. I understand that Major Jacques is Colonel Jones' assistant.

By Mr. Thompson:

Q. His memo apparently was endorsed on your letter?—A. Yes.

Q. This is the memo endorsed on the letter of the 28th of September which I have just read:

To Director of Contracts.

The prices for boxes, noted in paragraph 1, seem fair and just.

(Signed), H. M. JACQUES,
Major, for D.G.M.S.

Sir CHARLES DAVIDSON: Was that in response to the letter of Mr. Brown?

Mr. THOMPSON: It was in response to Brown's letter enclosing the invoices and asking him to say if the prices charged for the boxes were fair and just, and he replies that they are.

Sir CHARLES DAVIDSON: Will you give me the prices now? Mr. Brown writes, inquiring as to the prices and the answer comes that the prices are fair and reasonable, so that this would be a proper time to put in the prices.

Mr. THOMPSON: I will give the prices and put the evidence in later.

By Mr. Thompson:

Q. What did he charge for No. 1 box?—A. \$325.

Q. What did he charge for No. 2 box?—A. \$95.

Q. What did he charge for No. 3 box?—A. \$75.

Q. What did he charge for No. 4 box?—A. \$60.

Q. What did he charge for No. 5 box?—A. I have not the price for No. 5 here.

Q. Look at this invoice and see how much was paid for No. 5 box?—A. \$18.50.

Q. Apparently you received a letter from Mr. Brownlee, some months later, on the 11th of February, 1915, do you recognize that as the letter you received from him?—A. Yes.

[Brownlee Supplies—Brown.]

OTTAWA, February 11, 1915.

DEAR SIR,—On looking over recent accounts sent your department, I find that clinical thermometers were billed at one dollar each, which was practically the retail price.

My intention was to give your department whatever advantage purchasing in large quantities entitled them to receive and in reference to all other articles this appears to have been done.

In order to correct the book-keeper's error in regard to thermometers, I enclose my cheque herewith for \$531, being a refund at the rate of \$6 per dozen.

Yours truly,

(Signed), T. T. BROWNLEE.

H. W. BROWN, Esq.,
Director of Contracts,
Militia Department,
City.

Q. You received that letter?—A. Yes.

Q. Did you write to the Auditor General on the 19th of February, 1915?—A. Yes.

Q. This is the letter:

OTTAWA, February 19, 1915.

SIR,—I am directed by the Deputy Minister to send you the enclosed copy of a letter lately received from Mr. T.A. Brownlee, which accompanied a refund of \$531 on clinical thermometers ordered from him as follows:—

August 11, 1914.. . . .	702
September 25, 1914.. . . .	360

Total.. . . .	1,062
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These were paid for by the Department at the rate of \$12 per dozen. Mr. Brownlee's refund reduces this price to \$6 per dozen.

A deposit of \$531 will be made to the credit of the Receiver General to-day.

I have the honour to be, Sir,

Your obedient servant,

(Sgd.) H. W. BROWN,

Director of Contracts,

for Deputy Minister of Militia and Defence.

The Auditor General, Ottawa.

A. Yes.

Q. Did you receive a letter from the Auditor General on the 20th of February, 1915?—A. Yes.

Q. This is the letter:

AUDITOR GENERAL'S OFFICE, February 20, 1915.

Sir,—I have to acknowledge receipt of your letter of 19th instant enclosing a copy of a letter from Mr. T. A. Brownlee in which he admits that the price which he charged you for clinical thermometers, viz: \$12 per dozen, was too high and, therefore, remits you a cheque for \$531, thus reducing the price to \$6 per dozen.

He also stated that his intention was to give your department whatever advantage purchasing in large quantities entitled you to receive and in reference to all other articles this appears to have been done.

In order to remove any doubt which may exist as to the correctness of this statement, I have to request that Mr. Brownlee send, for examination, the original invoices for the purchase of these other articles from the whole-

[Brownlee Supplies—Brown.]

sale dealers to enable me to check the prices and thus obviate the necessity for this office making an examination under section 71 of the Consolidated Revenue and Audit Act.

I have the honour to be, Sir,

Your obedient servant,

(Sgd.) J. A. FRASER,

Auditor General.

H. W. Brown, Esq.,

Director of Contracts,

Dept. of Militia and Defence,

Ottawa.

A. Yes.

Sir CHARLES DAVIDSON: Have you that section 71 of the Audit Act before you, Mr. Thompson?

Mr. THOMPSON: That is with reference to the power of the Auditor General to make investigations.

Sir CHARLES DAVIDSON: It just authorizes you, Mr. Fraser, to make an investigation?

Mr. FRASER: Yes.

Sir CHARLES DAVIDSON: Have you the order given to Brownlee which accompanied that requisition?

Mr. THOMPSON: I have not that.

The WITNESS: I can get a copy of that.

By Mr. Thompson:

Q. You subsequently, I understand, required further hospital boxes?—A. Yes.

Q. Did you secure these by tender or on order?—A. By tender.

Sir CHARLES DAVIDSON: I understand then, that there is to be no further question about the clinical thermometers?

Mr. THOMPSON: There was a refund.

Sir CHARLES DAVIDSON: You do not inquire further as to that?

Mr. THOMPSON: I am putting in these letters because the Auditor General says he would like to see the invoices to ascertain whether Brownlee has given the department the advantage of buying in large quantities, as he says.

Sir CHARLES DAVIDSON: On the thermometers?

Mr. THOMPSON: The Auditor General is inquiring whether the department really got the advantage with regard to other supplies; that is why I put these letters in.

Sir CHARLES DAVIDSON: Is there still a doubt as to whether \$6 was the proper wholesale price with respect to the thermometers?

Mr. FRASER: They are all right.

Sir CHARLES DAVIDSON: Then we can dismiss the thermometers from our consideration?

Mr. THOMPSON: Yes.

By Mr. Thompson:

Q. When you called for tender, when you required further hospital cases, did you receive replies?—A. Yes, I now produce a copy of the schedule of tenders.

Q. That is a copy of the schedule of tenders from the various manufacturers or druggists?—A. Of the firms from whom we asked.

[Brownlee Supplies—Brown.]

Q. What is the date?—A. These tenders were opened on the 29th of March. My recommendation to the deputy minister is dated the 30th of March. That is a recommendation that the lowest of these tenders be accepted.

(Schedule of tenders filed as Exhibit No. 41.)

Q. When was notice sent to the various wholesalers, notifying them that tenders were called?—A. It would probably be about ten days before that, I cannot say. Possibly it would be somewhere about the 15th or the 20th of March.

Q. You gave them ten days in which to put in their tenders?—A. It may be ten days and it may be two weeks.

Q. But it was approximately that?—A. Yes.

Q. I find on this schedule of the various tenders, Exhibit 41, certain prices underlined, what does this underlining indicate in the price?—A. These are the tenders recommended for acceptance.

Q. Were these the tenders which were eventually accepted?—A. Yes.

Sir CHARLES DAVIDSON: Could we get these figures now; I suppose you could get them for boxes 1 to 5?

Mr. THOMPSON: They are all set out here.

By Mr. Thompson:

Q. When you called for tenders in March, were the contents of the various boxes to be the same as the contents in the boxes furnished by Brownlee?—A. I cannot say positively, I think they are very much the same, but I cannot say positively about that.

Q. Have you any means of ascertaining if that is so?—A. Oh, yes, there would be no trouble in finding that out. I could ascertain that. We would have a record on the file, and if there is any difference it should be there. I cannot say now, but I am under the impression that there were some minor changes.

Q. Were the contents of the boxes substantially the same?—A. I am under the impression that the contents were substantially the same, but I cannot say positively.

Mr. THOMPSON: That would be rather important, in view of further testimony which I may put in.

By Mr. Thompson:

Q. Reading from this Exhibit No. 41, I find that the successful tenders, for the various boxes, were as follows:—

Box No. 1.—J. P. Hartz Company	\$145 00
Box No. 2.—Hartz Company	55 00
Box No. 3.—E. B. Shuttleworth	47 50
Box No. 4.—Lyman, Limited	31 10
Box No. 5.—Ingram & Bell	10 36

Q. Were these the lowest tenders in all cases that were received, Mr. Brown?—
A. Yes.

Sir CHARLES DAVIDSON: What were the relative current prices for these articles, as between the 11th of August and the following March?

By Mr. Thompson:

Q. Do you know for a fact how the prices of drugs varied between, say, August of last year and March of this year?—A. I understand there were great fluctuations, but I cannot say, I am not an expert.

Mr. THOMPSON: I have evidence on that point, Mr. Commissioner.

[Brownlee Supplies.—Brown.]

THOMAS A. BROWNLEE, Druggist, of the City of Ottawa, sworn:

By Mr. Thompson, K.C.:

Q. Mr. Brownlee, you supplied some hospital boxes to the Militia Department in August or September of last year?—A. Yes.

Q. How many did you supply of each?—A. Thirty of each, up to box No. 5.

Q. You supplied thirty of box No. 1, the same number of box No. 2, the same number of box No. 3, the same number of box No. 4, and the same number of box No. 5?—A. Yes.

Q. What was your charge for box No. 1?—A. I have all my papers, my letters and my books here, so that you can see exactly what I charged, what rate of profit I made, and the total business on all the goods you mention.

Q. What was your charge for box, No. 1?—A. \$225.

Q. You say that you supplied thirty of these?—A. Yes.

Q. What was your charge for box No. 2?—A. \$95.

Q. And you supplied thirty of these?—A. Yes.

Q. What was your charge for box No. 3?—A. \$75.

Q. And you supplied thirty of these?—A. Yes.

Q. What was your charge for box No. 4?—A. \$60.

Q. And you supplied thirty of these?—A. Yes.

Q. What was your charge for box No. 5?—A. \$18.50.

Q. And you supplied thirty of these?—A. Yes.

Q. You carry on a retail business in drugs, do you not?—A. I do.

Q. I presume, therefore, that you were obliged to purchase from a wholesale house the majority of the material that was required for these boxes?—A. That is quite right.

Q. Have you got the invoices from the wholesale houses, showing the price that you paid for these various articles?—A. Yes.

The witness produces invoices from the National Drug and Chemical Company of Canada, dated October 11, 1914.

Invoices filed as exhibit No. 42.

Q. What do these invoices, marked as Exhibit No. 42, cover?—A. Thirty cases of each, Nos. 2, 3, 4 and 5.

Q. So that the National Drug and Chemical Company supplied all the contents of all the boxes with the exception of box No. 1?—A. Yes.

Q. Did they supply the box also?—A. Yes.

Q. They supplied the boxes as well as their contents?—A. The invoices represent net cost.

Q. What did they charge you each for thirty boxes complete No. 2 size?—A. \$65.

Q. And their total charge for the 30 number 2 boxes amounted to what?—A. \$1,950.

Q. What did they charge you for each box of No. 3 size?—A. \$50.

Q. Making a total of how much for 30 No. 3 size boxes?—A. \$1,500.

Q. What did they charge you for each box of the No. 4 size?—A. \$40.

Q. Making a total charge of how much for the 30 boxes of No. 4 size?—A. \$1,200.

Q. What did they charge you for each No. 5 size box?—A. \$12.50.

Q. Making a total charge of how much for the 30 boxes No. 5 size?—A. \$375.

Q. How much was their total charge against you for the 30 boxes of each size: No. 2, No. 3, No. 4, No. 5?—A. \$5,025.

Q. When did you pay that account?—A. On October the 9th.

Q. What did you receive in payment from the Government for those boxes, No. 2, No. 3, No. 4 and No. 5, comprising 30 of each?—A. \$7,455.

Q. Were you paid for these boxes separately or were you paid for them altogether?—A. As far as I can remember, I was paid for them all at once.

[Brownlee Supplies--Brownlee.]

Q. Do you remember when you were paid by the Government?—A. I can find it in my books. I find from my books that I received a large cheque from the Government on October 5.

Q. What did you charge the Department for the thirty boxes, No. 2 size?—A. \$2,850.

Q. What did you charge the Department for the thirty boxes, No. 3 size?—A. \$2,250.

Q. What did you charge the Department for the thirty boxes, No. 4 size?—A. \$1,800.

Q. What did you charge the department for the thirty boxes, No. 5 size?—A. \$5.55.

Q. What is the total that you charged the Government for these boxes?—A. \$7,455.

Q. Have you calculated your percentage of profit on these boxes, No. 2, No. 3, No. 4, and No. 5?—A. I have not figured it in that way.

Q. Would you figure that out?—A. I make it slightly over forty-eight per cent.

Q. Do you know whether the National Drug Company are wholesalers?—A. Yes, they are wholesalers.

Q. Do they manufacture drugs?—A. Oh yes, they are Canadian manufacturers of drugs.

Sir CHARLES DAVIDSON: Of all these drugs?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Of all the contents of the boxes?

The WITNESS: I presume so.

Sir CHARLES DAVIDSON: And they furnished the boxes as well?

Mr. THOMPSON: The National Drug Company supplied boxes and the whole thing complete.

By Mr. Thompson:

Q. Where did you buy the contents for box No. 1?—A. Parke-Davis & Company of Walkerville, Ontario.

Q. And you got all the contents for box No. 1 from them?—A. Yes.

Q. Did they supply the box also?—A. Yes.

Q. Were the boxes as supplied by them complete in every respect when sent to you, or did you have to add anything?—A. They were complete.

Q. What did you pay—Parke-Davis & Company for thirty boxes No. 1 size, complete, including the box?—A. \$6,495.

Q. How much each?—A. \$216.50. On that No. 1 box I paid express charges because it was a rush order.

Q. What did the express charges amount to?—A. I cannot tell you exactly, but I have bills here for \$107. However, some other goods were included in that. I figured in round numbers that I paid \$100 express. This was a great rush order.

Q. This is Parke-Davis invoice?—A. Yes.

(Parke-Davis invoice filed as Exhibit No. 43.)

Q. What did you receive from the Government for the 30 boxes, No. 1 size?—A. \$9,750.

Q. Including express, what did you pay for these boxes?—A. \$6,595; the amount of \$100 for express is approximate.

Q. How much did you pay Parke-Davis & Company for the boxes?—A. \$6,495.

Q. What was your percentage of profit on that?—A. I make it out somewhat over forty-nine per cent.

Q. When did you pay Parke-Davis for these boxes?—A. The draft was paid on October 23.

Q. When were you paid by the Government for the Parke-Davis boxes?—A. I was paid by the Government on October 5.

Q. When you received the boxes from Parke-Davis did you unpack them, and examine them and see if they were correct?—A. No, it was a rush order.

Q. As they came in from Parke-Davis, you merely re-shipped them to the Department, did you?—A. Yes, speed was a great factor in this order.

Sir CHARLES DAVIDSON: Were they delivered direct by Parke-Davis to the Department?

By Mr. Thompson:

Q. Were they sent by Parke-Davis to the department, or did they come from Parke-Davis to you?—A. We did not get them all at once, but so far as I remember some of them were delivered at my store, but they were immediately rushed to the inspecting room. In fact, I remember on one occasion I wanted only one No. 1 box, getting up in the morning and going down to the Toronto train to try and get it down in a hurry to the department, which shows the rush there was for these goods.

Q. Do you think they were all shipped to your shop and re-shipped by you, or do you think some of them went to the department?—A. Some of them may have gone to the department.

Q. What about the boxes supplied to the National Drug Company, were they shipped to you or were they sent from the wholesale house on Wellington Street in Ottawa to the department?—A. They were sent straight to the department.

Q. So that you never saw the boxes at all?—A. Yes, I did.

Q. Where did you see them?—A. At the National Drug Company.

Q. Did you see them after they were packed?—A. Oh yes, I took a great deal of interest in this order.

Q. Did you see them being packed?—A. No, they were made as a matter of fact and packed in Montreal.

Q. And were they shipped from Montreal to the National Drug Company in Ottawa?—A. Yes.

Q. You saw the boxes when they were packed?—A. Yes.

Q. Were they opened and examined by you?—A. Yes, I looked at them.

Q. Did you unpack them at all?—A. No, I did not unpack them or disturb them, but I looked to see if they were according to specifications.

Q. How could you tell that?—A. For instance, on the lid of the boxes, the contents are stated on the inside of the lid.

Q. Could you see all the contents of the boxes without unpacking them?—A. No, you could see the labels on the inside of the lid.

Q. And the requisition, as I understand it, called for each box to contain certain articles?—A. Yes.

Q. And what you did was to compare the list on the lid with the requisition?—A. Yes.

Q. To see that they corresponded?—A. Yes.

Q. These boxes were fairly large, were they not, Mr. Brownlee?—A. Yes.

Q. Would the contents be several layers deep?—A. No. 1 box was fitted with trays; I believe it had two or three trays.

Q. Did you take the trays out to examine their contents?—A. Oh yes.

Q. In all cases?—A. I do not say that I took the trays out of the thirty of them, but I did out of some of them. The No. 1 box was a beauty, I was quite proud of it. It was fitted with trays, so that the bottles were lying flat, and when you took out the tray you could see what was in it.

Q. And this No. 1 box was prepared by Parke-Davis?—A. Yes.

Q. According to specifications which you sent on?—A. Yes.

Q. And I suppose the specifications you sent on to Parke-Davis were copies of those you received from the department?—A. Yes.

Q. Are Parke-Davis & Company manufacturers?—A. Yes.

Q. Large manufacturers?—A. Large manufacturers.

Q. In Canada?—A. In Canada, in Walkerville, Ont. I had a great deal of difficulty with these medical cases in the way of correspondence, and telegrams,

[Brownlee Supplies—Brownlee.]

and telephones, directing the supplies, because it was a new thing, nobody ever attempted this before; it was a big undertaking; it was a difficult thing on account of not having any sample to go by. It is something that is used apparently in war time, but in peace there is no need for it.

Q. Would these specifications for the boxes contained in the requisition to you give you sufficient information to have the boxes constructed?—A. In order to have the boxes constructed according to the specification, I had to refer constantly to Colonel Jones and his department to the people that were making the cases. In fact, Colonel Jones offered to send a man to Walkerville with me, in order to be sure that there would be no trouble, but that it would be all right. He was very pleased when I told him I was going to supply Parke-Davis tablets in these cases, it was a most difficult order.

Q. What was the grand total of money which you paid for these boxes to Parke-Davis and the National Drug Company?—A. \$11,520.

Q. That is what you paid out to the National Drug Company and to Parke-Davis?—A. Yes.

Q. How much did you receive from the department for goods, representing this amount of \$11,520?—A. \$17,205.

Sir CHARLES DAVIDSON: What is the percentage?

The WITNESS: It is about forty-nine per cent.

Mr. THOMPSON: The Auditor General says it is forty-eight and a half per cent, after allowing express.

By Mr. Thompson:

Q. The total amount you received for these boxes was \$17,205, and in addition to that you received from the department about \$16,613 for other supplies, do you know what these were for?—A. Yes, I have all my books and papers here.

Q. Were these additional supplies sold to the department on tender or on an open order, such as you received for the boxes?—A. It was mostly tender.

Q. Have you got the tender or the call for tender?—A. Yes.

Sir CHARLES DAVIDSON: Who represents Colonel Jones, now that he is at the front?

Mr. THOMPSON: I am informed it is Major Potter.

By Mr. Thompson:

Q. Is my statement correct, that you sold other supplies, to the Government, \$16,613 worth, or do you find it amounts to more than that?—A. My total price charged to the Government, less the return on clinical thermometers, is \$36,420.56.

Sir CHARLES DAVIDSON: Is that inclusive of the hospital cases?

The WITNESS: Yes, everything.

By Mr. Thompson:

Q. There was paid you on the 23rd of October by the Government what amount?—A. \$1,433.50.

Q. What invoices did that cheque cover?—A. The invoices of September 23 for \$167.90, and \$4.60—

Q. That made \$172.50?—A. That is right.

Q. Did you receive that order by tender or was it an open order?—A. It was an open order.

Q. Did you have the supplies on hand or did you buy them from the wholesale house?—A. I bought them from the wholesale house.

Q. Have you got your invoices for that?—A. Yes.

Q. Perhaps a shorter way of arriving at this, Mr. Brownlee, would be for you to state how much you paid out for drugs to the wholesale houses, apart from the hospital cases, which were supplied to the Government?—A. \$15,977.73.

[Brownlee Supplies—Brownlee.]

Q. And how much did you receive from the Government for drugs and medical supplies, apart from the hospital boxes?—A. \$19,215.56.

Q. What was your percentage of profits for drugs and medical supplies, apart from the hospital boxes?—A. Between nineteen and twenty per cent, I figure it.

Sir CHARLES DAVIDSON: Was all this bought by tender?

Mr. THOMPSON: I am coming to that.

By Mr. Thompson:

Q. Now, Mr. Brownlee, can you tell me what percentage of the drugs and medical supplies, apart from the hospital boxes, were furnished to the Government on tender, that is to say, what proportion of this \$19,215.56?—A. I have not figured it out.

Q. You could do it by two o'clock?—A. Yes. In some cases the price is set forth, and it might have been in some cases a phone tender, so to speak, but the prices are set out.

Q. And even if the order to you is a phone order, is it not supplemented by a written order to furnish supplies?—A. Yes.

Q. What I want to know is, in what instances the prices were stated at which you were to furnish these supplies, and what proportion these orders bear to the total amount?

Sir CHARLES DAVIDSON: The witness can make out a list in commercial form.

By Mr. Thompson:

Q. What do you estimate your percentage of profit to be on all the supplies furnished to the department, that is the hospital boxes and other supplies? In the first place, give me your gross profit?—A. My gross profit from the 11th of August, 1914, to the first day of January, 1915, on all goods supplied to the Department of Militia and Defence was \$8,923.19.

Q. And what percentage of profit does that give you?—A. It gives me an average percentage of profit of twenty-four per cent on the gross business.

Sir CHARLES DAVIDSON: The witness will give us the date of the later orders, the tenders.

Mr. THOMPSON: I think, without taking up time now, it would shorten matters if he put in a tabulated statement and it would be clear on the notes.

Sir CHARLES DAVIDSON: That would be very much better.

By Mr. Thompson:

Q. You have told us that in the case of the hospital cases, these were in some instances sent straight to the department, and in others sent to your shop, and immediately transhipped owing to the rush?—A. Yes.

Q. What about the \$16,613 worth of drugs and medical supplies which you furnished apart from the boxes, were these drugs which you had in stock, or did you buy them as they were required by the department?—A. In most cases I bought them.

Q. Would they be shipped from the wholesale houses to the department or delivered at your shop?—A. Delivered at my shop.

Q. And apparently, judging from some of these invoices and cheques, you were paid by the department before you paid the wholesale house?—A. In some cases, yes.

Q. What do you reckon your profit at, after making allowances for your overhead charges?—A. Ten per cent.

Q. Is that ten per cent on your total business done during a period?

Sir CHARLES DAVIDSON: That is in his ordinary commercial life is it—what do you mean by ten per cent?

By Mr. Thompson:

Q. Are you referring to ten per cent, in your ordinary course of business or ten per cent on the Government business?—A. Ten per cent on the Government business, net.

[Brownlee Supplies—Brownlee.]

Q. Does your other business work out at only ten per cent?—A. Yes, all my business.

Q. Only ten per cent?—A. I have made a memo of all my business.

Q. An experienced druggist told the Commission here that a druggist could not live on a margin of twenty-five per cent profit?—A. During the year 1914, my volume of business, due to the fact that I received these Government orders, was such that it reduced my percentage of doing business in that year to fourteen per cent gross.

Q. You mean by that, fourteen per cent on the total business done?—A. Yes, the total business, and if I had not the Government business my ordinary expenses would have been thirty per cent, after allowing for the extra help required in 1914 by reason of Government business.

Sir CHARLES DAVIDSON: What do you mean by that; how are you reckoning on the absence of the Government business?

By Mr. Thompson:

Q. Did the Government business increase your expenses?—A. In this way, that I had an expensive man instead of an assistant.

Q. To do what?—A. In order to give my proper time and attention to their orders. I did not finish what I was going to say. The gross profit on the Government business was twenty-four per cent, or, in other words, it was six per cent less than the cost of doing business under normal conditions, as to volume.

Q. What do you mean by normal conditions as to volume?—A. That is, if I did not receive this Government business, my percentage cost of doing business would be thirty per cent, but on account of the volume of business I do it reduced the percentage cost of doing business to fourteen per cent. Now I made twenty-four per cent gross on all my business in 1914. Deducting that fourteen per cent gross you have a net profit of ten per cent, I made on everything.

Q. Is that correct, was your percentage of profit on your whole business only fourteen per cent?—A. Here are the figures and here is the amount of business I did

Q. How do you estimate that?

Sir CHARLES DAVIDSON: You can state, if you wish, what your average on normal business is?

The WITNESS: I have the percentage here of Government business.

Sir CHARLES DAVIDSON: You can state, if you wish, what your average normal business is?

The WITNESS: \$29,000 a year. The total business transacted with the Government was \$36,430.56.

By Mr. Thompson:

Q. And the total amount, apart from the Government business, was what?—A. About \$29,000 in the year, which makes a total, in round numbers, of \$65,000.

Q. But the amount of business you have already given us, as having been done with the Government, only includes five months?—A. It only includes part of the year.

Q. Would you care to state what your average gross profit is on drugs and medical supplies apart from Government business?—A. I cannot do that.

Q. Have you ever reckoned it up. You can give it roughly. Have you ever reckoned the profits you made on various articles sold in your shop?—A. My system of book-keeping is not an elaborate one. It answers my purpose, it tells me what I want, but it is not a system that will show the current of my business in that way. But everything that is charged to the Government is in this book, and all my cheques have gone through the bank and here they are attached to the invoices, showing the net cost. And this list that I have compiled is from the original invoices at net prices so that the proof is there.

Q. When you have prepared this statement, which the commissioner has asked you to prepare, with regard to other medical supplies and drugs which are not set forth

[Brownlee Supplies—Brownlee.]

in the hospital boxes, we will then have a complete list of your transactions with the Government, will we not?—A. Yes.

Q. And the tabulated list which you are to supply, together with the particulars which you have already given us, the hospital boxes, will give us your percentage of profit on the Government business?—A. I have arrived at that percentage of profit right here.

Sir CHARLES DAVIDSON: In your letter to the Director of Contracts, of date 11th of February, 1915, you stated, when making a rebate on thermometers, that it was your intention to give the department whatever advantage purchasing in large quantities entitled them to receive, and you stated that in reference to all other articles this appears to have been done. Do you think that statement applied to the hospital boxes?

The WITNESS: The hospital boxes, as I have already said, were new and I had to figure out all this thing.

Sir CHARLES DAVIDSON: Answer, Mr. Brownlee?

The WITNESS: Yes, and my margin of profit on the hospital boxes was what I am entitled to, considering the amount of work I have done.

Sir CHARLES DAVIDSON: That is not an answer to the question yet.

Question repeated.

Sir CHARLES DAVIDSON: In your letter to the Director of Contracts, of date 11th February, 1915, you stated, when making a rebate on thermometers, that it was your intention to give the department whatever advantage purchasing in large quantities entitled them to receive, and you stated that in reference to all other articles this appears to have been done. Do you think that statement applied to the hospital boxes?

The WITNESS: I do, because it was such a difficult order and I took a great deal of risk in a new thing of this sort. Suppose these boxes had not been right, I was responsible. Suppose they had not been right, and if they had been thrown back on my hands, I was the responsible party, and in addition my gross profit on all the business is twenty-four per cent.

Sir CHARLES DAVIDSON: I have not asked that. What connection has the gross profit on the whole business, which is stated now to be only twenty-four per cent, with these hospital boxes. On the other supplies, the profit only amounted to nineteen or twenty per cent when the witness came to tender. Are you taking that into consideration, Mr. Brownlee?

The WITNESS: I do not understand.

Sir CHARLES DAVIDSON: When you sold in the open market you charged from forty-nine per cent to fifty per cent profit, but when you came to tender then your net percentage of difference was only nineteen or twenty per cent. Do you not see that in speaking of twenty-four per cent you reduce your gross profits on these open orders? Is not that so?

The WITNESS: Every contractor, whether in drugs or any other line, is tendering low, but in other cases, outside the specifications, he charges a fair rate of profit, making the average amount of profit a fair rate of profit.

By Mr. Thompson:

Q. But apparently, Mr. Brownlee, these hospital cases were supplied before the drugs and medical supplies were supplied, so that it cannot be that you were making a high charge on the hospital boxes in order to even up your later charges on the other supplies?—A. Some time in the month of June or July I tendered on tablets and pills, I tendered very low. These goods were shipped, I have forgotten just when they were sent in, but it may have been that these hospitals cases—at all events, I tendered very low and secured the contract. Therefore, I knew the requirements of the department, knew the size of the tablets, and what they would have in certain cases, and so on, and I had a very great deal of work with respect to the hospital cases.

[Brownlee Supplies—Brownlee.]

Sir CHARLES DAVIDSON: You have already stated that. I would like to give every possible latitude, but as far as possible do not repeat.

By Mr. Thompson:

Q. You apparently saw Colonel Jones a number of times to ascertain what he wanted with regard to the hospital cases?—A. Yes, I was asked to execute this order.

Q. That is what Mr. Brownlee said?—A. I did not run after it or rush after it. I supplied the best goods I could find.

Q. Were there any complaints made about your cases?—A. Absolutely none; on the contrary—

Q. Were there any complaints made about your drugs?—A. No.

Q. Were there any complaints made about your bandages?—A. None whatever, on the contrary it was current talk that my cases were the best that were supplied.

Q. You said that all of the 150 cases were satisfactory, so far as you know?—A. So far as I know they were eminently satisfactory.

The Commission took recess for luncheon.

On resuming after luncheon.

By Mr. Thompson:

Q. Were you able, during the recess, to prepare a statement about the medical supplies and drugs, other than those contained in the hospital cases, which you sold to the Department of Militia and Defence?—A. I could not get an accurate statement. I have an approximate statement. I find there were about \$4,000 worth of open orders besides the cases.

Q. How much would that be that you supplied according to tender?—A. About \$15,000 on tender.

Q. That is out of \$15,977?

The WITNESS: Mr. Commissioner, may I make a statement?

Sir CHARLES DAVIDSON: Yes, in a moment. The figures I have here are that apart from the boxes he said he received \$19,215 for which he paid \$15,977, making a total percentage of nineteen or twenty per cent?

The WITNESS: That must be counting the biological cases.

Mr. THOMPSON: What would the biological cases amount to?

The WITNESS: \$1,400.

Mr. THOMPSON: That is a part of the supplies not mentioned in the hospital cases.

Sir CHARLES DAVIDSON: How much do you make the total amount he received, apart from the hospital cases?

By Mr. Thompson:

Q. You received you say, \$21,000 from the Government apart from what you received for the hospital cases?—A. Yes.

Sir CHARLES DAVIDSON: That does not seem to agree with the figures already given; there was \$1,000 added for biological cases.

The WITNESS: It is a difficult thing to figure out; it would take days to figure this out exactly. There is \$21,000 including biological cases, of which \$17,000 was price named, and \$4,000 an open order, approximately.

Mr. THOMPSON: The witness says that approximately \$4,000 covered goods supplied on open order, how much according to tender?

The WITNESS: \$17,000. Mr. Commissioner, may I make a statement on oath?

Sir CHARLES DAVIDSON: You will have ample opportunity; have you finished, Mr. Thompson?

By Mr. Thompson:

Q. Have you got a list of the \$17,000 worth of goods which you supplied by tender?—A. It is all on the file.

Q. Have you got, conveniently, a list of the supplies that you got an order from the department for, requiring you to supply them?—A. They are all on this file, Mr. Thompson.

Mr. THOMPSON: They should be produced as Exhibits. You can pin them all together as one exhibit, because, with respect to that \$17,000, you are competing against the world, so to speak, and you had to meet the price of other druggists.

The WITNESS: I will take those off the file and hand them to you.

Mr. THOMPSON: The witness puts in, as Exhibit 44, a bundle of orders from the Militia Department for drugs and medical supplies to T. A. Brownlee of Ottawa.

Bundle of orders filed as Exhibit No. 44.

By Mr. Thompson:

Q. You say that these goods were supplied on tender?—A. Yes, the price is attached.

Q. Did you have to tender against other druggists for these supplies referred to in these invoices?—A. In most cases. I think in one or two cases they telephoned me to know what prices I could quote, and having quoted the price, later on they phoned me again to supply the goods.

Q. Do these invoices cover all the supplies and drugs which you furnished the department on tender; I should judge there must be about, \$5,000 additional which you supplied, and for which you do not produce orders?—A. All my papers are here. I imagine that could be found out from the Contracts Branch very much more easily than from my books.

The WITNESS: May I make a statement now, my lord.

Sir CHARLES DAVIDSON: Wait until I hear if Mr. Thompson is finished with your examination. I want to give you every opportunity to do that, Mr. Brownlee, as you have no counsel appearing for you. I want to see that you shall have every opportunity, but do you not think it better to wait until Mr. Thompson is finished with you.

The WITNESS: It was impossible for me, in the time I had at my disposal to compile an exact statement.

Sir CHARLES DAVIDSON: I understand; have you finished with the witness, Mr. Thompson?

Mr. THOMPSON: To all intents and purposes, I have finished the examination. It was in order to have a complete record on the notes that I was asking him about this, but it is quite immaterial to produce it now; we have all the material facts.

Sir CHARLES DAVIDSON: You have now done with the witness?

Mr. THOMPSON: Practically, sir.

Sir CHARLES DAVIDSON: You can make your statement.

The WITNESS: I wish to state under oath that the total net cost to me of goods supplied to the government last year was \$27,497.37.

Sir CHARLES DAVIDSON: Since the war?

The WITNESS: That was altogether last year, 1914. I charged for these goods a total, after deducting \$531, rebate on clinical thermometers, of \$36,420.56. My gross profit on the Government business was \$8,923.19. My average percentage of profit on Government business was twenty-four per cent approximately. My cost of doing my whole business last year was \$9,179. My whole business, Government sales included, was in round numbers \$65,000. My percentage of cost was fourteen per cent. My

[Brownlee Supplies—Brownlee.]

net profit on Government business was ten per cent, and my invoices, cheques and books are here to substantiate this statement.

Mr. THOMPSON: We have an accurate statement as to Mr. Brownlee's profits on the hospital cases, and the reason I was asking for other orders given him by the department was to ascertain what his profit was on these, and with regard to the extra drugs and medical supplies, apart from the boxes, part was on tender and part was on open order. I was endeavouring to ascertain his percentage on each of these branches, as well. It was for that purpose that I thought, when we adjourned earlier to-day than usual, before luncheon, he would be able to prepare a statement. Evidently Mr. Brownlee would require more time to prepare such a statement showing that in detail. I conclude the case by calling him to verify the statement.

The WITNESS: I have quoted my net profit on the goods supplied, and I do not consider it too much.

Mr. THOMPSON: You will appear here at ten o'clock to-morrow morning, Mr. Brownlee, and have your statement fully prepared at that time.

The WITNESS: Yes.

The witness retired.

JOHN HAMILTON ADAIR, Quartermaster, Permanent Army Medical Corps, Ottawa, sworn:

Examined by Mr. Thompson:

Q. Captain Adair, Mr. Brown, the Director of Contracts, to-day produced a copy of the requisition directed to T. A. Brownlee for a large number of hospital cases, thirty of No. 1, thirty of No. 2, thirty of No. 3, thirty of No. 4, and thirty of No. 5, and attached to the requisition or order, whichever it may be called, is a list of the drugs and surgical appliances to be included in the various boxes. This requisition or order was given in September or August of last year.

Sir CHARLES DAVIDSON: I do not quite understand what Captain Adair's position is?

The WITNESS: I am officer in charge of Central Medical Stores.

Sir CHARLES DAVIDSON: Yours is a military position?

The WITNESS: Yes sir.

By Mr. Thompson:

Q. You would be under Colonel Jones, as I understand it?—A. Yes sir, I inspect all the medical supplies that are received at the stores.

Q. Have you a medical training?—A. I have seventeen years training in the medical corps.

Mr. THOMPSON: All I want to ascertain from this witness, sir, is whether the drugs or medical supplies, contained in the hospital boxes, which were furnished by contractors in March, are the same as the drugs and medical supplies contained in the boxes supplied by Brownlee.

Q. Is that so?—A. Yes sir.

Q. They are the same?—A. They are the same, sir.

Q. I will put the question again. Captain Adair, Mr. Brown, the Director of Contracts, to-day produced a copy of the requisition directed to T. A. Brownlee, for a large number of hospital cases, thirty of No. 1, thirty of No. 2, thirty of No. 3, thirty of No. 4, thirty of No. 5, and attached to the requisition or order, whichever it may be called, is a list of the drugs and surgical appliances to be included in the various boxes. This requisition or order was given in August or September of last year. There were other hospital boxes supplied in March. Were the contents of

the boxes supplied by the contractors in March the same as the drugs and medical supplies contained in the boxes supplied by Brownlee?—A. Do I understand you to ask if the boxes were the same?

Q. No, I wanted to know whether the contents of the boxes were the same, or whether you varied the list of bandages and drugs and so on?—A. No, they are exactly the same.

Q. Is there anything particular about the boxes themselves?—A. The first lot of boxes were much superior to the second, until such time as they had been repaired.

Q. That is, you say the Brownlee boxes were superior; do you know whether they were the Brownlee boxes which were the good ones?—A. Yes, sir, the first supplied.

Sir CHARLES DAVIDSON: Ask what is the approximate cost of a box.

By Mr. Thompson:

Q. You speak as to these boxes; can you tell what is the cost of each box?—A. I should say about seven or eight dollars a box.

Q. Some of them were apparently more elaborate than the others?—A. They are all well-made boxes.

Mr. THOMPSON: I will give further evidence as to that.

Sir CHARLES DAVIDSON: Can he speak as to the value of drugs as between March and August?

Mr. THOMPSON: I have a witness as to that.

The witness retired.

ARTHUR LYMAN, wholesale druggist, of the city of Montreal, sworn:

Examined by Mr. Thompson:

Q. What experience have you had as a druggist, Mr. Lyman?—A. I have been in the drug business all my life.

Sir CHARLES DAVIDSON: And your father before you?

The WITNESS: Yes, sir.

By Mr. Thompson:

Q. Can you tell me whether the price of drugs varied between August of last year, and the end of the month of March of this year, and if so, how?—A. A great many drugs have increased very materially.

Q. Since when?—A. Since the time of the war, and they have steadily been advancing. That applies to a great many lines but not necessarily to everything.

Q. Let us take September of last year or March of this year, would you say that drugs are more expensive now than they were in August of last year?—A. They are more expensive now, that is, speaking in a general way of course. Not everything has advanced, but a great many leading lines have.

Q. You were asked to tender for some hospital cases, I understand?—A. Yes.

Q. Do you recollect what the boxes cost you?—A. Do you mean the empty boxes?

Q. Yes?—A. They were about seven dollars apiece, I think six or seven dollars apiece.

Q. What was the price to you or the cost to you on an order of one or two boxes, or was that cost for a large number?—A. The order that we were asked to tender on was about fifteen boxes altogether, numbered from 1 to 5, the same numbers mentioned here, and we got prices from a box-maker in Montreal for that number.

Q. What would be the difference in the amount of a tender, between March of this year and August of last year, on these various boxes?—A. It would entirely depend on the cost; there might not be any difference.

[Brownlee Supplies—Lyman.]

Q. I am supposing that the quality and the standard were the same?—A. I would have to see the list before I could answer that; I would have to know what the articles were before I could say whether there was an advance or not.

Q. Look at Exhibit 40 which shows the contents of the hospital boxes, and state what your opinion is on that?—A. These tablets in box No. 1, I should say, have advanced in price since the war at least twenty-five per cent.

Q. Is box No. 1 all tablets and pills?—A. All tablets and pills, apparently, sir.

Q. So that in September of last year any wholesale house could furnish them twenty-five per cent cheaper than now?—A. Twenty-five per cent less.

Q. Look at Exhibit No. 41, your tender at the end of March for box No. 1 was how much?—A. \$239.85.

Q. What would your tender have been in September last on the same box?—A. It would probably have been \$190, I should say, offhand.

Q. You evidently did not secure an order for the goods because the successful tenderer got it at 145?—A. Yes.

Q. You were unsuccessful on box No. 2, which you tendered for at \$63.65?—A. This box contained ether and chloroform, and there was no advance in them very much; we could furnish these goods at the same price to-day.

Q. On box No. 3 you were unsuccessful in your tender in March at \$54.30, what would you say about the September tender on that box?—A. Exactly the same price, there is no change whatever.

Q. You were more fortunate in your tender about box No. 4, you were the successful tenderer at \$31.10?—A. Yes, there has not been very much advance in the cost of goods in box No. 4.

Q. Then evidently, when you came to box No. 5, your luck broke again, and you were among those unsuccessful at \$14.65?—A. These goods have advanced in price appreciably, they are Epsom salts and castor oil; they have advanced twenty-five per cent at least.

Mr. THOMPSON: That is all I have to ask this witness. I called Mr. Lyman because he was an unsuccessful tenderer, except for one box.

The WITNESS: I was unsuccessful in four out of five, which is rather a bad average.

Mr. THOMPSON: I thought that might be a fair indication of values, sir. You have before you already the lowest prices quoted by the various tenders on all these boxes, and some of them secured one box and some secured two, and a number of them did not get any contracts.

That concludes the evidence I have in this drug case, Mr. Commissioner, with the exception of Brownlee putting on record the tenders received from the department for goods amounting to approximately \$14,000.

Sir CHARLES DAVIDSON: What about calling Major Jacques.

Mr. THOMPSON: I am informed he is away on active service.

Sir CHARLES DAVIDSON: He also?

Mr. THOMPSON: Yes, sir.

Sir CHARLES DAVIDSON: Is there nobody to explain how they came to certify these prices as fair and reasonable in September?

Mr. THOMPSON: Apparently not.

Sir CHARLES DAVIDSON: That needs an explanation. Mr. Auditor General, can you suggest anybody who would explain that letter stating the prices were fair and reasonable?

Mr. FRASER (Auditor General): I cannot, sir. The vouchers I got were certified by Mr. Brown, but apparently on representations made to him by some of the medical officers.

Sir CHARLES DAVIDSON: Yes, by the Medical Supply Branch.

Mr. FRASER: Yes.

Sir CHARLES DAVIDSON: Did Mr. Brown speak of this in the Public Accounts Committee, Mr. Thompson?

Mr. THOMPSON: This Brownlee case was not taken up in the Public Accounts Committee.

Sir CHARLES DAVIDSON: That letter is signed by Jacques. Captain Adair might have been shown this letter and asked about it.

THOMAS A. BROWNLEE, druggist, of the city of Ottawa, already sworn, recalled:

By Mr. Thompson:

Q. Have you shared your profit, or any part of your profit, with any other person?—A. No.

Q. Have you promised to do so?—A. No.

Q. Did you offer anybody any reward, or pay anybody any reward, for getting these contracts?—A. Absolutely nothing.

The witness retired.

Mr. THOMPSON: As the rest of the documents in this case will not be ready until to-morrow morning, I would suggest, Mr. Commissioner, that we take up the housewives.

Sir CHARLES DAVIDSON: That case was taken up before the Public Accounts Committee, as I understand.

Mr. THOMPSON: Yes. Mr. Code, K.C., I understand, appears for Mr. McClenaghan.

Sir CHARLES DAVIDSON: Do you wish to appear in this case, Mr. Code?

Mr. CODE, K.C.: Mr. McClenaghan telephoned me to represent him. He received notice only a short time ago that his case was likely to be called to-day. I do not know much about his case and I am hardly prepared to go on, but I do not imagine there is anything to be added to what appeared before the Public Accounts Committee.

Mr. THOMPSON: I have nothing else to go on with this afternoon.

Mr. CODE, K.C.: Mr. McClenaghan is here and he tells me that he is ready to proceed.

STEWART MCCLENAGHAN, merchant, of the city of Ottawa, sworn.

Examined by Mr. Thompson:

Q. What class of business do you carry on, Mr. McClenaghan?—A. We do a man's outfitting business, we are manufacturers of clothing, men's furnishings, hats, boots, everything that men and boys wear.

Q. It would appear that you supplied a number of housewives to the Militia Department in August or September of last year?—A. We did.

Q. Did you supply these housewives on tender?—A. Yes.

Q. Were you requested to supply them, by a letter or verbally?—A. By telephone.

Q. Were specifications for these housewives given to you?—A. No, there were samples furnished.

Q. Did you see the samples?—A. The manager of my contract department went down and saw them at the Militia Stores, or at the office, I am not sure which.

Q. Who telephoned you and asked you to tender?—A. Mr. McCann.

Q. As a result of the visit made by your manager to the Militia Stores, were you given a contract to supply these housewives?—A. No, I did not know what a housewife was, and so we went down and examined them and we got the details of what was in the housewives and the material.

Q. Who got the details?—A. The manager of my department.

[Housewives—McClenaghan.]

Q. The manager of the department and yourself, or just your manager?—A. Just the manager.

Q. From whom did he get them?—A. Well I suppose it would be in Mr. McCann's department, probably Major Halleck, I do not know who.

Q. Is your manager here to-day?—A. He is.

Q. Did he bring a sample away from the department?—A. Yes, I think he got a sample.

Q. Did he tell you what the price would be?—A. No, we were to tender on that. What we went to the department for was to see what a housewife was, and what material was inside of them, that is the filling. After we got a list of the filling and saw the material, we made a couple in our factory and then we tendered on them.

Q. Was your tender accepted?—A. Yes.

Q. How many did you supply?—A. We supplied I think 20,000 the first time. That started in August and it finished in January. There were 100,000 altogether.

Q. What price did you receive?—A. Fifty-three and a quarter cents each.

Q. That would be about \$53,000 for 100,000 housewives?—A. Yes.

Q. When you made these housewives were they made from material you had on hand in your house or did you purchase it?—A. We had to purchase it.

Q. Have you got the invoices for your purchases?—A. I have this bunch of invoices here, they take in most of them, I think.

Q. Do these invoices take in all your purchases?—A. Practically all. I am not sure that we have not other invoices than those, but these are the majority; I just gathered them up to-day in the vault.

Q. Your books will show, will they, how much you actually paid out for material?—A. Yes.

Q. Can you state what that is?—A. I had a statement at the Public Accounts Committee worked out from the units.

Q. I want to know what the total amount was that you paid out for material for these housewives?—A. I would have to go through these invoices.

Q. Will not your books show?—A. Yes.

Q. Is your book-keeper here?—A. No.

Q. You have to go through all these invoices now to tell me?—A. Yes.

Q. Well, we will have to get it, because that is the only way we can arrive at what you paid for these goods; either you will have to give it or your book-keeper—do you know approximately what you paid out for material?—A. Yes, it ran around—when we tendered, we figured that the cost would be between forty-two cents and forty-five cents, we did not then know the quantity.

Q. What did you actually pay out for material?—A. Well it ran about 44 cents each.

Q. What was the total, do you say it was \$44,000?—A. I cannot tell to take it in bulk.

Q. I know, but that is the best way we can get correctly at your profit, and so on?—A. I would have to get the books and get the invoices.

Q. Can you have them ready for to-morrow morning?—A. I can try, I think so. You see, at the Public Accounts Committee they asked me to bring up all the invoices, and I brought up all the invoices I could get, and that is the end of it.

Q. You see, Mr. McClenaghan, we have come to the conclusion here that the inquiry before the Public Accounts Committee was very superficial?—A. Well, they seemed to go into our business pretty thoroughly, from what I could see.

Q. We cannot get at what I want to know without getting that information, but in the meantime I can ask you one or two more questions this afternoon—were all these housewives made on your premises?—A. The majority were made on our premises; all the filling work was done on our premises.

Q. And some of the housewives were not only partly made but completely made on your premises?—A. Yes.

Q. What proportion of the housewives were partly made outside your premises?—
A. I am not quite sure; I would have to find out from the manager.

Q. You could tell from your books, could you?—A. Yes.

Q. Will you get that information too?—A. Yes.

Q. Do you know how much you paid out to outside persons for partly making your housewives?—A. That is an item I could get correctly; I think it was two thousand odd dollars.

Q. Your company is an incorporated company, is it not?—A. A joint stock company.

Q. Was this order given to the joint stock company or to Stewart McClenaghan?—A. It was given to the joint stock company.

Q. Did all the profit go into the joint stock company?—A. Absolutely.

Q. Did the company divide profits with any other persons?—A. No sir.

Q. Or promise any other profits to any other person?—A. No sir, there was no necessity.

Q. That is all I can get from you to-day; I will be interested to see the statement prepared by your book-keeper.

The witness retired.

F. W. GERVAN, departmental manager for the Two Macs, sworn:

Examined by Mr. Thompson:

Q. I understand you went down to the Militia Department to inspect these housewives?—A. Yes sir.

Q. Did you act on instructions from Mr. McClenaghan?—A. Yes sir.

Q. Had you known anything about housewives before?—A. No sir.

Q. Did you hear the question of supplying housewives discussed with any one?—A. No sir.

Q. That is the first you heard of it?—A. Yes.

Q. And whom did you see when you went to the Militia Department?—A. I saw Mr. McCann, the first time I saw him only.

Q. Did you pay more than one visit?—A. Yes, the kind of housewives they had first was not large enough; we had to get a larger-sized housewife.

Q. When you saw Mr. McCann, did you ask him to show you a housewife?—A. Yes sir.

Q. Did he have one by him?—A. Yes sir.

Q. Did you ask him what the tender ought to be at?—A. No sir.

Q. Did you ask him anything about the price?—A. No sir.

Q. Did you tell him what the price would be?—A. No sir.

Q. Did you suggest what the price would be?—A. No sir.

Q. Did you have any conversation with Mr. McCann except as to the actual contents of the housewife?—A. No sir, except on getting a larger size.

Q. This conversation about getting a large size was on the occasion of your second visit?—A. Yes.

Q. Did you have any conversation with Mr. McCann on that occasion as to what the price ought to be?—A. No sir.

Q. Did you have a consultation with Mr. McClenaghan when arriving at the price of 53½ cents?—A. Yes, sir.

Q. How did you arrive at that price?—A. I figured it on the separate articles, brought the prices to Mr. McClenaghan, and I did not exactly know the circumstances altogether, but from that we arrived at the prices.

Q. Were you calculating the cost of the materials?—A. Yes.

Q. Did you ask McCann whether any other person was tendering?—A. No sir, I did not ask him directly.

[Housewives—Gervan.]

Q. Did you ask him indirectly?—A. Not that I know of.

Q. You evidently said something about it?—A. I was going to say that I was led to believe that there were others tendering.

Q. Who led you to believe there were others tendering?—A. Just from conversations only, in almost all tendering it is that way.

Q. You knew that there would probably be others?—A. Yes.

Q. Were there others?—A. Not that I know of, since the Public Accounts Committee brought that out.

Q. You are concluding now that you had the whole field to yourselves?—A. Yes.

Q. Was there anything else said on the occasion of your second visit to McCann about prices?—A. No, not on the second visit.

Q. Did you pay more than two visits?—A. The last visit was with the new housewife.

Q. That was when you came with the housewife of the increased size?—A. Yes.

Q. Did you submit it to him?—A. Yes sir.

Q. Did you submit it to anybody else?—A. Major Halleck, he took me into Major Hallick's, I think.

Q. Before you went into Major Hallick did you have a discussion as to the fine housewife you were producing?—A. No, I think we went right into Major Hallick to see if the housewife was all right.

Q. Did you and he examine the housewife before you went in to see Major Hallick?—A. No, not that I remember.

Q. This was the third visit?—A. Oh no, this was the second visit.

Q. You went in with McCann and showed the housewife to Major Hallick, and he was evidently satisfied with it?—A. Yes.

Q. Did you discuss the price with Major Hallick?—A. Pardon me, I think the second visit was when I took it down and found it was too small.

Q. You could not get into it all the articles they required?—A. Yes, that was the second occasion.

Q. And on the third occasion, with the completed and enlarged housewife, you had an interview with McCann?—A. Yes, and Major Hallick, that was the third visit.

Q. Did you discuss the completed housewife with McCann, on your third visit?—A. I gave him the price.

Q. You told him what your price was?—A. Yes.

Q. Did you ask him what he thought about it?—A. Not that I remember.

Q. Would you remember if you did?—A. I think I would if I did.

Q. Did he ask you what your price was?—A. Yes, sir.

Q. What did you tell him?—A. I gave him the price.

Q. What was the price?—A. 53½ cents.

Q. Was that the only price you quoted to him?—A. Yes, sir.

Q. You then went in with McCann to see Hallick?—A. Yes.

Q. Did he accept your offer at that price?—A. I do not think the price was discussed with Major Hallick, I am not sure whether it was or not. I think it was just with Mr. McCann, although it may have been.

Q. Did he say anything about the price being satisfactory or unsatisfactory?—A. I do not think so at that time. I think it was later that they said our tender was accepted. It was not that afternoon. It was either the day after or maybe two days after.

Q. What did Major Hallick say about it?—A. He was only interested in the quality of each article.

Q. Was there any further discussion?—A. Not that I recollect.

Q. Did you leave the housewife there or did you take it away?—A. I left it there.

Q. Did you call at the department again?—A. I am not sure whether I did or whether it was over the phone we got the order. Of course, the order came in in regular form.

Q. Did they phone you that they had accepted your order?—A. I am not quite sure whether they phoned or not.

Q. Were you not interested as to whether you were going to get this order?—A. I certainly was.

Q. And in the ordinary course it would probably be you who phoned them?—A. Yes.

Q. You would do that?—A. Yes.

Q. Who did you get over the phone that time?—A. Mr. McCann was the one I was dealing with.

Q. What did you ask him?—A. I cannot say.

Q. Did you ask him was it all right about the housewives?—A. I cannot say.

Q. Did he tell you it would be all right?—A. I am not sure whether he telephoned we were to get it or whether it was that when the order came in we knew.

Q. Did you have any further discussion with McCann?—A. Not that I remember.

Q. Or with any other person?—A. Not that I know of; I think there was one on the supplies.

Q. What do you mean by "on the supplies"?—A. On the supplies that were in it.

Q. I thought that had been discussed by you at your first meeting?—A. He said something about looking up a wholesale to see how the supplies were for prices.

Q. Did he say what the price was?—A. Of the supplies, not the housewives.

Q. What was his idea on that; was it to ascertain whether you were charging too much?—A. I cannot say.

Q. Where was he when he said that, was it in the Militia Department?—A. I think it was; it was either there or over the phone. It is so long ago I cannot remember.

Q. Was he down in your department at any time?—A. At that time?

Q. At any time about these housewives?—A. No, we did not have any discussion with him in the Two Macs about these housewives.

Q. You got all your information in the department about the housewives?—A. I think so.

Q. Do you recollect interviewing any of the officials about them?—A. No, sir.

The witness retired.

JOHN A. McCANN, Assistant Director of Contracts, Department of Militia, sworn:

Examined by Mr. Thompson:

Q. Are you assistant to H. W. Brown, Director of Contracts?—A. Yes.

Q. You appear to have been the officer who negotiated the housewife contract?—A. I was.

Q. I understand, from the evidence in the Public Accounts Committee, that you telephoned to the Two Macs, that is Mr. McClenaghan's Company, asking them to tender on these things?—A. Yes.

Q. You telephoned to them?—A. Yes.

Q. What did you tell him over the phone?—A. I asked them if they could make up some housewives in a hurry for the department.

Q. Were you speaking to Mr. McClenaghan?—A. I do not remember; I called up the Two Macs.

Q. Did you tell them how many you would want?—A. I did not tell them at first.

Q. Did you tell them how soon delivery would be required?—A. I told them that, certainly.

[Housewives—McCann.]

Q. What did you say as to that?—A. My recollection is that we told him we would want them in about four weeks from that time.

Q. Did you say how many would be required?—A. I did not tell him when I spoke to him first.

Q. Did you say anything as to the price?—A. Not at first.

Q. About what date was it that you telephoned?—A. Will you pardon me for a second; the first conversation was to see if we could get him to make up a sample of what we wanted; we had not at that time any in the department; we had no supply to take the samples from.

Q. Had you not a War Office sample?—A. We had a sample that had been got out a good many years ago from the War Office.

Q. Were you satisfied with that?—A. Quite satisfied; I wanted to get something like that.

Q. Did you have that in your office?—A. Yes.

Q. Why did not you ask him to tender on that sample?—A. I did, sir.

Q. Did you ask him to go and see it?—A. I did, sir, and gave them the sample.

Q. That was when they called at your office?—A. After I asked them to call and get a sample.

Q. You asked them over the telephone if they could tender on a sample?—A. Yes, if they could tender on a sample.

Q. Did you ask them to call and see you?—A. Yes, I asked them to call and get a sample.

Q. Then apparently Mr. Gervan called?—A. Yes.

Q. Did you have any discussion as to price then?—A. No, only after he went back and figured out what he could supply it at. I do not think he gave us a price for twenty-four hours after.

Q. He took the sample with him?—A. Yes.

Q. Did you have only one sample?—A. That was all.

Q. You entrusted it to them?—A. I did.

Q. The only sample you had in the place?—A. I did; there was not another one in Canada.

Q. You are very trusting?—A. I have been working there for a good many years, and I had no reason to feel my trust would be betrayed.

Q. At all events, the housewife returned to you all right?—A. The housewife was returned to the department and came back all right.

Q. And Mr. Gervan or Mr. McClenaghan returned with the sample which they could supply in a day or two?—A. Yes, the sample which they could supply.

Q. Did you ask them for a price?—A. I did.

Q. What did they say?—A. At the time Mr. Gervan said he was figuring it out, and afterwards he sent me a list. Before we could take any action, I had to go to Colonel Halleck to find out if the samples submitted by the Two Macs was satisfactory.

Q. Did he find it satisfactory?—A. Not quite.

Q. Did the filled sample have in it all that was contained in the War Office sample?—A. It had much more.

Q. And he wanted still more?—A. Yes.

Q. Did you have a price on the sample as then filed?—A. I do not think we had, so far as my recollection goes, I did not have. We had a price only on the sample that was accepted.

Q. When you reported what Halleck said, Gervan took the sample away and put something more into it?—A. Yes, he put in what Colonel Halleck suggested to him.

Q. And then he came back and quoted you a price?—A. Yes, sir.

Q. Did you suggest the price to him?—A. Certainly not, sir.

Q. Did you give him an idea as to what he might get?—A. No.

Q. Did you give him an idea as to what they were getting in England?—A. No, sir.

Q. Did you tell him what you had been paying previously for housewives?—A. No, sir.

Q. Had you ever ordered housewives before?—A. Yes, fifteen or fourteen years before.

Q. Were these ordered on the War Office sample?—A. No.

Q. What sample was it?—A. It was a sample made up by the officer at the time, who selected the sample.

Q. Was it a good housewife in your opinion?—A. It was, the only difference was that the fourteen or fifteen year old one was made out of cotton drill, we had not a single one of them.

Q. What did the department pay for that housewife, fourteen or fifteen years ago?—A. I think ninety cents each, filled. I would not be positive as to that, but we can find out from the Auditor General's Reports of 1899, 1900 or 1901.

Q. It seems astonishing that it should be almost double the price of the 1914 housewife?—A. We were getting quite a big lot this time, and I think we got better value for the money.

Q. Do you know from whom the fourteen or fifteen year old housewife was bought from?—A. From Wilson Brothers.

Q. Where do they carry on business?—A. In Ottawa.

Q. You are sure the price was ninety cents?—A. I am not certain, I think it was over 85 cents anyway, but it can be found in the Auditor General's Report.

Q. Do you know how much that housewife contained in the way of contents?—A. I cannot tell you offhand.

Q. Did you ever see one of them?—A. I certainly did.

Q. Do you think it contained much more than the 1914 McClenaghan sample?—A. I do not think it contained quite as much.

Q. Was the drill which formed the main part of it as expensive as the cloth which McClenaghan furnished?—A. No.

Q. Who else did you phone to, asking them to tender on these housewives?—A. Nobody else.

Sir CHARLES DAVIDSON: Why?

The WITNESS: We had thousands and thousands of things to do in a very short time. We believed that the Two Maes could fill that order as well as anybody else in Canada. They were right on the ground and they had the material out of which the covering was to be made, they probably would have the buttons and the thread and all that sort of thing, and if we could get it at a reasonable price from one man it would be much better than getting it here and there and calling for tenders here and there and getting quotations and causing delay.

By Mr. Thompson:

Q. You have learned now, Mr. McCann, how greatly you were in error?—A. I have not realized it yet.

Q. Well, Mr. McClenaghan has just stated that he bought all the material for the housewives, and that he had none of it in stock at the time?—A. I was led to believe that the main part of the housewife, which is the covering itself, was in his establishment at the time.

Q. You were led evidently into a false belief?—A. I cannot say so.

Q. He states he bought it all outside?—A. Does he mean everything, the cloth as well as the cotton?

Q. He says he bought the material and everything outside.

Sir CHARLES DAVIDSON: Who led you to believe that they had everything on hand?

By Mr. Thompson:

Q. Was it Mr. Gervan led you to believe that?—A. I do not say he led me to believe they had everything on hand.

[House wives—McCann.]

Q. Something induced you to phone to the Two Macs?—A. Yes.

Q. Was it because you were led to believe by somebody that they had material on hand that you phoned them and asked them to tender?—A. I knew they must have material on hand; it was an ordinary tweed that was wanted, and I know they would have that.

Sir CHARLES DAVIDSON: You do not happen to have one of these housewives in your pocket?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Nor in the office?

The WITNESS: There may be one at the Ordnance Stores, but I am not sure.

Mr. THOMPSON: Mr. McClenaghan will produce one.

By Mr. Thompson:

Q. Did any one tell you to phone to the Two Macs?—A. No, sir, not to my recollection.

Q. Did you do it entirely on your own motion?—A. I very probably discussed it with my chief, Mr. Brown, before taking action.

Q. Before you would commence to look about for contractors for housewives, you would receive a requisition from somebody?—A. Yes.

Q. From whom?—A. From the Quartermaster-General, or his Branch.

Q. Who is the Quartermaster-General?—A. General Macdonald.

Q. What would that requisition contain?—A. We call these requisitions contract demands, if I use the term it will be synonymous with requisition.

Sir CHARLES DAVIDSON: Where is your contract demand in this case?

The WITNESS: I was under the impression, when I started from the office, that it was up here; if not, it is in the department.

By Mr. Thompson:

Q. Would that contain anything more than a demand for a certain number of housewives?—A. It might contain a demand for some other thing in that line, for instance, sometimes it would ask for socks, undershirts, and other things, in the same requisition.

Q. There would be several articles required in the one requisition?—A. There might be.

Sir CHARLES DAVIDSON: We have not heard yet how many he sought to procure?

By Mr. Thompson:

Q. Did you notify McClenaghan how many would be required?—A. Oh, yes, but after the pattern was settled on.

Sir CHARLES DAVIDSON: And the price?

The WITNESS: Oh no, we knew how many was wanted before the price was settled.

By Mr. Thompson:

Q. So that after you, and Gervan, and Hallick, had arrived at a satisfactory form of housewife and satisfactory contents for the housewife, you then notified or told Gervan or the Two Macs how many you were going to buy?—A. Yes, and when we wanted them delivered.

Q. Was it after that they stated what their price would be?—A. Yes.

Q. How many did you tell them at that time would be required?—A. My recollection is, that it was 30,000, but I would not be positive.

Q. As a matter of fact, you bought over 100,000 did you not?—A. Those demands came up one after the other. Sometimes there would be four weeks or six weeks between each demand.

Q. All told, you bought about 100,000?—A. There may have been that many.

Q. While the Two Macs appear to have delivered promptly and satisfactorily to you, did it not occur to you to phone, for instance, to John Garland & Sons?—A. It did.

Q. It did occur to you?—A. Yes.

Q. Did you?—A. Yes.

Q. What did they say?—A. I will tell you how that occurred.

Q. What did they say when you phoned to them?—A. Would you mind if I lead up to that—the Two Macs furnished a list of prices for each article, showing how the total was arrived at. Then I phoned the J. M. Garland people to find out what the wholesale price for these articles was, and they gave me their wholesale price over the phone and I made a note of it at the time.

Q. That is interesting, but it is not what I wanted—what I want to ask you is: why didn't you phone to the Garland Company and ask them to tender for housewives, at the same time that you phoned to the Two Macs; it would not take much longer?—A. They are not dealers, nor do they employ, so far as I know, any staff of women and equipment of sewing machines on their premises.

Q. Are there not companies or individuals, doing business in Ottawa on a large scale, who might have made up the housewives; for example, did you try the Rea Company?—A. No.

Q. Did you try Bryson-Graham?—A. No.

Q. Did you try Ogilvy's?—A. No, I tried no one but the Two Macs.

Q. Is it not usual to ask several persons in the same line of business to make a tender?—A. It is usual under normal conditions.

Q. Do you think it would have taken any longer to have had the contract completed and the housewives delivered if you telephoned to some one else and asked them to compete?—A. I do not know that I would say it would take any longer, it might have taken a great deal longer. We have had experience of some people undertaking to furnish supplies in a certain time and woefully falling down.

Q. Did you select the Two Macs because you were sure they would live up to their contract?—A. We selected them because we felt satisfied they could live up to that contract as well as any one else in this city, or anywhere else in Canada; at least, that was my opinion at the time.

Q. When they brought the completed housewife into you, did you suggest to them in any way as to what the price should be?—A. No, the first thing to do was to take it to Colonel Halleck to see if it was satisfactory, and then the next thing was to ask them to quote a price on this for 30,000 to be delivered in four weeks.

Q. Did you have any discussion as to the price?—A. That is the only discussion I had.

Q. Did Mr. Gervan quote his price offhand or did he spar for time, as most contractors do?—A. No, he went back and sent up a list of prices for each article in the housewife. The completed housewife costs exactly the same as the component parts.

Q. Well, the component parts of an automobile do not cost the same as the completed article—you say he added up the price of the completed parts?—A. Yes.

Q. When you telephoned to the Garland Company and got the list of the various articles, how did it compare with the component parts of the housewife actually supplied by the Two Macs?—A. I found their prices were just about the same, and the only judgment I could form on the matter was that there might possibly be a shade of difference in price, and that would probably be accounted for by a shade of difference in quality.

Q. Do you know that the contents of the housewife, upon which McClenaghan quoted you a price were the same and identically the same as the articles, the prices of which you were obtaining from Garland?—A. No, sir, I did not.

Q. You are making a guess at that?—A. I will tell you how I was making a guess at that; I had the articles, the safety pins, the buttons and so on—

[Housewives—McCann.]

Q. Did you describe to the Garland Company exactly what you had in front of you?—A. As nearly as I could.

Q. It was after that, when you were able to check up, that you thought the profit that Mr. McClenaghan was making on his housewives was, at any rate what would represent a fair price?—A. A fair price.

Q. Allowing him for overhead charges and so on?—A. Yes.

Q. You have not the records of the department here with you?—A. No.

Q. Do you know whether you certified as to these housewives being fair and reasonable as to price, or who would certify as to that?—A. When the accounts come in, they are all certified by the Director of Contracts, and that is only after the order is given and the prices fixed.

Q. In a case we had before us this morning, it was one of the officers of the Medical Department that certified as to the fairness of the price of certain surgical supplies?—A. May I explain that. I do not know what you have in mind, but sometimes when an order is given for an article, for a supply for the stores, and the price is not fixed at the time it is given, which is a rare occurrence, we refer it to some officer who is thoroughly acquainted with it; if it were a medical store, it would be referred to the Director General of Medical Services.

Q. And if the contract price is fixed, before the contract is given, there is no such certificate?—A. Then the Director of Contracts certifies the account before it is handed for payment.

Q. Then I suppose you gave a written order to the Two Macs for a certain number of housewives?—A. Yes.

Q. And then it would be checked up according to a copy of that order in your office, and paid?—A. Yes.

The witness retired.

Mr. THOMPSON: That is all this afternoon, sir. We will be able to complete the Brownlee case and this case to-morrow morning.

Sir CHARLES DAVIDSON: Then what will you take up?

Mr. THOMPSON: I intend to take up the purchase of motor trucks, to see if I can make some headway with it. I am in some doubt as to whether all the witnesses I wish to call will be available to-morrow or as to whether all the information will be immediately available, but we can make some headway with that, I think.

Sir CHARLES DAVIDSON: The other clothing matters, the boots and so on, you are not ready to proceed with that?

Mr. THOMPSON: Not yet, sir.

The Commission then adjourned until ten o'clock to-morrow, Wednesday morning.

OTTAWA, Wednesday, July 7, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at ten o'clock.

Mr. THOMPSON: I purpose this morning to continue the evidence of Mr. McClenaghan, President of the Two Macs Company, who supplied the housewives.

Mr. R. G. CODE, K.C., appeared for Mr. McClenaghan.

STEWART MCCLENAGHAN, merchant, of the city of Ottawa, already sworn, recalled:

By Mr. Thompson:

Q. You were to prepare your invoices in some order, so that we could ascertain what you paid out for materials?—A. I have them here with the additions.

Q. These invoices cover material bought from H. McLean & Company; what did you buy from H. McLean & Company?—A. Beeswax.

Q. The invoices include invoices from J. M. Garland Son & Company, Green-shields, Limited, Gault Brothers, Sparks Brothers, Gordon McKay & Company, Toronto, John W. Peck, Montreal, The Capital Toffee Company, George H. Popham, Smart-Woods, Limited, W. R. Brock Company, Grant, Holden & Graham, Hodgson & Summer & Co., Boyd-Caldwell & Co.?—A. Yes.

Q. And all these various invoices amount to how much?—A. \$35,208.36.

Q. Was that the actual amount you expended for material?—A. There was about \$600 that we have in invoices for other goods, for cases; there were 350 cases that we had to pack them in.

Q. Would that \$600 be in addition to the \$35,208.36?—A. Yes.

Q. So that the total expended for material and for packing cases amounted to how much?—A. \$35,808.36. Then there is wages, cutting and making and filling, \$7,000.

Q. That would amount to \$7,000?—A. Yes.

Q. What was the total expenditure, therefore?—A. \$42,808.36.

Q. What was the total amount received from the Government?—A. \$53,250.

Q. Is what you paid out for making, outside of your own establishment, included in these figures?—A. Yes, that is part of the wages.

Q. That is part of the \$7,000?—A. Yes. We paid Pageau & Company \$319.25.

Sir CHARLES DAVIDSON: Is this of any interest, as long as it was not farmed out?

Mr. THOMPSON: I was merely endeavouring to ascertain how he arrived at the amount of the wages.

The WITNESS: And we paid Sparks Brothers \$1,764.40.

By Mr. Thompson:

Q. Did Sparks & Company, or Pageau & Company, cut any of the housewives?—A. Sparks & Company did, but for Pageau we cut them and gave them to him.

[Housewives—McClenaghan]

Q. What did Sparks charge for cutting and making?—A. Three cents for making and I think a quarter of a cent or a half cent for cutting. We paid Pageau five cents for making and cutting, and we paid in our own factory from three cents to five cents, depending on piece work; that is all included in the \$7,000.

Q. If you had not had it done in your own factory, would you have to pay out approximately \$7,000 anyhow?—A. Yes, if we got it made outside it would cost about the same.

Q. Apart from what one might call overhead charges, such as rent and other charges of that nature, if the material and housewives had never come near your factory, your outlay would have been \$42,808?—A. Yes.

Sir CHARLES DAVIDSON: Has he stated what the percentage of profit was?

The WITNESS: The gross profit is about twenty-five per cent.

Sir CHARLES DAVIDSON: And you say that does not include overhead charges?

The WITNESS: No. Our overhead charges we figure at sixteen per cent on the year's business.

The witness retired.

Sir CHARLES DAVIDSON: Have you completed this case, Mr. Thompson, as regards the Director of Contracts' Department.

Mr. THOMPSON: Yes, sir.

Sir CHARLES DAVIDSON: Have you pressed them sufficiently as to why they did not telephone to other people?

Mr. THOMPSON: I think there is no further information to be obtained on that point, Mr. Commissioner. McCann was directed apparently to ascertain where these could be purchased and to negotiate for them, and I do not think anything more is to be obtained from him.

Sir CHARLES DAVIDSON: I have not in mind at the moment whether the witness McClenaghan stated whether he had the material for these housewives in stock or not.

Mr. THOMPSON: He stated he had not, and that he had to buy all the material which went into the housewives, including the backing and the foundation for them.

Sir CHARLES DAVIDSON: Was there no firm in Ottawa who would have been more efficiently stocked as to the necessaries for these articles?

Mr. THOMPSON: The invoices show that a large part of the material was bought from Garland & Company.

Sir CHARLES DAVIDSON: Could they have manufactured them?

Mr. THOMPSON: Apparently not, without also purchasing some material outside from another establishment.

Sir CHARLES DAVIDSON: And how as to workmanship, would they have been able to do the work?

Mr. THOMPSON: McCann stated yesterday that he did not consider they had facilities for that purpose. I understand they are simply wholesale dry goods people.

The WITNESS: They are wholesale dry goods people. We are members of the Manufacturer's Association of Canada and are regular manufacturers, and we had as much in stock as any other firm would have of the same articles, but it was not nearly enough to fill this order, and we had to scour the country for it.

Sir CHARLES DAVIDSON: Was this a reasonable part of the manufacture, as regards your business?

The WITNESS: Oh yes, it was really in our line.

Sir CHARLES DAVIDSON: As much as in Garland's line?

The WITNESS: Garland does not manufacture at all. He has a wholesale dry goods house. We have a factory employing a large number of hands, with machines, in connection with our tailoring.

Sir CHARLES DAVIDSON: Is there any other firm in Canada equipped as well as yours, with respect to material, as well as with respect to workmanship?

The WITNESS: I have no doubt there are, but most of them were all filled up at that time with other contracts. I was the only large firm, I guess, that did not have a contract. The others were all filled up with contracts for shirts and hold-alls, and everything like that; it was a rush time.

Sir CHARLES DAVIDSON: Do you consider there is any firm in Ottawa readier than you to undertake a contract of that kind?

The WITNESS: I do not know about that. At all events, we were given the contract, and we got it out a day ahead for the first order.

Sir CHARLES DAVIDSON: Is that for the 100,000?

The WITNESS: No, I think it was 30,000 at first. It started with a small contract, and it gradually grew for six months. I do not think there is any one who could handle it any better than we did.

The witness retired.

MOTOR TRUCKS.

THOMAS A. RUSSELL, Vice-president and General Manager of the Russell Motor Car Company, Toronto, sworn:

Examined by Mr. Thompson, K.C.:

Q. I understand, Mr. Russell, that last September you were appointed by the Minister of Militia to purchase some motor trucks?—A. I was on two occasions asked to do so, in two, definite, specific numbers.

Q. Let us take the first instance; how were you instructed with regard to the first, was it by letter or verbally?—A. Both.

Q. What were your instructions?—A. I came to Ottawa on the 14th of August with a salesman, waited on the Minister of Militia, and stated to him that there was a good deal of rumour that motor trucks being contraband of war were not to be permitted to go out of the States into Canada, and that our company were in a position to supply a number of two-ton motor trucks for prompt delivery; eight or ten, or perhaps twelve trucks.

Q. You came to Ottawa?—A. Yes, and the Minister asked the price, which I stated was \$3,500, with a stake body.

Sir CHARLES DAVIDSON: What is that?

The WITNESS: That is an ordinary platform with stakes at the sides to retain any goods that might be put on the trucks.

By Mr. Thompson:

Q. What make of truck was that that you spoke to the Minister about?—A. It was a truck which would be made by us. The majority of the parts had been acquired by a company in Kingston, Ontario, with a view to manufacturing trucks, and they had not been able to go on with it, and our superintendent stated that we could finish these trucks in our factory and deliver them.

Q. Had you any trucks made up at that time?—A. Of that type?

Q. Of any type?—A. We had a 1,500-pound wagon, which we had made and delivered already, having previously sold it to the department.

Q. So that when you came here in September or August you had trucks on hand?—A. We had actually shipped five, I think, on a previous order of eight, to the department.

Q. And the trucks you had reference to when you came here and saw the Minister were trucks which you proposed to construct?—A. Which we proposed to construct.

Q. The idea being that your Company would purchase the parts from a company which had not succeeded in business?—A. Yes, and complete them.

[Motor Trucks—Russell.]

Q. And deliver them?—A. Yes, and our company would be responsible for their performance.

Sir CHARLES DAVIDSON: That was a two-ton truck?

The WITNESS: That was a two-ton truck.

By Mr. Thompson:

Q. And that being so, you saw the Minister, and what did he say?—A. He stated they wanted some trucks and wanted them in a hurry, and that he had not any organization to handle it, and that as he presumed we were Canadian manufacturers we should supply them, and if he took these trucks that I offered him, would I undertake to purchase an additional number that they required to be delivered immediately. I asked the number, and he concluded it would be twenty-five altogether.

Q. Did he say it would be about twenty-five?—A. That is what he stated to me.

Q. Would these twenty-five trucks include—A. My eight or ten.

Q. The eight or ten which you were going to assemble?—A. Exactly.

Q. That was the term of your engagement?—A. Yes.

Q. That he would buy the eight or ten and in return for that you would undertake to collect the balance of the twenty-five?—A. Yes, and get them delivered.

Q. Was that conversation followed out by correspondence?—A. Yes, he gave me a letter on the 14th of August.

Q. Will you read that letter?—A. The letter is as follows:—

MINISTER'S OFFICE,

OTTAWA, August 4, 1914.

DEAR SIRS,—I have pleasure in commissioning you to select for me, for the Department of Militia and Defence, using your best judgment, as many motor trucks as you can conveniently secure, up to twenty-five (25) to be delivered at Valcartier, Quebec, by the end of two weeks from to-day—the 28th instant.

I shall be obliged if you will, also, supply us with chauffeurs for these trucks.

Faithfully

Sgd. SAM HUGHES.

Also suitable trailers. S. H.

Messrs. RUSSELL & MACQUARRIE,

Chateau Laurier,

Ottawa.

Q. I notice that in that letter, the Minister of Militia refers to some person named MacQuarrie?—A. Yes.

Q. Who was he?—A. He had been a salesman in our company and had left us, I think in March of the year previous, to enter into the agency business, motor cars and supplies, and he had an arrangement with us that he could sell goods on the basis of four per cent commission. He had been in Ottawa, he had sold the department for us before, eight light wagons. These are the eight I referred to before. He went with me when I went to see the Minister on the subject.

Q. He accompanied you?—A. Yes.

Q. After you received that written instruction from the Minister, what did you do?—A. I sent out five telegrams to what I thought were the Canadian firms that could supply them, including the Ford, the McLaughlin, the Reo, the Gramm, the Brantford, and the Keeton.

Sir CHARLES DAVIDSON: That is the balance of the twenty-five?

The WITNESS: Yes.

By Mr. Thompson:

Q. What was the nature of the telegram which you sent?—A. To the Canadian firms, it read as follows:

7131—19½

[Motor Trucks—Russell.]

J. H. MacQuarrie and I are commissioned by Minister of Militia, Canada, to purchase motor trucks, immediate delivery. If interested have representative see us Toronto soon as possible.

In addition to that I sent telegrams to American firms, which were worded differently for the reason that I had discussed with the Minister the question of contraband, and the possibility of trucks not being admitted out of the United States. Consequently, the messages did not read with regard to the department or anything like that, because we thought it probable that it would be safer to bring in any imported machines through their Canadian representatives. Therefore, I telegraphed the Packard Company, Detroit, the Peerless Company, Cleveland, the White Company, Cleveland, the Jeffrey Company in Kenosha, and the Pierce-Arrow Company in Buffalo. The telegram I sent to them I signed personally, because I thought they would know me in the business, and it was as follows:

In market for some motor trucks immediate delivery. Have representative see me care Russell Motor Company soon as possible.

T. A. RUSSELL.

Sir CHARLES DAVIDSON: Were they unable to manufacture them in their own business; did the witness say they were manufacturers of trucks?

Mr. THOMPSON: Assemblers or manufacturers.

The WITNESS: We manufactured the other trucks which we delivered, and actually made the engines, transmissions, axles. The eight two-ton trucks we assembled and only made a few of the parts. The lighter trucks, we substantially made all of the parts.

Sir CHARLES DAVIDSON: And these they could not manufacture?

The WITNESS: Not in the time.

Sir CHARLES DAVIDSON: What was the time specified?

The WITNESS: They had to be delivered, subject to the department's right to refuse them, if not in Valcartier, on the 28th, fourteen days afterwards.

By Mr. Thompson:

Q. Had you any trucks on hand, completed at this time.—A. Only some of these eight light trucks.

Q. Were these light trucks used at Valcartier?—A. Yes sir.

Q. And they formed part of the twenty-five?—A. No, these had been bought previously altogether, previous to my personal connection with the business.

Q. What is a light truck?—A. It is a 1,500-pound truck, three-quarters of a ton, with pneumatic tires.

Q. I understand that when you came to see the Minister, you proposed to sell eight two-ton trucks, which you were going to assemble?—A. Yes, and we had previously, on the 10th or 11th of August, received an order for eight three-quarter ton trucks, or light trucks, from the department. That was previous to my visit here, and previous to any connection with purchasing any trucks.

Q. Did your eight two-ton trucks go to Valcartier?—A. Yes.

Q. You were able therefore to assemble them in sufficient time to make delivery according to the contract?—A. Yes sir.

Q. And that left about seventeen trucks to be purchased outside?—A. Yes.

Q. Did you hear from the Ford Company?—A. Yes, I just heard by phone; they did not have anything.

Q. What about the McLaughlin Company?—A. Their representative waited on me, and they had none of the type required. Now, subject to qualification, I think they had one truck, but I was unwilling to take as few as one of any one make.

Q. What about the Reo people?—A. They had some two-ton trucks.

[Motor Trucks—Russell.]

Q. Did you buy from them?—A. I did not. They were not building them or sending them to Canada; they were the Reo truck made in Lansing, Michigan, and I did not buy any of them.

Sir CHARLES DAVIDSON: Why?

The WITNESS: I concluded to purchase four other makes of trucks which I felt a little safer in purchasing at the time.

By Mr. Thompson:

Q. Did you think the quality of these was better than the Reo?—A. I thought they were better recognized as standard trucks than the Reo; I knew more about them.

Q. What about the Keeton?—A. They were not able to deliver.

Q. So that left only the Gramm Company, among the Canadian companies?—A. Exactly.

Q. What did they say they could supply?—A. I am not sure whether they said they could supply more than four or not, but at any rate I purchased four from them.

Q. Would you have any record to show whether they were able to supply more than four?—A. I do not think I would; I think it would be a personal interview with the president of the company, giving me the information on the subject.

Q. The reason I ask you is that because subsequently they supplied quite a number?—A. They had a good deal longer time in which to supply them.

Q. How long were you allowed to select these trucks?—A. From the day I was asked to get them until they had to be at Valcartier, it was fourteen days, and it takes about a week to make a shipment from any of these points, and it took me two or three days seeing the people, so that it meant only the shipment of trucks which were all ready.

Q. Where are the Gramm works?—A. In Walkerville.

Q. With whom did you negotiate for the purchase of the Gramm trucks?—A. The president of the Gramm Company, Mr. Acason; he is the vice-president.

Q. Did you go to Walkerville to see him?—A. No, he came to Toronto in response to this message.

Q. What size trucks were these?—A. I bought all two-ton trucks. I discussed that with the Minister. It was my recommendation that I thought the two-ton truck was about the best size.

Q. What price did you pay for the Gramm trucks?—A. \$3,600 each.

Q. Would that include bodies, tires, and tools?—A. Yes.

Q. And when you paid the \$3,600 you had a truck which was ready to go to work?—A. Yes, complete.

Q. I understand that all these companies issue catalogues showing the prices of their goods?—A. Most of them do.

Q. Have you got the Gramm catalogue?—A. No, they did not have a catalogue at the time. They had a small sheet which gives their prices and some specifications. That was the regular price.

Q. In other words, I could go and buy a two-ton truck from the Gramm Company for \$3,600?—A. Yes.

Q. How many did you buy?—A. Four.

Q. Is it not usual for a company like that to give a discount when one buys such a number?—A. Not in the purchase of four; no, sir.

Q. How many would it be necessary to purchase before one would get a discount?—A. That varies, different firms have different practices with regard to it.

Q. What number would I have to purchase from the Russell Company before they would allow me a discount?—A. We really have no discount arrangement for any except the trade who buy sample cars, and stock the parts, and sell the goods. We have never sold in quantities to the individual consumer, for special prices below the regular cash price of the machine.

Q. What you say is, that up to date you have never sold to any individual a sufficiently large number of trucks to warrant a discount?—A. I do not think I would say

[Motor Trucks—Russell.]

we have never sold one at less than the price to anybody, but I say that we have no fixed arrangement for ten trucks, or any other number, justifying a discount.

Q. What was the best discount your Company has ever given to one who purchased either one or more trucks?—A. Twenty per cent discount.

Q. Is that twenty per cent discount given to a purchaser who was not in the trade?—A. No, it was given to the trade.

Q. That is not what I want to know; I want to know, what is the best discount you have ever given to a purchaser who is not in the trade?—A. I think ten per cent that is subject to correction.

Q. You think ten per cent is about the best discount you have given?—A. Yes.

Q. Did you ask the Gramm Company whether they would allow a discount in view of the fact that you were buying four trucks?—A. I discussed the question of price with them, as I did with the other concerns, and they felt that in view of the speed of delivery of these, that we should pay just the regular price that any person buying in that number in that way would pay.

Q. That is surely contrary to the old adage: small profits and quick returns, if they were selling four trucks to one purchaser.—A. For cash.

Q. For cash, that was surely more advantageous to them than to sell four trucks extending over a period of a year, and possibly giving credit?—A. I think the principle of giving credit is not very common with regard to motor purchases.

Q. I think you are speaking, Mr. Russell, are you not, about the wholesale trade?—A. Or the retail trade.

Q. Is that a fact?—A. It is a fact, from my experience.

Q. One hears of a large percentage of the motors one sees on the street being bought on credit?—A. Less than ten per cent of the business we do in motors is on time.

Q. Did you actually ask the Gramm officials for a discount?—A. Well, it is difficult to recall the discussion that may have taken place at the time. I did not insist on a discount. The question of price or discount, or whether we were entitled to one, was under discussion.

Q. Evidently, then, if you did even suggest it to him, as soon as he demurred, you allowed the question to drop?—A. There was one other reason which had a bearing on that, and which I will deal with when the time comes.

Q. Let us get this first—evidently, when you suggested a discount, and he demurred, you allowed the question to drop?—A. He simply made the statement that they did not make a discount except to the trade, that they did not make a discount in the sale of their machines to the consumer.

Q. Do you think that the Gramm Company ever sold more than one machine to any one purchaser?—A. Yes, I do, but I could not recite who they were; they sold more than two to the Government previously.

Q. Oh yes, and the Government is evidently a very good customer, but have you any reason to suppose that they ever sold two trucks to any one purchaser, outside of this transaction?—A. I cannot say, I would not be correct in stating whether they had or had not.

Q. So that when they sold four trucks to one customer, they were doing a pretty good business?—A. It was a nice order.

Q. Therefore, would it not be natural, if you had been somewhat insistent, for him to have abated from his stern purpose of not allowing a discount?—A. I cannot say as to that.

Q. At any rate, you paid him the price fixed?—A. I paid him the regular price.

Q. And the price he asked?—A. The price he asked.

Q. You told me that you sent a telegram to five American companies?—A. Yes.

Q. What were they?—A. The Packard, the Peerless, the White, the Jeffrey, and the Pierce-Arrow.

Q. There are a number of other well-known makers of motor trucks in the United States?—A. Yes sir.

[Motor Trucks—Russell.]

Q. There are probably about ninety well-known makers, are there not?—A. I suppose; I would not say well-known.

Q. Why did you confine your telegram to these five?—A. I had to take very quick action. There was going to be no opportunity for testing, and I, therefore, sent out word to what I considered to be five of the most representative truck-makers in America, in whose product I have a good deal of confidence.

Q. Did all these companies have agencies in Toronto?—A. The White, Packard, and Pierce did; I was uncertain as to whether the Jeffrey had or not.

Q. I was going to come to that later, but I understood your company was the agent for the Jeffrey?—A. Not at that time.

Q. But you must have been familiar with a large number of other reliable companies in the States, were you not?—A. They do not all make two-ton trucks, but there were a lot more that may make them. I did not see any useful purpose in having ninety people over to supply seventeen trucks.

Q. So that you just sent the telegram to these five?—A. Yes.

Q. What reply did you have from the Packard Company?—A. I was waited on by their representative in Toronto.

Q. Did you have any reply?—A. Yes, there was a letter later.

Q. What did they say in that letter?—A. I have here a letter dated August 17, which reads as follows:—

THE ONTARIO MOTOR CAR COMPANY, LIMITED.

Toronto, August 17, 1914.

Mr. T. A. RUSSELL and Mr. J. H. MACQUARRIE,
100 Richmond St. W.,
Toronto, Ont.

GENTLEMEN:—We beg to submit tender for four two-ton Packard trucks in gray prime paint, with stake bodies, swivel dash headlights with carbide generators, full set of tools and a special large tool box suitable for use in carrying tarpaulins, chain grips, tackle, etc., but less these items, and fitted with draw bar, coupling eye for trailer, for the sum of \$3,050 in bond f.o.b. Toronto.

The above quotation is based upon delivery of these trucks at Toronto and payment of same here, it being understood and agreed however, that delivery is to be made here in ample time for these trucks to reach Valcartier, Que., on or before August 28, failing which you have the option of cancelling any orders placed with us and return of the goods to us at our expense, providing it cannot be shown that the delay was the result of lack of shipping instructions on your part.

Besides the four above trucks which we are now tendering upon and are prepared to furnish, we can furnish you within same period, an additional amount of these trucks up to 21 on a sliding scale of discount in proportion to the number furnished, as per schedule already furnished you, which would materially reduce the cost of Packard trucks purchased now as well as in the future, if favoured with additional orders, and being in such particularly good position to make delivery, we trust you will favour us with additional orders, which we assure you will have our very best attention.

Yours very truly,

THE ONTARIO MOTOR CAR COMPANY, LIMITED,

Manager.

Q. Did the agent wait on you after that?—A. I saw him several times on Saturday the 15th and Monday, the 17th, I was in touch with him.

Q. Did you reply to that letter?—A. No, my reply to that letter was in the form of a regular order issued by the department for the trucks, I replied to it verbally.

Q. Evidently, you must have arranged to purchase these?—A. Right then.

[Motor Trucks—Russell.]

Q. Through the Toronto agent?—A. Yes, sir; he came to me in response to the wire that I had sent to the company.

Q. They evidently interviewed you shortly before or shortly after the letter arrived?—A. Yes, sir.

Q. Did you discuss prices with the Packard agent?—A. Yes.

Q. Did he show you his catalogue?—A. Yes, sir.

Q. Was the two-ton truck listed at \$3,050?—A. Yes, with the body, in the States, without duty paid.

Q. What would that cost laid down in Canada?—A. At that time, \$3,750, I think, was their price.

Q. Is that complete?—A. I think that was complete.

Q. Did you ask him for a discount?—A. Yes, sir.

Q. What did he say?—A. He said they had a fixed scale of prices and that they would not vary from them, and that this list showed it. I think there was no discount allowed in any shape until over five machines were purchased, and it increased to a maximum discount of seven and a half per cent when fifty were purchased.

Q. What would the discount have been if five were purchased?—A. It would have been one-tenth of seven and a half, as I would reckon it; I speak subject to correction on that. It was a pro rata rate, with a maximum of seven and a half, when fifty had been purchased.

Q. That is really a very small discount, considering the enormous discounts that are given to those in the trade?—A. I do not know how enormous their discount is.

Q. It would appear to me to be enormous, not being in business; when they grant a thirty per cent discount, as compared with this.

Sir CHARLES DAVIDSON: And it is larger than that, in the case of many English firms.

The WITNESS: Thirty per cent is a pretty high discount, of course, but the agent in addition to selling goods and maintaining a place of business is expected to give what is called service, to make good any guarantee that he will be called upon to make.

By Mr. Thompson:

Q. That depends on the agent?—A. To some extent, but with a reputable company it is a real item.

Q. It depends on the agent as to whether he has a place of business to demonstrate his cars?—A. Oh yes.

Q. So that you closed with the Packard agent for four machines?—A. I closed with him in Toronto, verbally, which I said would be confirmed by the department.

Q. At how much?—A. \$3,050 each.

Q. What will the cost be here?—A. \$3,750.

Q. So that the Packard would cost \$150 more than the Gramm?—A. Yes.

Q. The Packard is a very well-known car, is it not?—A. Yes, sir, a very well-known car.

Q. Would you consider it quite worth \$150 more than the Gramm?—A. Well, my opinion would be that it would be a safer truck, perhaps, than the Gramm.

Q. Is it not the case, when buying a motor car, one considers very often what sort of a company has turned out the car?—A. A good deal, although there has been a big development of specialty manufacturing of certain units, both for trucks and cars, and there are many people who claim that parts made by specialists compare at least well with parts made by a concern trying to make everything.

Q. Does the Packard make everything?—A. Pretty substantially, more so than other concerns.

Q. It is the case, is it not, that most English manufacturers complete their cars themselves?—A. More so than is the practice in America.

Q. It is more the practice in America to specialize on parts?—A. It is.

Q. Is it not a fact that many of these cars, which are supposed to be manufactured by different companies, are really merely assembled by them?—A. That is quite so.

[Motor Trucks—Russell.]

Q. So that the Packard would be really a first-class car?—A. I have always so considered it.

Q. Did it occur to you, or did it not occur to you, that it would be more advantageous to buy all the cars of one make?—A. It did occur to me, yes.

Q. What conclusion did you come to on that point?—A. One thing that weighed very considerably with me was the fact that when I saw Mr. Kennedy, the representative of the Packard Company, and Mr. Fellers, of the White Company, on the 15th and 17th, they confirmed the news, in the most forcible manner, that an embargo on motor trucks going out of the States was going to come into effect on the following Tuesday or Wednesday.

Q. And when were you speaking together?—A. On Saturday, or Monday, or both days. I, therefore, felt that it was very safe to have some coming across at Windsor, and some coming across at Buffalo, and some coming across at Niagara Falls, and part of the arrangement with all these concerns was that they had to get them into the country, and that was one reason why I arranged definitely that they were allowed to have their regular price, so as to have the Canadian concern that imported them take no risk on the one hand of their getting out of the States, and take the risk on the other hand of their being at Valcartier on the day stated, subject to possible cancellation.

Sir CHARLES DAVIDSON: You say there, that they had to take the risk of getting them out of the country, and here you say that the Canadian firm had to take the responsibility of getting them into the country, and deliver them in time; does not that look like a contradiction?

The WITNESS: I want to qualify the reference to the Canadian firm. The Canadian firm, acting as agents for these American trucks are what I mean, not the Canadian manufacturer, which, in this case, was the Gramm, but the Canadian representative of the Packard truck.

Sir CHARLES DAVIDSON: That means that you had to have them delivered here?

The WITNESS: Yes, it meant that they were not stopped getting out of the States, and it meant also that they got to Quebec in time.

By Mr. Thompson:

Q. Suppose the embargo had been placed on motor trucks, and the American firms had been unable to transfer them across to the Canadian side, the Ontario agencies would not have been saddled with these trucks, would they?—A. I do not know what their arrangements may have been. They said they would get them across, and they all adopted what proved to be quite unnecessary, but which were at the time rather ingenious methods of getting them across.

Sir CHARLES DAVIDSON: That means that the witness was not going to pay for them until he had them in Canada.

The WITNESS: That is it; unless they were in Quebec on the 28th of August.

Sir CHARLES DAVIDSON: Were these prices f.o.b. Valcartier?

The WITNESS: They were contingent on their trucks being at Valcartier on the 28th of August.

By Mr. Thompson:

Where did you take delivery?—A. The prices were at Toronto f.o.b., but the department did not need to take these trucks unless they were in Quebec at the time.

Sir CHARLES DAVIDSON: But you would have to take them.

The WITNESS: No, I did not have to take them, and that was my arrangement with the concerns supplying them. They took their risk; that was quite clearly understood.

By Mr. Thompson:

Q. You say that the Ontario agencies of these American trucks took their risk?—A. Exactly.

Sir CHARLES DAVIDSON: Were all from whom you bought Toronto agencies?

THE WITNESS: Yes sir.

By Mr. Thompson:

Q. The Packard Company undertook to make delivery up to 21 trucks within the period stated in your telegram, as stated in their letter of the 17th August?—A. Yes, that is correct; they say they would furnish up to 21.

Q. And they undertook to deliver those, did they not?—A. Yes.

Q. It was in reference to that letter I asked you if you did not then consider it advisable to buy all trucks of the one make, especially from a reliable company like the Packard, which could deliver what you required?—A. They certainly alarmed me as to the possibility of a concern bringing across twenty-one trucks at Windsor.

Q. Probably their rivals stampeded you?—A. No, they all made the same statement.

Q. Did the Packard make that statement?—A. The Packard stated that their officials had word from Washington substantially that the embargo was going into effect on Tuesday or Wednesday.

Q. How far are the Packard people from the boundary line?—A. They are very close to it.

Q. Could they not rush seventeen cars or twenty-one cars across?—A. They might.

Q. However, you did not take that up?—A. I did not, but I considered my action safer.

Q. I understand your position was to play safe, to make sure you would get delivery of the required number of trucks, irrespective of what they were, provided they were good trucks?—A. And the minister gave me to understand that there would be no excuse taken, that the trucks had to be at Valcartier and that it was my business to see to it.

Q. Did you close the bargain with the Packard Company or with the Ontario agency of the Packard Company?—A. With the Ontario agency of the Packard Company.

Q. Was that verbally?—A. Verbally, and I advised them that it would be confirmed by the department.

Q. Next we come to the Peerless?—A. No, the Pierce-Arrow; there were no Peerless bought at that time.

Sir CHARLES DAVIDSON: In this letter there is no mention made of the Packard Company at all; it is signed by the Ontario Motor Car Company?

THE WITNESS: They are the agents for Ontario of the Packard Company; I am not sure as to whether they are the agents for the Dominion or not, but they are the agents for Ontario.

By Mr. Thompson:

Q. On their official paper, they hold themselves out as the agents of the Packard Motor Car and Truck?—A. Yes.

Q. You also telegraphed the Peerless Company, what did they say?—A. The answer to that was a visit from the Dominion Automobile Company.

Q. Are they the local agents?—A. They are the local agents for them. They wired:—

Telegram received. Will have our representative see you Monday morning in Toronto.

Q. And their representative called to see you?—A. Yes.

Q. Did he have any trucks to sell?—A. Yes.

Q. How many did he offer?—A. I think he had as many as I needed at that time.

Q. How many did you need?—A. There was a total number of seventeen to be bought altogether. I think he had quite a large number.

[Motor Trucks—Russell.]

Q. Did you buy any from him?—A. No, not at that time.

Q. Why?—A. I do not remember why.

Q. He was one of the early callers evidently?—A. Yes.

Q. Do you recollect what his prices were?—A. Yes, I want to correct myself. I was wondering why I was hazy about it, the Peerless Company did not make a two-ton truck, so that eliminated them.

Q. You wrote and you telegraphed to the White Company?—A. Yes.

Q. What did they have to say?—A. I do not know whether I heard from them by wire, but they have a company in Toronto which is known as the White Company of Canada, which is either a branch or the direct representative of the parent company in Cleveland, and I was waited on by their manager, Mr. Fellers.

Q. What did he have to offer?—A. I have a copy of their letter here on the 17th of August—a three-quarter ton truck and a two-ton truck with stake body and standard equipment, including gas generator, \$3,150.

Q. Duty paid?—A. No.

Q. That would be somewhat more expensive than the Packard?—A. One hundred dollars more.

Q. How many did you buy from him?—A. Five.

Q. How many did he have to sell, did he state?—A. It is not stated in this letter.

Q. From your recollection, do you know how many he had to deliver?—A. I think he had quite a good number, more than five.

Q. Could he have filled your order of seventeen?—A. I cannot say whether he could have filled that for immediate shipment or not, but he could have filled more than five.

Q. Why did you take the five as the number you would purchase from the White Company?—A. Well, there were seventeen to be bought, and finally when I checked up prices and examined the matter I divided it into the five Whites, four Packards, four Pierce-Arrow, and four Gramms.

Q. Was that again on the principle of playing safe?—A. Yes, so that I had different people getting them across, and I knew they were good trucks.

Q. And I suppose you considered that if the American Government held up one procession of cars the other might get through?—A. That was in my mind.

Q. After you had paid the duty, what was the price of the White?—A. It would be about \$4,000. Their price was \$3,150; it would be about \$3,850.

Q. Is the White a good truck?—A. Yes.

Q. An A-1 truck?—A. A-1.

Q. Did you discuss the question of a discount with the agent of the White?—A. I did.

Q. What did he say?—A. He said they did not give discounts on a small number of trucks like that, and under these circumstances he did not think he was entitled to grant it.

Q. Did he ask you what his rivals were doing?—A. I do not know.

Q. Did you tell him?—A. I did not know that.

Q. Do you know whether he suspected that the others were holding out against discounts?—A. I have not any idea.

Q. How many Pierce-Arrow did you buy?—A. Four.

Q. How much did you pay for them?—A. \$3,150.

Q. That would be the same price as the White?—A. Yes, sir.

Q. Did that fill your order?—A. That filled the order: five White, four Packard, four Pierce and four Gramm.

Q. What happened to the Jeffery Company, were they too late?—A. They were too late. I had placed all the orders or had authorized them to go ahead before I heard from the Jeffery people; it was all a matter of hours.

Q. Did you eventually get the whole twenty-five to Valcartier on time?—A. Substantially on time.

Q. Substantially on time?—A. Yes, sir, some were there ahead of time and some just on the day, but they were all delivered there promptly and very satisfactorily.

Q. What was it you told me about these eight two-ton trucks which your company supplied, were those the trucks that were made from the parts which you purchased from another company?—A. Yes, sir.

Q. From whom did you buy these parts?—A. From E. T. Mussen, who had been interested in the company.

Q. What company was it?—A. I think it was called the Northern Motor Truck Company.

Q. Where were they located?—A. They carried on business at Kingston.

Q. Did they fail?—A. I do not know much about their history. I have the impression they failed or stopped business.

Q. What sort of an engine was it that was in that truck?—A. It was known as the model engine, made in Peru, Indiana.

Q. It was not a very expensive motor?—A. Not a particularly expensive motor.

Q. Would you consider \$175 about a fair price for it?—A. I should think that was very low.

Q. Do you know how that truck stood up to its work in Valcartier?—A. The only information I have to go by is the number of parts we have been asked to supply in the seven, or eight, or nine months since they have been sold.

Sir CHARLES DAVIDSON: Are they still at Valcartier?

The WITNESS: No, they have been distributed. After the Valcartier camp was closed they were distributed to different stations in Canada and are used in training purposes.

By Mr. Thompson:

Q. What would be the renewal cost per truck?—A. I can give you the exact figures of the parts we have shipped.

Q. I just want to know how much it would amount to for each truck?—A. It amounted to \$360 for the whole eight. In addition to that, when the trucks were bought, there was \$380 worth of parts secured at that time with them, which may or may not have since been used. These parts that might wear out and be called for amounted to \$380 with each truck and \$360 has since been supplied.

Q. So that approximately it would be \$90 per truck?—A. Yes, that has been supplied altogether.

Q. During what time?—A. Since the 28th of August to the 30th of May.

Q. In the matter of economy, how would you say that would compare with other trucks?—A. I think, considering the uses to which the trucks were put at Valcartier, and the number of green drivers operating them, that is a pretty fair showing.

Q. Had these eight two-ton trucks been already assembled when you spoke to the Minister?—A. No.

Q. You assembled them after you got the word from the Minister?—A. Assembled them and made a number of the parts for them.

Q. Had you bought all the parts before you got the order from the Minister?—A. No, but I came down with an option on the parts and stated that I could deliver them.

Q. Did you have an option on sufficient parts to make more than eight two-ton trucks?—A. I was in some doubt as to whether we could make more than eight, and I think we could have, but not in the time.

Q. Did you eventually buy sufficient parts to make more than the eight?—A. No.

Q. In other words, you just bought sufficient from Mussen to fill your order?—A. To fill my order, exactly.

Q. Did your company buy any more parts from Mussen?—A. I think we bought some spare parts to have available if required.

Q. But you did not do any more assembling, did you?—A. No.

Q. That was a chance you saw to make a good speculation?—A. It was more than that; it was at a time when there was a good deal of doubt about trucks being imported

[Motor Trucks—Russell.]

into the country, and we thought we could complete these and deliver them, and offered to do so.

Q. It was a good business chance and you knew where you could get some parts of these trucks?—A. Yes.

Q. And you made it a condition of your bargain with the Minister that you would undertake the work provided he bought these?—A. I did not make it a condition. The suggestion as to my buying the trucks was his.

Q. Oh, yes, that was a legitimate business transaction, Mr. Russell, but I just want to get the facts. MacQuarrie was associated with you, was he not, in the purchase?—A. Yes.

Q. To what extent did he share in the enterprise, in the way of performing duties?—A. Well, in the two days which we sat on the subject we were together always when we met any representatives of the concerns.

Sir CHARLES DAVIDSON: Am I to understand, Mr. Thompson, that this was an adventure of these two gentlemen, and not of the motor car company?

Mr. THOMPSON: I will ask him that.

By Mr. Thompson:

Q. When you came to Ottawa with MacQuarrie to interview the Minister about selling trucks, were you acting as the representative of the Russell Motor Car Company?—A. Yes, sir.

Q. It was the Russell Motor Car Company that actually assembled these trucks?—A. These particular eight trucks.

Q. And it was they who bought the various parts?—A. Exactly. I have never had any transaction or any different relation than as officer of the Russell Motor Car Company.

Q. At what price did you sell your eight two-ton trucks?—A. \$3,500 each; that includes the duty on any parts that are imported into Canada.

Sir CHARLES DAVIDSON: Your eight trucks were sold to the Government for \$3,500?

The WITNESS: Complete, with body.

By Mr. Thompson:

Q. When did you strike that figure; was it after the trucks were assembled, or did you know what they would cost you to assemble them?—A. When we came to Ottawa that was the figure we had placed on them.

Q. You arrived at the conclusion it would pay you at that price?—A. Exactly.

Q. And as the other companies were not giving any discounts, you put your trucks in at the same list price?—A. Not exactly a list price; it was a price that was based on what we believed the machines would cost and what was a fair profit.

Q. Do you think they were better than the Gramm trucks?—A. Yes, sir; I think so.

Q. What did these trucks cost you?—A. The factory cost of them without including all the clerical, administration, and general expense, was \$20,610.64.

Sir CHARLES DAVIDSON: How much per truck?

The WITNESS: That would be \$2,570 per car; and our administration expenses would be added to that.

Sir CHARLES DAVIDSON: Your overhead charges?

The WITNESS: Yes, the overhead, and the best basis that we have worked out on in any year is ten per cent on the turnover. That is what I have based our cost on, where the goods have been supplied by us.

Sir CHARLES DAVIDSON: What did they cost you per car then?

The WITNESS: \$2,827, adding ten per cent for overhead.

By Mr. Thompson:

Q. What part did MacQuarrie take in this purchase?—A. We conferred together on it.

[Motor Trucks—Russell.]

Q. Was he with you in Toronto?—A. Yes.

Q. Did he approve of your purchase?—A. I understood so.

Q. Did you consult him from time to time?—A. Oh yes, at all times during these two days.

Q. Was he present when you tested out the cars?—A. There was no testing out.

Q. You did not test them out?—A. No.

Sir CHARLES DAVIDSON: Have we heard what the other cars cost him and what they were sold for?

Mr. THOMPSON: Which other cars?

Sir CHARLES DAVIDSON: The foreign cars.

The WITNESS: They were put in direct to the Government at what the Company was paid for them.

Sir CHARLES DAVIDSON: At what you paid for them?

The WITNESS: I did not pay anything for them. It was the Government that paid for them. It was the Government that paid for them direct. I did not buy them, nor did MacQuarrie buy them, in the sense of a middleman or anything like that; I bought them, acting for and as the Government.

By Mr. Thompson:

Q. The machines were never charged to you, or to MacQuarrie, or to the Russell Company?—A. It was the Government, and the Government bought them at \$3,600, plus freight to Valcartier, and the Government paid that. There was no charge for them to me or to MacQuarrie or to the Russell Company, have I made that clear?

Sir CHARLES DAVIDSON: Were they billed to you?

The WITNESS: No sir, they were billed to the Government.

By Mr. Thompson:

Q. What was your bargain with these various agencies?—A. How do you mean, bargain?

Q. You bought the cars, evidently, or closed with the agencies for the purchase, at \$3,750?—A. No, \$3,350.

Q. Who had to see about taking the cars out of bond?—A. When it came to that the Minister asked MacQuarrie to go to Valcartier and stay there and he acted in taking them out down there, and they were handled through the regular militia officers at Valcartier.

Q. Were they taken out of bond at Quebec?—A. Yes.

Q. They were shipped there?—A. Yes.

Q. So that to these prices which you have given us, there must be added the freight to Valcartier?—A. Exactly.

Q. These prices were f.o.b. bond Toronto?—A. Yes.

Q. And these agencies would send the bills into the Government?—A. Certainly, they were billed direct to the Government. May I say that when I finished buying these on the 17th, which was Monday, I had in the meantime received a telegram from the Minister on the 15th, which was the day after he had asked me to get them, and he said:

Please inform me on Monday by wire how you are succeeding.

So I returned Monday night, the 17th, to Ottawa, and reported to the Minister by letter of the 18th, stating what we bought and why we bought them, and had the orders written out for the department to send, and the Director of Contracts sent out the orders to the firms.

Q. Sent out the orders to the firms in the States?—A. Pardon me, to their Canadian representatives.

Q. Did you O.K. the orders that went out from the Militia Department?—A. I saw them written out. I do not remember whether I initialled them or not.

[Motor Trucks—Russell.]

Q. You must have given your approval, or otherwise Mr. Brown, the Director of Contracts, would not act?—A. Here is the way it was done. This is the letter of the 18th of August which I wrote:—

OTTAWA, Ont., August 18, 1914.

Department of Militia and Defence,
Ottawa, Canada.

SIRS,—Following the instructions of the Honourable the Minister of Militia and Defence, we have placed orders for motor trucks, motor trailers and equipment, for which regular requisitions should issue from the department as follows:—

The Gramm Motor Truck Company of Canada, Limited,
Walkerville, Ont.

Four motor trucks of 2-ton capacity complete with specially strong platform, bodies with stakes, equipped with acetylene lamps and carbide generators, attachment at rear to fasten motor trailer, colour grey, prices as per letter addressed to T. A. Russell, Toronto, and dated August 15, 1914.

The Russell Motor Car Company, Limited,
West Toronto, Ont.

Eight motor trucks of 2-ton capacity complete, with specially strong platform, bodies with stakes, equipped with acetylene lamps and carbide generators, attachment at rear to fasten motor trailer, colour grey, prices as per letter addressed to Messrs. Russell & MacQuarrie, Toronto, and dated August 17, 1914.

The White Company, Limited,
Toronto, Ont.

Five White trucks of 1½—2-ton capacity, complete, with specially strong platform bodies with stakes, equipped with acetylene lamps and carbide generators, attachment at rear to fasten motor trailer, colour grey, prices as per letter addressed to T. A. Russell and J. H. MacQuarrie, Toronto, and dated August 17, 1914. These trucks are to be delivered in bond at Valcartier, Canada.

The Ontario Motor Car Company, Limited,
Toronto, Ont.

Four Packard motor trucks of 2-ton capacity, complete, with specially strong platform bodies with stakes, equipped with acetylene lamps and carbide generators, attachment at rear to fasten motor trailer, colour grey, prices as per letter addressed to T. A. Russell and J. H. MacQuarrie, Toronto, and dated August 17, 1914. These trucks are to be delivered in bond at Valcartier, Canada.

The Automobile and Supply Company, Limited,
Toronto, Ont.

Four Pierce-Arrow motor trucks of 2-ton capacity, complete, with specially strong platform bodies with stakes, equipped with acetylene lamps and carbide generators, attachment at rear to fasten motor trailer, colour grey, prices as per letter addressed to T. A. Russell, Toronto, and dated August 17, 1914. These trucks are to be delivered in bond at Valcartier, Canada.

The Detroit Trailer Company of Canada,
Walkerville, Ont.

Two Detroit 3-ton rubber-tired trailers, equipped with platform stake body, price \$1,100 each, f.o.b. Walkerville, Ont.

Massey-Harris Company, Limited,
Toronto, Ont.

Eleven heavy teaming wagons equipped with short pole to attach to rear of motor truck and with special body, as submitted to T. A. Russell. Each wagon
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to have securely attached to it underneath a regular pole neckyoke and whiffletrees, so that it could be converted to use in horse haulage.

Russell Motor Car Company, Limited,
West Toronto, Ont.

Twelve Troy trailers for motor tracks complete with stake bodies, price f.o.b. Toronto in bond, \$1,175. These trailers to be shipped in bond to Valcartier, Quebec.

Canadian Cycle and Motor Company, Limited,
Toronto, Ont.

One set of chains for front wheels, one set of chains for rear wheels, one set of mud hooks for rear wheels, one set block and tackle, for each of the trucks, 33 in number, purchased by the department.

Also some extra spark plugs, oil, grease, wiring cable and carbide, total of such supplies not to exceed \$200.

Please give in your official instructions such detailed information with regard to proper address, etc., in shipping as you may consider necessary. All of the above goods are purchased on the condition that they must be delivered in Valcartier on or before August 28.

MOTORS PARTS.

Please add to the order for the motor trucks, which there are five, instructions to ship parts that might be most suitable to a value in each case not exceeding \$200, and in the case of the Troy trailers ordered from The Russell Motor Car Company Limited parts for these trailers not to exceed \$250 in value.

Yours truly,

Signed: T. R. Russell.

Signed: J. H. MacQuarrie.

That is my report the day following, and based on that the Director of Contracts issued his telegrams to the firms to ship.

Q. And was that all you had to do with the enterprise?—A. Oh not quite, I had to buy trailers; the Minister had the idea that trailers were desirable.

Q. Was MacQuarrie still with you?—A. Yes, that was on the same memorandum.

Q. What did you do about buying trailers, did you write to these companies?—A. The trailer situation was one I was not familiar with. The only trailer that I knew, as adapted for this kind of work, was made by the Troy Trailer Company of Troy, Ohio. I also had another at the same time brought to my attention, known as the Detroit trailer, and the prices on them both were quite high, and I looked into the possibility of using a cheaper trailer. I discussed it with the Bain Wagon Company, and as a result I divided the order for trailers into three.

Q. Amongst whom did you divide it?—A. I divided it between the Troy trailers, Detroit trailers, and Bain wagons. I want to deal specially with these items, because there is one point in it I wish to explain.

Q. How many did you buy from the Troy people?—A. Twelve.

Q. At what price?—A. \$1,000. I did not buy these trucks from the Troy Company.

Q. We will come to that again; how many did you buy from the Detroit people?—A. Two.

Q. At what price?—A. \$1,100.

Q. And how many from the Bain people?—A. The Bain was a heavy ordinary horse wagon with certain changes. I think it was a hundred dollars for the Bain wagon, at all events, it was not over \$150.

Q. It cost \$150 as again \$1,100?—A. Yes, but they are quite a different type of machine altogether. I do not believe we have the Bain invoices here, but when I placed

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that order with him I did not know what the price of that wagon would be. We were deciding what changes we would make in the ordinary horse-drawn wagon to make it suitable for trailer purposes behind the motor truck.

Q. Evidently the Troy and Detroit trailers were something entirely different from the Bain?—A. Altogether different. The Troy was a heavy wagon specially built for this, with the wheels so arranged that they would follow in the same track, and specially developed for that purpose.

Q. Did not Mr. Acason say something to you about the Troy not being very satisfactory?—A. No, I have never heard any one say it was not satisfactory. The only worry I ever had myself or was suggested to me was that it had 5 ton capacity, and that it was an awfully heavy trailer to tie on behind any truck.

Q. Do you know whether it substantially proved satisfactory at Valcartier?—A. My opinion was, and it was verified afterwards—I rather opposed the purchase of trailers, but the Minister said the British establishment called for trailers, and since then they have found out, I think, that trailers are not much good. At all events, there is only a very limited use to which they may be put.

Q. I suppose it was only on a good road that you could use them?—A. Only on a good road, with a long straight haul, and the difficulty of backing up, and getting men that can take it and make it satisfactory behind another machine is so great, that they have not proven very satisfactory, and I was glad I did not get all big heavy trailers.

Q. Has the Troy Company a Canadian agency?—A. No.

Q. What was their list price?—A. \$1,000.

Q. Did you ask them anything about a discount?—A. Yes, that whole question is here, and I wish to bring it up. I bought these Troy trailers from our own company.

Q. You bought the Troy trailers from your own company?—A. From the Russell Company.

Q. I thought the Troy Company had no Canadian agency?—A. It was not really an agency matter. They make a price to any one in the trade at twenty per cent.

Sir CHARLES DAVIDSON: How could you have bought from your own company; you said you were not concerned in the matter?

The WITNESS: I, as the Government, bought from our company these trailers.

By Mr. Thompson:

Q. Had you sold Troy trailers before?—A. No, it was simply carrying out the arrangement discussed with the Minister and in order to make sure all these goods would get to Canada, they were all to be bought through Canadian firms and come through the ordinary course of business.

Sir CHARLES DAVIDSON: I cannot understand that either, because a moment ago the witness said they were billed direct to the Government.

By Mr. Thompson:

Q. Were the motor trucks billed direct by the United States firms to the Government?—A. By their representatives, yes sir, direct to the Government.

Q. They were billed by the United States factories to their Canadian agencies?—A. Yes, and by their representative Canadian agencies billed direct to the Government.

Q. What did the Troy trailer cost in Troy?—A. \$800.

Q. What would it cost f.o.b. Toronto, duty paid?—A. The duty was not paid on them. The price of \$1,000 which was paid to the Russell Company for them was without the duty on them.

Q. We are to understand then that these trailers cost \$800 in Troy?—A. Yes.

Q. What would these trailers cost laid down in Toronto?—A. Duty paid, \$1,040 plus freight.

Sir CHARLES DAVIDSON: Can you give us the total cost?

The WITNESS: I do not know what the freight is.

By Mr. Thompson:

Q. Laid down in Toronto the cost would be \$1,040 plus freight to Toronto?—A. Yes.

Q. What did you charge to the Government?—A. We charged \$1,000 each for them.

Q. Without the duty paid?—A. Yes, without the duty paid, our company charged \$1,000 each for them.

Q. And the duty would amount to about \$200 and if the duty were added the cost would be about \$1,200?—A. Yes.

Q. Plus the freight, which was \$40?—A. Yes.

Q. So that the government had paid the duty the cost would be \$1,240?—A. Yes, instead of \$1,040.

Sir CHARLES DAVIDSON: Did you make a profit of \$200?

The WITNESS: The Russell Company did.

By Mr. Thompson:

Q. Why did you not have them billed direct to yourself?—A. I have never had any relation in this business except either as the government or the company. I have had no relations personally in any transactions in regard to motor cars.

Q. But your company was not the agent for the Troy?—A. They only acted as an agency, assuming the responsibility of getting the cars into Canada, and delivering them at Valcartier on the 28th of August.

Q. Your company had not been interested in the Troy trailer until then?—A. It had not.

Q. You suggested to your company that you should act as agents in this business?—A. I had to get some Canadian company to buy them.

Q. No, you did not; is that quite true; could you not have bought them yourself?—A. I had never bought, nor had I any transaction in motor cars, apart from the company.

Q. But you were the purchasing representative on behalf of the government?—A. Exactly.

Q. Was there any reason why you should not have bought these in your own name, or have them billed to you direct, and then after the trailers arrived, called upon the government to pay for them?—A. Well, I would have had to assume the responsibility as to whether they got into Canada at all, and as to whether they got into Quebec in time. My instructions were to have the goods there and some one had to be responsible for their being there.

Q. Was there any responsibility there?—A. I understood there was. I want to say further, with regard to the Troy trailers. The order was placed on the 17th and on the 21st I was out of town and in the interval I received a letter addressed to MacQuarrie and me from the Ontario Motor Car Company, saying that they had had offered to them, and would turn them over to us, these trailers, whatever the number had been, up to twenty, I think, in Troy at \$800 instead of \$1,000 which was paid to our company, and our company assuming the responsibility of having them at Valcartier on the 28th. I want to make that statement.

Q. I do not quite see that?—A. It means that I received an offer to supply them in Troy at \$800, a company in the trade could get them at \$800 the same as the Russell company could, and offering to let us have them at \$800, but without assuming the responsibility of delivering them. That letter I got a week later. When I got that letter a week later I did not cancel the other arrangement, because the trailers were by that time in the country and paid for by the firm.

Q. That means that this offer was \$200 better than they were bought for?—A. Yes, but without assuming the obligation of delivering them on time; just giving their cost price on them.

[Motor Trucks—Russell.]

Q. Did you write to the Troy company and ask them if they would deliver in Toronto at a certain date?—A. My recollection of the Troy transaction is that the Troy representative was in Toronto on the 15th and 17th and he came over in the natural course of business to look for business and saw MacQuarrie and myself.

Q. What did you do; did you turn them over to the Russell Motor Company?—A. I discussed the matter with him as to his being responsible for getting them to Valcartier, and he said he could not assume that responsibility for his company. To have them delivered on the 28th was a condition that he could not accept the responsibility for, for his company.

Q. Did you stipulate that the trucks were to be delivered at Valcartier in a certain time?—A. They said they could not do that.

Q. Did you ask them?—A. Yes.

Q. Whom did you ask?—A. Their representative who was there. I want to make that clear, that point, because that was the situation when a week later I had an offer for them in the United States for \$200 less than they were charged for.

Q. \$200 less than your Company charged?—A. Yes.

Sir CHARLES DAVIDSON: Why did you not cancel your charge, you were the agent of the Government?

The WITNESS: I brought that matter up, because it became quite a question as to getting the goods at all and getting them there on time and in the time required. At that time it looked like a real risk which the firm was taking.

Sir CHARLES DAVIDSON: What risk was there, the Government would not have exacted damages from you; you were acting as the agent of the Government?—A. We simply would have had to be out the freight charges to Valcartier and back, if they did not get there in time to be accepted or used.

Sir CHARLES DAVIDSON: I do not see it.

The WITNESS: The Government had the right to refuse to accept them, sir.

Sir CHARLES DAVIDSON: I do not quite understand this arrangement, Mr. Thompson, because this firm charged all these other things, either to the Government direct—

The WITNESS: Exactly.

Sir CHARLES DAVIDSON: Wait a moment, I am speaking to Mr. Thompson now. So far, we have heard nothing of any profit to the Russell Company on the purchase of the motor cars; they apparently simply bought as agents of the Government.

Mr. THOMPSON: The Russell Motor Car Company had nothing whatever to do with the Jeffrey, the White, or the Packard, or the Pierce-Arrow.

Sir CHARLES DAVIDSON: Did they not buy them?

Mr. THOMPSON: No sir, it was T. A. Russell placed the order.

Sir CHARLES DAVIDSON: Are you T. A. Russell?

The WITNESS: Yes sir.

Sir CHARLES DAVIDSON: And the witness has told us that he was always acting as the agent of the Russell Company.

Mr. THOMPSON: Do I understand, Mr. Russell, that you corresponded with these companies as the President of the Russell Company?—A. No, personally.

Sir CHARLES DAVIDSON: But a moment ago, the witness said that he had nothing to do with this matter personally at all and that in all cases he was representative of the Russell Company.

The WITNESS: What I mean by that is that the Russell Company employed all my time, and if they were willing that I should act for the Government in the purchasing of these, I acted, but there was no commission to MacQuarrie, or to me, or to the company, on the purchase of any of these other trucks or other trailers, or anything at all, with the exception of what was purchased from the Russell Company,

and whatever was purchased from it, it made whatever its profit was on it. In this particular transaction there were only twelve trailers purchased, out of a total of twenty-five, from the Russell Company, and none of the seventeen trucks were purchased from it.

By Mr. Thompson:

Q. Do you say that the Russell Company received no commission or compensation with respect to the Packard, the White, or the Pierce-Arrow?—A. Or the Gramm.

Q. Or the Gramm?—A. None.

Q. You did not receive anything?—A. No.

Sir CHARLES DAVIDSON: Nor MacQuarrie?

The WITNESS: Nor MacQuarrie.

Sir CHARLES DAVIDSON: Why did you do it; it took your time and it was trouble, and some expense, was it patriotism?

The WITNESS: I have since wondered sometimes why I did it, sir. It seemed a thing, when the minister asked me to do it, that I could do, and get done, and I did it.

By Mr. Thompson:

Q. You have known the Minister for some time?—A. Not intimately.

Q. In one respect you received some compensation for your trouble, because you were enabled to sell eight 2-ton trucks?—A. Exactly, but I do not know whether that was a consequence of my work.

Q. I suppose it was quite a bit of advertising for your company that you should be acting as purchasing agent for the Government?—A. I do not think that amounts to much. Have I made myself quite clear as to my relation in the matter now; I am sorry if I have not been clear on it before.

Mr. THOMPSON: I understood it.

Sir CHARLES DAVIDSON: We have not yet heard what the profit was on the eight trucks.

The WITNESS: I gave the figures on that.

Mr. THOMPSON: He said he sold to the Government at \$3,500 each, and they cost his company \$2,827 each.

Sir CHARLES DAVIDSON: He made a profit on his eight assembled trucks of \$673 each.

By Mr. Thompson:

Q. And your company made a profit on the Troy trailers of \$2,400?—A. \$2,400 altogether, that was gross profit.

Q. The Russell Company got the invoices from the Troy Company?—A. Yes.

Q. Have you those invoices here?—A. No.

Q. Can you get them?—A. I can get them if they are required.

Q. Why did you distinguish between the motor trucks and these Troy trailers in the matter of your company charging a commission?—A. Because all of the other purchases were placed with Canadian firms, who assumed the responsibility of their getting into Canada, and getting to Valcartier in time. It was discussed with the minister that it was not safe, it was not considered safe, for any such goods to be coming in direct to the Government at that time.

Q. But there was no responsibility in respect to these Troy trailers?—A. The whole responsibility with regard to it, I should think would have been measured in the fact that if they did not get there in time to be accepted, and were refused, the company delivering them would have had to return them to Troy, and stand the freight from Troy to Valcartier and back to Troy.

Q. And that was the only responsibility?—A. I think that is substantially it, and the payment of the money for them and waiting for it a little while. These goods

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were to be paid sight draft and the money was paid by the Government from thirty days to sixty days afterwards.

Q. Could you not have arranged for the payment of the trailers in the same way that the trucks were paid for, you see there was no agent in the matter of the trucks?

—A. Oh yes, all of the others were bought from agents.

Q. Do you think these agents paid the American companies for these trucks before they got paid?—A. I expect so.

Q. You expect they did?—A. Yes, on any trucks we have ever supplied we have paid for them sight drafts against the bill of lading.

Sir CHARLES DAVIDSON: Are you agents?

The WITNESS: Our firm, acting as agents, pay sight draft bill of lading for any trucks.

Sir CHARLES DAVIDSON: When you are acting as representative agents?

The WITNESS: When we are acting as representative agents. That is the ordinary agency arrangement. I wanted to draw attention to the Troy trailers, because they were bought from our company and our company had a profit on them. Had I wanted to secure all the profits I would have bought the twenty-five from them, but I was myself very dubious as to what was the right type of trailer. I bought twelve of that type. They were paid for by our company, who imported them, and acted in the ordinary capacity as agents. I bought the other thirteen from other Canadian concerns.

Q. The Detroit is not a Canadian truck?—A. They had a Canadian company which handled them. It is called the Detroit Trailer Company of Canada.

Q. Did you write to the company itself for the prices on the trailers?—A. This order does not refer to the letter which, in giving a list of orders says:—

The Detroit Trailer Company of Canada,
Walkerville, Ont.

Two Detroit 3-ton rubber tired trailers equipped with platform, stake body,
price \$1,100.00 each f.o.b. Walkerville, Ontario.

Sir CHARLES DAVIDSON: Ask the witness whether he took any profits on the other things?

The WITNESS: There were no profit on the others.

By Mr. Thompson:

Q. There was no profit on the Detroit or the Bain?—A. No.

Q. To the company or to nobody?—A. To nobody.

Q. Did you have any conversation with Mr. Acason about the Detroit trailer?—
A. I think so.

Q. As a matter of fact, was not the proper price of that Detroit trailer about \$900?—A. Not that I know of, perhaps that is the Detroit price you have reference to; is that the Detroit price or the Canadian price?

Q. It is the Canadian price, is it not?—A. I think not.

Sir CHARLES DAVIDSON: How many Detroit trailers were delivered?

The WITNESS: Two Detroit trailers.

By Mr. Thompson:

Q. Do you not recollect Acason quoting you \$750 and \$150 for the body?—A. No, I do not think it is possible that that can be the cost.

Q. Do you know what the Detroit price was for that trailer?—A. I do not remember what it was.

Q. Have you got the quotation from the company itself?—A. I have not it here. My impression is that I have not got it here, because it was written on another letter-head from Walkerville, than that of the Detroit Trailer Company.

[Motor Trucks—Russell.]

Q. As a matter of fact, was not that transaction something as follows—the Detroit Company, after Mr. Acason's activities had been stirred up a little, the Detroit Company sold to Webster, secretary-treasurer of the Gramm Company, and then sold them to the Government through you?—A. I have not any knowledge of any transaction except the purchase of the machines.

Q. I am referring to the two machines; was not that the history of that transaction?—A. It would be all news to me if there was any passing of it from one to another.

Q. Did you have any correspondence or conversation with Webster, of the Gramm Company?—A. No.

Q. Did you buy from the Detroit Company, or from the Canadian branch of the Detroit Company?—A. From the Detroit Trailer Company of Canada.

Q. Who is the manager or president?—A. I cannot say off-hand.

Q. Would it be a man named Griggs?—A. I believe so.

Q. And was it Griggs who quoted this price?—A. I think it was Griggs who quoted the price, I think that is the man I had correspondence with.

Q. Was he a manufacturer, or was he the agent of the Detroit Company?—A. I understand they were proposing to assemble these machines in Canada and had a Canadian Company to handle them here. I did not know very much about the concern, in fact I never heard about them before.

Q. Who were you depending on for your information about them?—A. My information came from two sources on these two machines. I think one from Mr. Acason of the Gramm Company, who mentioned it. I do not know whether he stated he had any interest in the controlling company or not. The other source of information was from letters which, as I recall, were quite emphatic that they were in this business in a serious way, and were going to have a Canadian company, or had a Canadian company.

Q. Did you write to the American company and ask them what their prices were on trailers?—A. I do not think I did because this thing was all handled on the two days, the 15th and the 17th.

Q. You evidently trusted in Acason?—A. I trusted in that information I had from him, I think so.

Q. Would you be surprised to know that Acason, between his benevolent activity and interference, pocketed \$400?—A. I would.

Q. Have you heard or have you any reason to suppose that he did so?—A. I have no reason to suppose that he had any interest in the transaction at all.

Q. Have you heard subsequently what Griggs sells these trailers at?—A. Never. I have never heard of the trailer situation from that day on with the exception of inquiring when I was in England as to their use.

Q. And that is all you can tell us about the Detroit trailer?—A. That is all, I know very little about them. The information I got was that it was a light trailer, and it was recommended, and I tried two of them, and I bought them at what I believed to be a bona fide price.

Q. Then, we come to the Bain trailer, and that is a Canadian wagon?—A. Yes.

Q. I find that you bought eleven of these at \$150 each?—A. Yes, I speak subject to correction as to whether that price is right or not.

Q. That apparently is a wagon of a very different type from the Detroit and the Troy?—A. It is.

Q. What is the nature of that wagon?—A. It is known as a heavy teaming wagon.

Q. What is its capacity?—A. I would be guessing at that, and I would not like to say.

Q. Is it arranged with the same sort of steering gear as those others?—A. Oh no, it is an ordinary heavy teaming wagon, with the exception that I had a short bolt rigged on it so that it would hook on to the under bolt on the rear of a truck and draw behind the truck, but I was so doubtful as to whether these trailers were of any use really, and whether they could be used in military work, in the way anticipated, that I had them also supplied with the regular neck-yoke and whiffletrees.

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Q. Did that prove to be a happy idea?—A. It did, because in the camp at Valcartier it was not practicable in the condition of the camp, to use trailers to any great extent, and so we took the bolt out and used them for the heavy teaming work in camp.

Q. And while the Bain trailers were not successful as trailers, they were very useful as wagons?—A. Yes.

Q. And they were not wasted?—A. No, they were not.

Q. After you completed these purchases, what did you do, did you go to Valcartier to receive them?—A. I must consult my notes on that. That was on the 18th. The Minister stated then that he was in trouble or in a hurry to get wagons, and he asked me if I would get some wagons for him. I said: I didn't have any experience particularly about wagons, and that I very much preferred not to do it. He said it would not take long, and he wanted me to do it because the department was very busy and he thought I knew the manufacturers and could buy the wagons.

Q. You are not speaking about trailers now?—A. No, horse wagons, for horse transport.

Q. Did you undertake that duty?—A. Yes.

Q. How many wagons did you buy?—A. On August 18th I was asked to purchase 428 wagons, of which 170 were what were known in the department as very heavy type, 258 of what were known as a light type.

Q. Were there any specifications given to you?—A. Not then. I worked with the Inspector of Carriages, and we drew up the specifications which were supplied to the manufacturers.

Q. Were these all bought in Canada?—A. All in Canada.

Q. From whom were they bought?—A. I was asked to buy them on the 18th, and on the 20th I had all but 83 of them.

Q. That is within two days?—A. Yes, they were wanted in camp immediately.

Q. From whom did you buy them?—A. Of these 428, I bought 90 heavy type from the Bain Company; 80 from the Ottawa Car Company. Of the 170 of the light ones, I bought 75 from the Bain Company, 50 from the Adams Company, and 50 from the International Harvester Company.

Q. Taking the heavy wagons, how did the Bain price compare with the Ottawa Car Company price?—A. The wagon prices all compared very closely, according to the type. The price of the heavy wagons varied from about \$110 to \$120, and the light type from \$80 to \$85.

Q. The Ottawa Car Company, for instance, would charge the same price for all they delivered?—A. For all they delivered of that type they would charge the same price, but subsequently I bought more wagons from some other concerns.

Q. What did you pay the Ottawa Car Company?—A. I think the price paid the Ottawa Car Company was \$114.

Q. How is it you did not buy all from the Bain Company if they were four dollars a wagon cheaper?—A. It was a matter of delivery.

Q. Did they say that ninety was the most they could deliver?—A. No, and in addition to the reason I have already stated, I was urged by the Minister that the business was not good generally throughout the country, and to try and distribute these orders so that they would not go all to the one firm.

Q. Are there other companies besides the Bain Company and the Ottawa Car Company which make a heavy wagon?—A. Yes, I ordered from some of the other companies afterwards. I only bought 345 of the heavy wagons so far. I considered that perhaps there might have been some other firms that should have been considered, and I left the 83 to be bought afterwards. I was wired on August 24th to come back and settle this wagon business, and so I came back and bought them as follows. I distributed them between the three concerns, giving the Adams 24 more, the International Harvester 24, and Bain 35. These were the light wagons, and that made a total of 428. Then there was a small request further, a few days afterwards, and I ordered 26 more from Adams, making it 454. This wagon was a very awkward one to handle in this way: the Expeditionary Force equipment was just being made up, and

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as the artillery was established they would call for so many wagons, and the next day there would have to be an establishment for the infantry brigade, and there would be so many more required, and finally the total number was 453 heavy and 398 light.

Sir CHARLES DAVIDSON: I thought you said 454.

The WITNESS: 454 was the total of the orders placed at first of both types, but when I got through buying all the orders, they happened, as a coincidence, to be 453 heavy and 398 light, or a total of 851.

By Mr. Thompson:

Q. Did you find the wagon of the Ottawa Car Company superior to the Bain wagon, or are you in a position to state as to that?—A. I found both of these wagons very satisfactory, so far as my limited experience in wagons goes.

Q. The Ottawa Car Company charges four dollars more per wagon than Bain?—A. Subject to correction, all of the Ottawa Car wagons were shipped to Valcartier, and I have not copies of their invoices.

Q. Were any of the other wagons shipped to Valcartier?—A. A lot of them were received in Montreal, and shipped and loaded them to Plymouth for the Expeditionary Force. Some of these wagons were ordered so late that they never went to camp. They were sent to Montreal and I loaded them at Montreal on the ocean-going boats.

Q. Can you, speaking from recollection, tell me whether these wagons were all made in such a way as the wheels could turn under the box?—A. None of them could turn under the box.

Q. That, of course, makes it more difficult for the wagon to turn in a narrow road?—A. And when I reported from Salisbury on the wagon question, it was the only suggestion that General Alderson and the other officers had to make on the wagon, namely, the matter of the turning.

Q. Perhaps we are a little ahead of our story, Mr. Russell, but will you tell me how long after the Expeditionary Force got to Salisbury, that you paid them a visit?—A. I arrived at Salisbury with it.

Q. How long had these wagons been in use before you left?—A. Two months.

Q. You went over there to receive the mechanical transport and to see it unloaded?—A. Yes.

Q. Do you know how the Bain wagon and the rest of these wagons stood up under the strain at Salisbury?—A. They stood it splendidly. My official report on that matter was laid before General Alderson, and I went over it with him personally before submitting it here. I quote from my report:

“The British people considered our wagon lighter than theirs, but the reports of its use in camp were very satisfactory. Two suggestions were made, first, that some additional space be provided as a tool-box, and with provision to carry the men’s kits. Second, that some arrangement be made to let the wheels cut in under the wagon better and so provide a shorter turning radius.”

That was the only difficulty we had with the wagons in Salisbury. The roads were narrow, and in turning off the wheels came up against the box, and when I came back my suggestion was to make a cut in the box or supply the wagon with a wider thread, so that it could turn under.

Q. Were your motor trucks all delivered at Valcartier in time?—A. Substantially, yes.

Q. They were all accepted?—A. Yes. Are you going to take up the motor cars now?

Q. Perhaps it would be better to finish with the wagons first; what information have you to give us further?—A. At various intervals, my record tells me at different dates, I bought 453, and the orders were divided as follows; finally.

Of the heavy type:

Woodstock Wagon Works..	85
Bain Wagon Works..	190
Ottawa Car Company..	80
Petrolia Wagon Works..	100
Total..	455

Of the light type:

Adams Wagon Company..	150
Markham Wagon Works..	55
International Harvester..	74
Bain	110
D. Sinclair, Lindsay, for use at Rockcliffe..	9
Total..	398

I placed all these orders as representing the Government. Neither my company, nor myself, had any interest in this transaction. I subsequently loaded at Montreal. I attended to the loading and despatch of about 400 of them, afterwards from Montreal, and these were not delivered in time to go to the camp at Valcartier.

Q. These were purchased about the 18th of August?—A. The first ones were ordered on the 20th. 345 were ordered on the 20th, 83 on the 25th, and so on. On September 25, I learned that more wagons were needed. They told me at the department here that they were not sure how many, as it was depending on how the establishment was made up, but they thought it was 154 heavy and 29 light. I went to Valcartier and the officers there indicated that they needed 268 heavy. I returned to Ottawa and checked up the requirements with the Quarter-master General's department, and on September 16 I ordered, I think, 150 more, and then on September 18 I got word that there were 100 more needed, and I had to order them.

Q. When ordering these wagons from the various companies did you have their price list before you?—A. No.

Q. Did you ask them for quotations?—A. Yes, I did not get them.

Q. You did not get the quotations?—A. No.

Q. How did you get the price, did you tell them that you would allot them a certain number at a certain price?—A. No.

Q. How did you strike on the price, because the prices are very close together, I notice?—A. They are the same type of wagon, and I presume they are sold competitively, and they are the same specification, and the prices are very close and I checked them to see they were within reason.

Q. Do you know whether these prices were their lowest prices?—A. No, I did not know how wagons were sold, they were generally, I think, their wholesale prices.

Q. You think this was the wholesale price?—A. Yes.

Q. Can you speak definitely as to that?—A. Yes, I think I can speak definitely that these are at least as good as wholesale prices.

Q. What would the retail prices be?—A. I do not know.

Q. You attended at Valcartier, to receive the twenty-five which were so urgently needed?—A. No, the Minister asked MacQuarrie to go to Valcartier and he went there and stayed there.

Q. And while he was on duty there you were looking after the purchase of wagons?—A. At times. I considered I was all through purchasing when I got through with these twenty-five, and the fact that more wagons were required was not expected. I thought I was through on the 24th.

Q. Did you have any complaint about the twenty-five motor trucks which were delivered at Valcartier?—A. I do not think so.

Q. Were any complaints made to you as to their being unsatisfactory?—A. I had some complaints made to me as the manufacturer of the first eight light trucks, that the springs were not heavy enough.

Q. These were purchased some time prior?—A. Yes.

Q. And they had nothing to do with the eight 2-ton trucks?—A. No.

Q. How long before was it that the eight light trucks had been purchased?—A. I think they were purchased on the 10th or 11th of August.

Q. And when were the eight 2-ton trucks purchased?—A. On the 18th.

Q. You sold the light trucks shortly after the declaration of war?—A. Yes.

Q. Were they made in your factory?—A. Yes.

Q. When you say that, do you mean that they were actually made there or were they assembled there?—A. Made there.

Q. Would any of the parts of the defunct Northern Motor Company have entered into the construction of these?—A. None. I thought that finished all I was asked to do in connection with the purchasing.

MR. THOMPSON: That finishes the first phase of Mr. Russell's activities, and I suggest that we adjourn now, sir, for luncheon.

SIR CHARLES DAVIDSON: What was his answer as to his profit on the other trailers?

MR. THOMPSON: He has stated that neither he nor his Company has any profit whatever except on the twelve Troy trailers. I asked him if some other person had not made a profit out of the Government on the Deroit trailer, and he says he knew nothing about it.

THE WITNESS: Absolutely nothing. I want it to be quite clear, that on the seventeen trucks neither I nor my Company had any profit, in any shape or form, and on thirteen of the twenty-five trailers purchased, neither I nor the Company was interested in any way, and we got no profit on it. On the S51 wagons, neither I nor my Company had any profit or commission or interest in any way.

MR. THOMPSON: Your services were entirely voluntary with respect to these?

THE WITNESS: I do not know how voluntary they were; I was pressed in to do the work.

SIR CHARLES DAVIDSON: Were the wagons billed direct to the government from the factories?

THE WITNESS: Yes, the practice was on account of the hurry, that I would order these things by telephone, write out the instructions, and the department sent the order, and the goods were invoiced to the department.

SIR CHARLES DAVIDSON: What about your travelling expense; I wish to emphasize your voluntary labour?

THE WITNESS: My Company paid all my expenses.

SIR CHARLES DAVIDSON: As a matter of debit to profit and loss?

THE WITNESS: Before I went to England we had incurred pretty nearly \$1,000 in connection with my expense in travelling about.

SIR CHARLES DAVIDSON: It was not charged to the Government?

THE WITNESS: No.

SIR CHARLES DAVIDSON: You lose it?

THE WITNESS: We just lost it. We just carried out that commission and did it on behalf of the Government.

THE WITNESS produced an invoices for the wagons.

MR. THOMPSON: What you really did was to make your report to Mr. Brown, and the order was sent from Mr. Brown, the Director of Contracts.

THE WITNESS: Exactly. I put on the invoices: that I certified, after checking them, that the goods had been received and the price is correct, and that, for example, they were shipped by the Steamship Manitou. I signed that. That was regarded as authority for Colonel Stewart, Army Service Corps representative in Montreal. He

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depended on me for the check of all the mechanical goods and the receipt of them, and the Government paid on my O. K.

Mr. THOMPSON: I suppose they sent duplicate invoices?

The WITNESS: They sent four copies and I sent two to Ottawa, and Colonel Stewart kept one, and I kept one, and that was the procedure.

Sir CHARLES DAVIDSON: I suppose you purchased other supplies?

The WITNESS: Oh yes, this was a very small purchase.

The Commission took recess for luncheon.

On re-assembling after luncheon:

The examination of the witness, Mr. T. A. Russell, was resumed.

By Mr. Thompson, K.C.:

Q. Before we look into the question of the further purchases made by you, Mr. Russell, I would like to ask you about the eight trucks which composed part of of the twenty-five that you bought for Valcartier, were these eight sent to Valcartier?—A. Yes.

Q. Did you have any complaints about these particular trucks?—A. There were some complaints about the clutch not working right. We sent a man down who stayed there for some time and looked them over. I do not know what the difficulty was, but he rectified it, and since then I have not heard any complaint.

Q. Do you know whether any of these twenty-five trucks were forwarded to Salisbury?—A. The five White trucks and the four Gramm trucks were.

Q. Were these all?—A. That was all.

Q. That made nine out of the twenty-five?—A. Yes.

Q. What were left behind?—A. The Packard, the Pierce and these eight.

Sir CHARLES DAVIDSON: Where are the others?

The WITNESS: They are being used in the training camps in Canada.

By Mr. Thompson:

Q. Do you know of any particular reason for these others being left behind?—A. Yes, I know the reason.

Q. Why were the Pierce-Arrow, the Packard and the Russell trucks not sent?—A. The reason is rather why these others were sent. I was trying to get the equipment for the second contingent as nearly uniform as I could, and in the case of the White trucks they said they were able to deliver 40 trucks in the time I had to allow them. I required, I think, 41 or 42 of 3-ton capacity, in order to make it a complete equipment necessary for the organization known as the divisional supply column. So, I drew on them for 38 new trucks and drew these five from Valcartier, because they have the same motors and other parts, and in that way I was able to send forward that unit complete with all of one make. The same applied in connection with the Gramm. For reasons which will come on later, I bought the Gramm trucks. I used the four Gramm's that were there, because they had the same motor and other parts, and, therefore, they would interchange and make a complete unit.

Q. What was a complete unit, according to your understanding?—A. A complete unit in the supply column was one which provided 40 trucks, and in the ammunition park, for which the rest of the machines were required, a complete unit was, I think, 18 in operation, and 7 in reserve, making 25.

Q. You were proceeding to tell us why they were sent?—A. When I got instructions to buy these trucks, I asked the Minister whether I was to take those at Valcartier or not, and he said: no, these will be required for training purposes, unless you replace them there. That was the situation.

Sir CHARLES DAVIDSON: What became of the horse wagons?

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The WITNESS: They were sent to Salisbury with the Expeditionary Force.

Sir CHARLES DAVIDSON: The 851?

The WITNESS: I cannot say they all went, but substantially all.

Sir CHARLES DAVIDSON: What became of the others that were left?

The WITNESS: I was not at Valcartier after the troops moved out. If any wagons were damaged they were probably left there, and when the camp was cleaned up they would be put in shape and kept for training purposes during the winter and this year.

Sir CHARLES DAVIDSON: And the others are in use in England now?

The WITNESS: The others went to England with the Contingent.

By Mr. Thompson:

Q. Were the eight light trucks sent to Valcartier?—A. Yes.

Q. Was there any trouble with these?—A. At first there was considerable trouble with the springs. I never was quite satisfied whether that was due to the springs having something the matter with them, or overloading. They were the first that were delivered, and they were a light truck, and they were put into pretty heavy use for that size of truck, and there was considerable spring-breaking. After the larger trucks were in service that was all over and the trucks, I believe, are in good service to-day.

Q. Did you see them in service after the trouble was rectified?—A. Oh yes, I think there are some in town here; they are spread throughout Canada.

Q. That type of truck would not have gone forward to Salisbury in any event?—A. No. When we bought these first machines we had no information as to what the British Government called for, as equipment on the Expeditionary Force, and it subsequently turned out that their organization was based on three ton units.

Q. Let us come down to the second part of your purchase, can you tell us what further instructions you had from the Government with regard to further purchases?—A. I had finished my work really on the 24th of August and I was home more or less for a week, looking after our own business and making arrangements for our future business. I came back to Ottawa, I think it was in connection with the wagons, though my notes do not say that on the 1st of September, and some one, I think it was the Quartermaster General, said that I had better wait over, that the Minister was at Valcartier and that there was some new development about motor trucks and he might want to see me to-morrow. I waited until I saw the Minister. He told me that requests had come from England to send what was known as the mechanical transport complete for the contingent that was to sail; he wanted me to get it ready.

Sir CHARLES DAVIDSON: When did the contingent sail?

The WITNESS: The last boat sailed on the 26th or 27th of September; he told me that the goods had to be delivered on the 20th of September.

By Mr. Thompson:

Q. That gave you three weeks?—A. Twenty days. I told him I did not believe it could be done, and he made some remarks which were not very complimentary.

Sir CHARLES DAVIDSON: I thought all the steamers sailed together.

The WITNESS: After a boat got loaded it waited at Gaspé; I am now speaking of the actual loading; I am not speaking about the date of sailing.

Sir CHARLES DAVIDSON: When did the boats sail from Gaspé?

The WITNESS: I should think it was on the first or second of October. I asked the Minister if he had any specifications as to the style of body of the car this called for, and as to the machines, and so on, and he said he had not. I pointed out they would all have to be designed and I did not believe it could be done. However, he insisted and he said he expected that job would be done, that the Canadian contingent was going

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complete, if it went at all, and that he looked to me to have it done. He was pretty emphatic about it and he confirmed it by a letter, dated September 2, which reads as follows:—

OTTAWA, September 2, 1914.

DEAR SIR,—Will you please proceed with the purchase of motor trucks and equipment for the Department for Divisional Supply and Ammunition Park, according to the schedule furnished you, totalling 134 motor trucks, 7 motor cars and 16 motor cycles. I am in accord with your idea of using automobile trucks for the work shops 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 variety; if you have to use 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 Jeffrey trucks, if possible as these have been highly recommended to me for military purposes.

The trucks should be delivered at Quebec by September 22.

Yours truly,

Sgd. SAM HUGHES.

Mr. T. A. RUSSELL.

Mr. H. H. MACQUARRIE.
Ottawa.

This letter is addressed to myself and MacQuarrie, although MacQuarrie was at Valcartier working on the transport there, and stayed at Valcartier, and in the rush of getting this done I never saw him or consulted him on the purchase, and I dealt with the purchase myself, on the second lot.

The English Red Book of the equipment called for steam tractors, and I disapproved of their use and recommended against them.

Q. Pursuant to these instructions, what did you do?—A. That was the 2nd of September. First, with regard to the trucks, I communicated with a number of different firms by phone and otherwise, and asked these particular firms to have their motor trucks ready for test at our factory on Monday, September 7.

Q. Did you confine your activities to Canadian companies and to American companies having agencies in Canada?—A. I did not purposely confine myself. I sent word to these with whom I got in touch in connection with previous purchases, and also with some others who had come on record, either to me, or to the Department, as able to supply such things.

Q. What was the result of these communications?—A. That a number of trucks were submitted for test to me, beginning at seven o'clock in the morning of Monday, September the 7th.

Q. What companies were represented?—A. The Gramm Company, the General Motors, the Packard, the Peerless, the Jeffrey, the Garford, the White, the Kelly.

Q. As a result of the tests which I presume you made, what happened?—A. I brought these trucks together and I tried to arrange a schedule so that I could take one at a time, starting in the morning.

Q. As a result of your test, which trucks did you select?—A. The Gramm, the Peerless, the Jeffrey, the White, and the Kelly.

Q. Why did you leave the Packard out?—A. Because in the test I did not consider that it made as good a performance with the test I was able to give, as the others did.

Q. In your opinion, the Packard rather fell down on the test?—A. I felt that it did fall down, it was the one machine loaded to its capacity, which for some reason did not get through the test without partially unloading.

Sir CHARLES DAVIDSON: Were these three ton trucks?

The WITNESS: With the exception of one 2-ton.

By Mr. Thompson:

Q. Were the tests you submitted the Packard to the same as you submitted the others to?—A. Yes, substantially. On account of a little break in the road that was made by one truck, I went on a different street for part of the road, but it was substantially the same test.

Q. What happened to the General Motors sample?—A. I have my notes about it here. A five ton truck was submitted with five tons of load, it got badly mired in the same place that the Gramm had been and it was necessary to unload the truck and secure outside help to get it out. In the afternoon, it was submitted for test carrying three and a half tons on a five ton chassis. They submitted a five ton chassis for the test, because they did not happen to have a three ton available. It went over the course in a very satisfactory shape, and without any evidence of overloading. The fact that it was in that condition made it therefore slow and with three and a half tons on a five ton chassis it was difficult to compare its performance with that of the other trucks.

Q. What about the Carford?—A. It was a very good performance, as I recollect it.

Q. Why did you reject that?—A. I could not buy them all. It made a fair demonstration over the whole course, stuck in two or three places and got out under its own power and without unloading; it did not seem, however, to have the power necessary over the whole course.

Q. Did you select the trucks which you thought really gave the best results?—A. I selected the trucks which I thought gave the best satisfaction in the tests. I was going to say that the Packard which you referred to was, to my mind, very close between the Packard and the Gramm trucks, as to their performance.

Q. How many did you buy of each make?—A. 38 White, 25 Peerless, 19 Gramm, 26 Jeffrey, and 25 Kelly.

Q. Did it not occur to you that it would be preferable to have all the trucks of one make on active service?—A. Yes.

Q. Could any one company have supplied them all?—A. They did not offer to. The biggest offer I had from any one was 50 from the Packard Company and 40 from the White, 40 from the Peerless, I think, and I am not sure whether it was 30 or 35 from the Kelly.

Q. So that in any event you would have had to split the order up among several companies?—A. I could not help it, not on the information I then had.

Q. These were larger trucks than those used at Valcartier?—A. Yes.

Q. What did you pay for the Gramm trucks?—A. My arrangement with the Gramm truck was to be lowest price, less twenty per cent, and they were to be allowed to apply for a draw-back in duty on the raw material.

Q. Do you know how that actually worked out?—A. Yes, when I came to Montreal the Customs Department advised me that the method of shipment of this truck did not comply with the requirements of the Customs Act, permitting a drawback on raw material, that is to require the shipment of the goods to a foreign port, in which the foreign port was set forth, and these were shipped to the Government in Montreal. There was no foreign port of destination, the destination of the vessel was unknown.

Q. Therefore, what did you eventually pay the Gramm people?—A. I changed the basis, so that it would be the same as I made with the other companies, namely ten per cent off list price, and I wrote a letter to the Gramm Company as follows:

MONTREAL, Que., Sept. 29, 1914.

THE GRAMM MOTOR TRUCK CO., LLD.,
Walkerville, Ont.

DEAR SIRS,—As it is my understanding that you have not had draw-back schedules prepared in connection with your claim for refund of 10% customs duty on motor trucks supplied Militia Department for export, I am adding 10 per cent to the face of your invoice, and passing your account to the Militia Department for payment. As it would mean considerable trouble and expense

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to all parties concerned to obtain this refund, and in the final analysis would only be the receiving of the money back from the Customs Department to credit the Militia Department, I think the course I have taken in the matter the best, and hope that the accounts will be passed in this way.

Yours truly,

P.S.—You will understand, of course, that if payment is made to you in accordance with the above that you will then have no claim for draw-back.

I wrote to the Director of Contracts, the same day, as follows:

Sept. 29, 1914.

Mr. H. W. BROWN,
Director of Contracts, Militia Dept.,
Ottawa, Ont.

Re Price on Gramm Motor Trucks.

DEAR SIR,—When I purchased these trucks I made an arrangement with them similar to that made with the Russell Motor Co., with regard to purchase of motor cars, namely, that as they would secure a draw-back on raw material entering into their product they should give a greater discount than other concerns, and arranged with them that this would be 20 per cent instead of 10 per cent which applied with the other contractors. Since that time I have found that this firm has prepared no draw-back schedule on these trucks, and would have to prepare the same at considerable trouble and expense, and then have it checked by the Customs people showing export of the raw material, etc., gone into. This seems a needless expense; and I have therefore changed the prices and put through purchase on the same basis as the others with the understanding that there shall be no claim for draw-back made on the Customs Department of Canada in respect of the motor trucks so exported.

I trust this is clear, and that my action in altering the arrangement will be approved.

Yours truly,

I wrote to the Commissioner of Customs to draw his attention to the fact that I had made this arrangement and that a draw-back should not be permitted on these trucks exported.

Q. The upshot was that you bought them ten per cent off the list price?—A. Yes.

Q. What was the list price?—A. \$4,000 for the 3-ton Gramm truck in Canada.

Q. And you got ten per cent. off that?—A. Yes.

Q. What did you do with the Peerless?—A. American list price, less ten per cent, which was \$3,700.

Q. What would that be in Canada?—A. It would be about \$5,000.

Q. You did not get ten per cent from the Canadian price off that truck?—A. I could not, because they did not pay the duty on it; these went through in bond.

Q. These did not come into Canada?—A. No, they were shipped in bond at Montreal and arranged that Shed No. 16, from which I shipped, should be treated as a bonded warehouse.

Q. So that Canada paid \$3,700 for these, less ten per cent?—A. Yes.

Q. Did you buy the Peerless from the Canadian agent?—A. Yes.

Sir CHARLES DAVIDSON: They appear to be much cheaper than the Gramm?

The WITNESS: The Gramm, you see, included the duty into Canada on a lot of parts and includes the Canadian duty.

By Mr. Thompson:

Q. The Peerless is more expensive than the Gramm, it would cost \$5,000 laid down in Canada?—A. \$5,000 would have been roughly the regular Canadian price.

Q. What did you pay for the Kelly 3-ton truck?—A. \$3,400 less ten per cent.

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Q. Was that \$3,400 duty paid in Canada?—A. No, that is the American price.

Q. What is the Canadian price?—A. The Canadian price would be about \$4,700.

Q. Was that sold at ten per cent off the American price?—A. Yes, they were all on the same basis.

Q. Your Company, namely the Russell Motor Car Company was agent for the Kelly Company?—A. It was agent for the Kelly Company at that time.

Q. They received a commission on the Kelly truck?—A. They received the agents' commission on the Kelly truck.

Q. What did you buy the Jeffrey truck at?—A. The American price, less ten per cent.

Q. What was the American price?—A. \$2,750 for the standard chassis.

Q. What would that cost landed in Canada?—A. About \$3,700.

Q. Was that shipped from the United States through to England in bond?—A. Yes, most of them were.

Q. Your firm was agent for the Jeffrey Company also, were they not?—A. Yes.

Q. What did you pay for the White truck?—A. The American list price, \$3,700, less ten per cent.

Q. What would the Canadian price be for the White truck?—A. About \$5,000.

Q. Who were agents for that?—A. The White Company, Limited, Toronto.

Q. You state, in referring to your instructions, that the Minister of Militia had recommended the purchase of the Jeffrey truck?—A. Yes.

Q. Has it had a good reputation, has it been used extensively in Canada?—A. Yes, it is a comparatively new truck.

Q. Do you know where the Minister of Militia heard of its reputation?—A. From General Humphreys and some officers who had tested it in the American army.

Q. Is it used in the United States Army extensively?—A. I do not know how extensively it is used, but it is used.

Q. It is used?—A. Oh yes, they claim it was developed for army use.

Q. Did you personally receive, either directly or indirectly, any commission on these 143 trucks?—A. Nothing.

Q. Did your company receive, either directly or indirectly, any commission on any of the trucks, other than the Kelly truck and the Jeffrey truck?—A. Nothing.

Q. Would you know if they had received any commission?—A. I would.

Q. Do you know whether the Gramm, the Peerless or the White allowed any of their commission to any person?—A. Do you mean outside of their regular agents?

Q. Outside of their regular agents?—A. No, I do not think so, I believe not.

Q. It is not to your knowledge?—A. It is not.

Sir CHARLES DAVIDSON: What about the commission to the agents of the Jeffrey and the Kelly truck?

Mr. THOMPSON: They allowed ten per cent.

Sir CHARLES DAVIDSON: They allowed ten per cent. but what commission did the Russell Company get?

By Mr. Thompson:

Q. What commission is allowed the Russell Company by the Kelly Company?—A. I remember that when we purchased it was twenty-five per cent.

Q. What did the Jeffrey Company allow the Russell Company on the purchase?—

A. Fifteen per cent off and ten per cent off that, which would be equivalent on the whole to twenty-three and a half per cent.

Sir CHARLES DAVIDSON: When you speak of the twenty-five per cent on the Kelly truck, is that exclusive of the ten per cent?

The WITNESS: No, the ten per cent is a part of that; that left fifteen per cent.

Mr. THOMPSON: I want to know the actual amount they allowed you?

The WITNESS: It would be fifteen per cent on the Kelly truck and thirteen and a half per cent on the Jeffrey.

[Motor Trucks—Russell.]

Mr. THOMPSON: That would not be quite correct, would it not be fifteen per cent. and ten per cent.

The WITNESS: No.

Mr. THOMPSON: You allowed ten per cent to the Government, and as you were allowed fifteen per cent. and ten per cent. would not the correct amount to you be ten per cent and five per cent?

The WITNESS: The second ten per cent is not on the first amount but on the reduced amount after taking the percentage off.

Sir CHARLES DAVIDSON: They got the ten per cent cash discount, as I understand, and the fifteen per cent commission.

Mr. THOMPSON: I do not know how they arrived at it. Their commission practically was fifteen and ten per cent.

The WITNESS: It worked out thirteen and a half per cent to the Russell Company and ten per cent to the Government. If the truck cost \$100 there was a discount of 15 per cent, which made \$85. Then there was a discount of ten per cent on that \$85 which is \$8.50, and it makes a total of twenty-three and a half per cent off.

Sir CHARLES DAVIDSON: Let me understand—on the Kelly truck, the Government got ten per cent in the way of discount.

The WITNESS: Yes.

Sir CHARLES DAVIDSON: You did not get ten per cent?

The WITNESS: No.

Sir CHARLES DAVIDSON: You got fifteen per cent?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Why did the Government get the ten per cent?

The WITNESS: Because I bought all the trucks for the Second Contingent for the Government on the basis of ten per cent off the list price.

Sir CHARLES DAVIDSON: In favour of the Government?

The WITNESS: In favour of the Government.

By Mr. Thompson:

Q. And the Company deducted that ten per cent out of the commission which would otherwise have gone to their agents?—A. Exactly. If you like I will go into the reason why I happened to make it ten per cent.

Q. I was going to ask you about that to clear it up. When you got these motor truck men in Toronto to give what was a very large order for a truck man to receive, did you discuss with them, either as a body or singly, what the discount should be to the Government?—A. I discussed it with them singly.

Q. With whom did you discuss it first?—A. I think my first discussion was with the Packard Company, because they came out very clearly about that with me in the first negotiations; they stated the definite basis on which any trucks bought from them could be purchased.

Q. We can eliminate the Packard, because you did not buy any from them?—A. Their discount maximum was seven and a half per cent. The next I discussed it with was the White Company, through their representative in Canada, Morse Fellers.

Q. What did he have to say about a discount?—A. I stated to him that while I had bought the other few trucks required, at list price, that on this larger order it was not right the Government should pay list price, and he said he partially agreed with me on that, but that there was a tremendous demand developing for motor trucks, and he suggested that the discount should be five per cent. I stated that that was not sufficient, and he said: Well, what is in your mind. I said: Either ten per cent or perhaps more, perhaps fifteen per cent I think under the circumstances would be fair. He said he was not authorized to accept that, but he would phone to his principals in Cleveland and advise me later as to what their discount would be. He did that, and

advised me that he had spoken either to the president or the vice-president of the company, and that the demand was so strong for trucks that they expected to sell all their output at list price, but that to protect their Canadian order they would give a discount of ten per cent if the order were placed immediately.

Q. When he said that the demand was strong, did he mean that the demand in the United States was strong?—A. Yes, inquiries were being made for trucks on behalf of the foreign governments by this time. There had not been any bought; these which were bought by me were the first bought in America for military purposes, but there were hundreds of inquiries. I discussed it with the General Motors, and they were unwilling to make as big a discount as ten per cent.

Q. You did not buy any from the General Motors?—A. I did not buy any from the General Motors. The Jeffrey Company impressed on the Russell Company as their agents at that time the requirement that they must not sell their trucks below \$2,500, which was their quotation to the United States Government. Having dealt with these four firms on the question of price, I concluded then in the time I had to arbitrarily fix ten per cent as the basis of purchase and to make it uniform on all the companies I bought from, and if they did not take it at that they would not get the business, and that if that was satisfactory they would be bought on that basis.

Q. I presume from what you have told us that any discount allowed to the Government of Canada was so much out of the pocket of the agent?—A. Exactly.

Q. On the other hand, is not this the fact, that a good substantial agency commission is allowed by the truck company, because the agent has to have a truck in its premises for quite a long time, and he is under heavy expense for rental and administration?—A. For rental and administration. Of course these people had to provide demonstration trucks for me, which they did. I insisted, well I did not insist for they helped me. I do not believe that I could have, alone, or without organization, carried the matter through. The shipment in the time allotted, had it not been for the truck people, would have been very difficult. They sent their representatives here and followed the trucks to Montreal and helped in the loading where necessary and helped in getting all the trucks ready. Some makers did not sent their trucks properly prepared, and they helped in Montreal to do that. They rendered services which were worth a great deal at that time.

Q. Was it necessary for the Canadian agents of these companies to do any financing?—A. I can only speak with positive knowledge as to the Russell Company. I know that they paid sight drafts on bill of lading for these goods as they were shipped, and that they were paid for before they were delivered to Montreal, and that the Russell Company was not paid for these trucks until thirty days, or sixty days, after they were delivered; in fact, they were not paid until the trucks were working in Salisbury.

Q. What about the Kelly trucks?—A. The same.

Q. You financed that also?—A. Yes.

Q. And the other agents can speak as to whether they did the financing?—A. Yes.

Q. Which would be a factor, I suppose, in what discount would be allowed to the Government?—A. Yes. Would you be interested in my looking to this ten per cent basis afterwards?

Q. We might as well have it?—A. For reasons which will come out later, when I went to England I sailed by way of New York and I met Mr. Beecroft, who said he was in touch with the purchases that were being made for the French Government, and he stated that during that week they were going to buy 600 trucks. He asked me on what basis I had bought, and I said that I had arbitrarily fixed ten per cent as the proper basis, whether right or wrong. He stated that he believed that was going to be the basis on which the French Government placed their orders. I thought that was rather curious. When I arrived in England the Director of Mechanical Transport at the War Office said: what did you pay for your trucks? I said I paid list price for them all less ten per cent. Well, he said, that is very curious, because on the American trucks we have bought we have bought them at list price, delivered in England, allowing

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ten per cent for the delivery, which would just make about the same price. We had a little discussion to the effect that if the war continued, and the use of trucks continued in such magnitude, that that basis ought to be improved, but up to that time I found that was the basis on which the War Office had made its purchases.

Q. Your information was that the War Office were buying in the United States at the same discount at which you were buying here?—A. That was my information I had afterwards, but I had no such information at the time I bought.

Q. Why did you divide the trucks at approximately 25 to each company?—A. There were four companies, and I had to have 50 in two lots or else break it up into four orders of 25 each.

Q. How did you arrange that afterwards?—A. One went for the divisional supply column, which carries the fodder and the food for the men, and we used the White trucks on that and it made a complete unit of 43 trucks, and they had all one make. Then the other trucks were all in what were known as divisional ammunition park, where there are four units, and I had four twenty-fives.

Q. There are four units with twenty-five trucks to a unit?—A. Substantially.

Q. So that each unit, so to speak, contained all the trucks identical in make?—A. Yes.

Q. That was your idea?—A. That was the idea. It was advisable to get all of one kind for the supply column, which I did. It was advisable to get them in lots of twenty-five, or, better still, of fifty.

Q. Was MacQuarrie associated with you in the purchase of this second lot?—A. He was not.

Q. You were the sole agent?—A. I did it all myself.

1 Sir CHARLES DAVIDSON: When was MacQuarrie dropped?

The WITNESS: When we finished the work of the first purchase. The Minister asked him to go to Valcartier to assist there, and he went there, and I went home and I thought I was through. In going on to the next part of my work, MacQuarrie was at Valcartier, and I never called him in.

Sir CHARLES DAVIDSON: Will MacQuarrie be examined before the Commission?

Mr. THOMPSON: Before I close I shall have him subpoenaed. I do not know where he is.

Sir CHARLES DAVIDSON: Where is he?

The WITNESS: He is in the West.

Sir CHARLES DAVIDSON: Where?—A. Manitoba or Saskatchewan.

Sir CHARLES DAVIDSON: On military duty?

The WITNESS: No, when he finished here he came back to see us, as to whether he could get a job. He sort of lost his connection and I felt that he rather had been put in a bad position and I gave him a chance to go West as a salesman for our company. He is selling for us in Manitoba and Saskatchewan.

Sir CHARLES DAVIDSON: He ought to be here in connection with that receipt.

Mr. THOMPSON: In connection with the receipt he gave.

The WITNESS: That had nothing to do with the transaction in connection with any of these purchases; that receipt relates to a transaction of some years previously.

Mr. THOMPSON: The receipt was given in 1912.

The WITNESS: It has no relation to any of the purchases here.

Sir CHARLES DAVIDSON: It is dated the 22nd April, 1912; that perhaps may make a difference.

The WITNESS: It has no relation to these purchases at all; somehow the thing came out when the Public Accounts Committee was dealing with this.

Sir CHARLES DAVIDSON: In looking at the evidence taken before the Public Accounts Committee, it seems to have been given in connection with an order for three Gramm trucks.

The WITNESS: Yes, but that was three years ago.

Mr. THOMPSON: You think MacQuarrie had nothing whatever to do, either directly or indirectly, with the purchase of these trucks for the first expedition?

The WITNESS: Nothing.

Sir CHARLES DAVIDSON: Did he join in the discussion of the purchase of the twenty-five trucks to go to Valcartier?

The WITNESS: The seventeen that we bought, yes.

Sir CHARLES DAVIDSON: Was he in your employ at that time?

The WITNESS: No, he was working on a commission basis; he was free to sell goods for us or for other people.

Sir CHARLES DAVIDSON: Do you know whether he was interested as an agent in any of the makes of trucks which were purchased for Valcartier?

The WITNESS: He was interested in the eight trucks which he sold for our Company, but that was all, I believe.

By Mr. Thompson:

Q. These are the eight trucks which you told us you sold before you started out on your mission?—A. To both eight trucks; the eight light trucks and the eight others which we sold.

Q. That was on the occasion of your interview with the Minister?—A. Exactly.

Q. Was he interested in any of the trucks, as an agent, which were sold when you were acting as the government representative?—A. I believe not.

Q. So far as you know?—A. I firmly believe not. I should say this with regard to MacQuarrie, that some of the firms when they came to us, said: are these being bought by you; is it to be a buying commission arrangement or what? I stated that so far as I was concerned there was nothing, and so far as MacQuarrie was concerned there was nothing, unless the Minister had made some arrangement to compensate him. He was not on salary, and I was on salary by my company.

Q. You personally informed the agents, did you, who were selling these trucks, that it would not be necessary for them to divide their commission with anybody?—A. Exactly.

Q. Did you make that perfectly clear to them?—A. Yes.

Q. Did you make that clear to them before you struck on this ten per cent?—A. Absolutely; I do not think any one had any doubt on the question.

Sir CHARLES DAVIDSON: Ask the witness if there was any possibility of calling for tenders on these trucks?

By Mr. Thompson:

Q. When you wrote to these companies, asking them to send in their trucks for tests, did you ask them at that time to quote prices?—A. Most of the second purchase was done by telephone arranging for the test; the negotiations with regard to prices were the result of discussion with them.

Q. Did you formally invite tenders?—A. No.

Sir CHARLES DAVIDSON: Would it be possible for the government, in relation to the purchase of these 143 trucks, to have advertised for tenders?

The WITNESS: It would be out of the question and deliver in time.

Sir CHARLES DAVIDSON: What time did you have?

The WITNESS: I had twenty days.

Sir CHARLES DAVIDSON: Twenty days in which to test the trucks, purchase them, and have them shipped from the factories and arrive in Montreal.

Sir CHARLES DAVIDSON: Were there any specifications in existence on which tenders could have been founded?

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The WITNESS: There were none. I divided them into three weeks; I said I will give myself to settle on the trucks and buy them, I will give the truck men a week in which to make their shipment, and I will allow a week for transportation, and it took three weeks; that just covered it.

Examination resumed by Mr. Thompson:

Q. Did you have any margin to spare?—A. No margin; the last trucks were loaded by me on the 27th of September and they were on the last boat loaded and the last boat that sailed out of Montreal with the contingent. I had loaded these other bodies when finished; that was on the last boat.

Sir CHARLES DAVIDSON: Are there official specifications now in existence?

The WITNESS: When I came back I submitted a report giving a lot of specifications. I will be glad to go over any specifications of the War Office I got for future guidance here.

Sir CHARLES DAVIDSON: They have them in the department here?

The WITNESS: Yes. All the information I had to go on at that time was a sheet of paper about this size, giving simply the names in columns of what was required.

Sir CHARLES DAVIDSON: I would like to see the invoices for these trucks.

The WITNESS: I have the invoices here.

Examination resumed by Mr. Thompson:

Q. Did the various companies ship these trucks with their standard form or body?—A. No, without any body.

Q. This was for the trucks?—A. Just for the chassis.

Q. Were the bodies put on in England?—A. No, our company handled the bodies.

Q. The bodies would vary, would they not, according to the truck?—A. They vary in length only. We set our engineers at it and they designed a body after getting all the information they could from technical journals showing what was used for military purposes abroad. They designed a body and drew up specifications for it, and the only difference was in the length and the location of the sills under the body. These photographs show the style of body that was designed from nothing, got ready and shipped with the contingent. That (pointing to photograph) shows one side and some of the extra equipment.

Q. How did you arrive at the price you charged for the body?—A. That all of the stuff—the bodies and accessory work—should be on a wholesale basis.

Q. Did you arrange that with your company?—A. Yes.

Q. Was the work kept within the wholesale price of your company in respect of these bodies?—A. It was. It is hard to say there is a wholesale price for bodies—that is a wholesale margin of profit—or for accessories because with reference to a thing that is wholesale there would be a standard list price existing. We did not know what the bodies would cost till they were built.

Q. What did you actually charge the Government for these bodies?—A. \$270 for the body complete equipped with tarpaulin, tool box and loading skid.

Q. Was it possible to buy from the White or the Gramm Company bodies which would be suitable for military purposes?—A. Many of these firms supply their own bodies. The object in having them built here was that they would be uniform and so that the hoops for the tarpaulins, the parts, the boxes and everything would be interchangeable as far as possible.

Q. Were the bodies interchangeable? Some of them apparently had the sills in different positions and some of them were longer than others?—A. They are interchangeable on the same chassis and the hoops for the tarpaulins are interchangeable and there are interchangeable parts for their support. All the metal parts that were

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attached were interchangeable; the only difference would be in the location or the style as to whether this was here or that was there and in the length of the body as between two different makes. There were three different lengths.

Q. Is it correct to say that quite a large part of all the component parts of the body would be interchangeable?—A. Quite.

Q. But the main frame work of the bodies would not be interchangeable?—A. The platforms would vary in length; they were uniform in width.

Q. And the sills would vary?—A. As to location only.

Q. So that the platforms of cars of certain makes would not fit other cars?—A. Necessarily; not without adaptation.

Q. Do you know how your price for bodies compared with the prices for bodies which the Packard or the White Company were to furnish?—A. No, I do not think I know, and I do not believe that hardly any bodies would be comparable without comparing the specifications as to the timber in them and so on.

Q. Did you, in your work, make any investigation as to the prices charged by other companies for other bodies?—A. I did at the time. I think the White Company were good enough to send me some blue prints of bodies they had made and some prices. I do not recall what they were now.

Q. Do you recollect whether the specifications of any of these companies' bodies would have been satisfactory for military service?—A. No, with the possible exception of one type of body shown by the White Company which was the only one that I thought was acceptable.

Q. How long did it take your company to prepare the 140 bodies?—A. They started at it after the 2nd and they were all received in time to ship on the 21st.

Q. They took about three weeks' time?—A. Altogether.

Q. Were they all made in your factory?—A. We had not enough timber. We got up the design but we had the work done by the Massey-Harris Company. They had a big store of seasoned timber.

Q. Did you put the bodies together after you got the material from the Massey-Harris Company?—A. They crated them and we assembled in the bodies the extra equipment, each with the articles which are given on this list here, and fitted them to the chassis.

Q. So that in reality the Massey-Harris Company made the bodies?—A. They made the main part of the bodies.

Q. And you prepared?—A. Prepared the type and attached all the extras.

Q. Do you know what your personal profit was or what the actual profit was on the body?—A. Yes.

Q. Over and above the charges of the Massey-Harris Company?—A. Yes, our net cost on the body was \$225.

Q. That is what they charged you?—A. That is what they charged us for what they did.

Q. And you charged the Government for the whole assembled body?—A. \$270.

Sir CHARLES DAVIDSON: What did the body cost you?

The WITNESS: \$225.

Sir CHARLES DAVIDSON: It cost you more than that.

The WITNESS: With reference to this other work of ours, we never separated the attaching of these extras to it because the extra cost was very little. The cost was in two things—the engineering work on the design and then simply attaching to the bodies the tool boxes and the equipment of each truck.

Sir CHARLES DAVIDSON: I want to know what the bodies cost you.

The WITNESS: The only cost I can give you is \$225.

Sir CHARLES DAVIDSON: The total cost would be \$225?

The WITNESS: Yes, but the engineering expenses is carried.

Sir CHARLES DAVIDSON: I asked you a simple question.

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The WITNESS: I cannot tell you.

Sir CHARLES DAVIDSON: You say \$225 and then proceed to confuse it with a lot more details.

The WITNESS: I will leave the rest out.

Sir CHARLES DAVIDSON: The total cost was what?

The WITNESS: \$225.

Sir CHARLES DAVIDSON: What did you get?

The WITNESS: \$270.

Examination resumed by Mr. Thompson:

Q. You made \$45 a truck on 126?—A. Yes.

Sir CHARLES DAVIDSON: So that on these bodies, you made how much?

Mr. THOMPSON: \$5,670.

Examination resumed by Mr. Thompson:

Q. Is that correct?—A. presume so; I have the figures on a sheet showing the cost altogether.

Sir CHARLES DAVIDSON: Where are the invoices for the trucks?

Examination resumed by Mr. Thompson:

Q. Have you the invoices?—A. Here they are (an invoice produced).

Q. Your charge in this invoice here appears to be \$34,020 for 126 motor truck bodies?—A. —

Sir CHARLES DAVIDSON: What percentage of profit was there on this \$5,670?

The WITNESS: A little over 16 per cent gross profit on the turnover. That is all I can give as to the cost of the body because the engineering expense we put on the design work is all carried in our overhead general expenses.

Sir CHARLES DAVIDSON: You have given us your overhead?

The WITNESS: No, it is not included there.

Sir CHARLES DAVIDSON: I know, but you have given us your overhead?

The WITNESS: Ten per cent on our turnover covers our overhead so that there would be six per cent of a profit on that.

(Invoice filed and marked Exhibit No. 45.)

Sir CHARLES DAVIDSON: What is this initial on this certificate?

The WITNESS: Perhaps it is mine.

Sir CHARLES DAVIDSON: "Goods received, price O. K." Whom are you certifying that price to?

The WITNESS: To the contract department of the Government.

Sir CHARLES DAVIDSON: It seems a little incongruous, does it not; you were the agent of the Government, your Company was a vendor to the Government and you are certifying officer of the Government. Possibly there is an explanation.

The WITNESS: I purchased the whole of the mechanical transport for the first contingent. I bought from various firms in Canada able to supply and I bought from our own Company as one such firms. I was in the difficult position that any one would be in buying from the firm which I was identified with and I tried to buy properly from them and to make sure that the prices they charged were right.

Sir CHARLES DAVIDSON: Are you a shareholder?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: A large one?

The WITNESS: No, I hold less than five per cent of the stock of the Company.

Sir CHARLES DAVIDSON: What is the capitalized stock?

The WITNESS: \$2,000,000.

Examination resumed by Mr. Thompson:

Q. Did you ask the Massey-Harris Company to give you a tender on that specification?—A. We did not have a specification really to start with. We worked it out together and they could not give me any price.

Sir CHARLES DAVIDSON: Are you referring to the boxes only?

Mr. THOMPSON: I am referring to the bodies. What I wanted to get at was how they arrived at the price.

The WITNESS: We arrived at the price after they had got through with their work. I did not know what the bodies were going to cost.

Examination resumed by Mr. Thompson:

Q. Did you discuss the price with them?—A. I discussed the price with them.

Q. Did they explain what work they had put into it, how much material and timber and so on?—A. They did not tell me how many thousand of feet of lumber they had used but they assured me that that was a fair price considering the rush. They had to work night and Sundays.

Sir CHARLES DAVIDSON: Are these his employees?

The WITNESS: The Massey-Harris Company.

Examination resumed by Mr. Thompson:

Q. You are not connected with the Massey-Harris Company?—A. No.

Q. Who are the Massey-Harris Company?—A. A large implement firm.

Q. Are they a large establishment?—A. They are a very large establishment.

Q. How many men do they employ?—A. Something in excess of 5,000.

Sir CHARLES DAVIDSON: What connection had they with it?

Mr. THOMPSON: The Massey-Harris Company made the bodies.

Examination resumed by Mr. Thompson:

Q. Is that not true?—A. Yes.

Q. Did you think that the Massey-Harris Company would make these bodies as cheaply as anybody else?—A. I thought they were the only people who had the facilities to handle this large quantity of bodies in the time that was necessary. We first worked together and built a sample body. It is hard to give dates but they did not take two weeks to complete the whole order from the time the body was finally approved by me. I was not there very much of the time. I was at Valcartier, Montreal, Ottawa, Quebec and other places, but the company were following out the design of the car.

Q. Can you tell me how the Massey-Harris price compares with the price that the White Company were asking for bodies?—A. I was told by a representative of the White Company that he thought the price was very low considering the quality of the bodies that were supplied.

Q. He considered that the Massey-Harris price was low?—A. No, the price of \$270 on that body.

Q. What is the price of the body that is usually supplied by the White Company?—A. There are really no such bodies as this supplied usually. This is of a different type.

Q. What does the usual body cost?—A. Nearly every one has a body for his own particular requirements. This is not the usual body; that is what is called a stake body. It is simply a platform with some stakes down the side.

Q. Are stakes usually supplied with that class of truck?—A. Stakes are usually supplied.

Q. Was the body supplied by you more elaborate than the usual body?—A. Very much more so. This body was very strongly built and it was so strongly built and so satisfactory a body that when it went over to England and was inspected by the War Office they decided to modify their design or to incorporate some of the features that we had in ours. Two or three of these features were these: (1) The raising of the height

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of the sides of the body. They had adopted a 20-inch height while we had adopted a 40-inch height at the side. They found that their side was too low. (2) We adopted a tarpaulin cover with hoops over all the body. That was not adopted finally by them until after ours were over there.

Q. How did they cover their bodies? With loose tarpaulins?—A. They had some with tarpaulins and some with hoops. They did not provide this tool box on the side for carrying these extra supplies until afterwards. Before I left I conferred with the mechanical transport section of the War Office and they stated that they had no suggestion to make in regard to our bodies but simply to send any others over the same. They made a suggestion, really in regard to the chassis, as to the width of the front seat, but that is not in the body.

Q. Did these companies all deliver their bodies on time at Montreal or Quebec?—A. They delivered them very satisfactorily. I could not say they were all delivered on the 22nd of September but they were all shipped, delivered and loaded on the boat by the 27th.

Q. Did that end your work as far as that purchase was concerned?—A. The loading was a very big proposition.

Q. Did you attend to it?—A. I was asked to attend to it. I think it is only fair that I just recite the procedure as to where I was and how my time was occupied—

Sir CHARLES DAVIDSON: You have now completed this business of the purchase. There is a sharp contrast, as I observe the evidence, between the method in which Mr. Russell dealt with the purchase of trucks and that which he followed in respect to the purchase of bodies. Is that not true? In the one case he bought as an agent and the vendors billed the Government; in the other case he deals with his own company and then again he deals with a third party, the Massey-Harris Company. Is that not true?

Mr. THOMPSON: Yes, sir.

Sir CHARLES DAVIDSON: Did the Massey-Harris Company sell to his company and his company sell to the Government. Is that not so?

Mr. THOMPSON: That is so.

The WITNESS: I would like to discuss that.

Sir CHARLES DAVIDSON: If there is an explanation it is only fair that Mr. Russell should be given an opportunity of making it.

Examination resumed by Mr. Thompson:

Q. Why did you not go straight to the Massey-Harris Company and have them build them?—A. Because the Massey-Harris Company did not know any more as to what a proper truck might be for military purposes than perhaps you did. I was not in a position to tell them.

Sir CHARLES DAVIDSON: Why?

The WITNESS: Because I am not a mechanic and I was not able to draw the proper specifications as to the body, the strength of the materials and what the rest of the design should be; nor had I the time. This is where I want, and remember this all was happening during the few days while this work was being done. I attended at the test of these motor trucks on Monday and Tuesday September 7th and 8th, 1914. I spent Thursday and Friday, September 10th and 11th in Ottawa reporting on purchase of trucks and getting orders in shape. I returned to Toronto for Saturday. I left Toronto Saturday night for Montreal, at the request of the Department here, and I spent Sunday with Col. Biggar, Captain Lindsay and other transport officers inspecting ships in the harbour to see which ones would take motor trucks because a great many of them would not. The hold was too small to take in a great big motor truck; the height between the combing was not sufficient. As a result of the inspection we found that we had not the capacity in the boats that was arranged for to carry the motor trucks and it was necessary to send Capt. Lindsay to New York to charter another boat, which he did. That was Sunday. On Monday and Tuesday, the 14th and 15th, I was at Quebec and Val-

[Motor Trucks—Russell.]

cartier, checking specifications of trucks as ordered with officers of Divisional Supply Column and Ammunition Park. On Wednesday, the 16th, I returned to Montreal and completed the arrangements for the use of shed No. 16 for the assembling of motor trucks and for loading them into this vessel. I went to New York that night and got all the information that could be got there as to what style of bodies was in contemplation for military purposes in connection with any orders that were being placed. I returned next night and was in Ottawa on the 18th checking up the requirements of the Department in regard to these wagons. On the 19th I had to go to Valcartier at the request of the Minister; September 20th which was Sunday, I spent with Col. Price, Col. Langton and General Macdonald, Q.M.G., making the shipping arrangements for the despatch of these machines, and arranging which boats would be loaded at Montreal and which at Quebec. I was again one day in Toronto September 24th. I was in Montreal continuously day and night from September 25th until the 29th inclusive attending to the shipment of motor trucks, wagons, bicycles, motor-cycles and everything except fodder, hay and oats, and the stuff that was loaded at Montreal. From the time I started on the purchase of these trucks until the last one sailed out of Montreal I was in Toronto, in my office, two days. It was not humanly possible for me to have designed and constructed these bodies, at the same time getting the various accessories necessary to go with them, and the only thing I could do to accomplish that undertaking was to take hold of an organization, having the engineers, equipment and technical experience necessary to do the work and get the work done. I claim that it was done on a fair basis and I will submit figures of cost and selling price before the Commission. I spent two days in Toronto from the time I decided the type of the body until I returned to my office and no one lost one dollar as a result of the transaction.

Examination resumed by Mr. Thompson:

Q. While you were not able, with all these other duties, to superintend the making of the bodies, could you not have given instructions to the Massey-Harris Company to have constructed these bodies for the various trucks?—A. The Massey-Harris Company claimed that they wanted the motor concerns to determine what was the right style of body and adopt it.

Q. Did they say so?—A. They said so, and they would not go beyond the making of a sample until we passed upon it.

Q. Until your Company passed upon it?—A. I think——

Q. I presume you went to the factory of the Company at that time?—A. I met the factory manager, I think it was.

Sir CHARLES DAVIDSON: Did you get the first sample from them?

The WITNESS: They built them all.

Sir CHARLES DAVIDSON: What more was there to do? You have here charged for the specification for this body \$5,670?

The WITNESS: Not for the specification. We paid for the bodies.

Sir CHARLES DAVIDSON: From your specification you simply had them built by the Massey-Harris Company?—A. Not quite. A minor additional work had to be done. Each body was ordered complete with the following: removable hoops; tarpaulins; set of chains for the front wheels; set of chains for the rear wheels; acetylene head lamp and generator—one fixed and one swivel bracket; 15 feet of wire rope; 40 feet of hemp rope; two cans of carbide; two one-gallon cans of oil; one 25-lb. can of grease; one axe; one shovel; one crowbar; one wire pinchers; one collapsable pail; one extra oil tank; one extra gasoline tank and one fire extinguisher. The box under the body of the sills holds the above equipment.

Examination resumed by Mr. Thompson:

Q. Did you supply these things?—A. We supplied these things and packed them under the bodies in the boxes for them.

[Motor Trucks—Russell.]

Q. Are these articles you have just described included in the price of the body?
—A. No sir, they are extras, and they are listed.

SIR CHARLES DAVIDSON: You were paid for these outside of your \$270?

The WITNESS: Quite.

SIR CHARLES DAVIDSON: That was a profit that you had?

The WITNESS: Our profit.

SIR CHARLES DAVIDSON: Then what is the use of enumerating them?

The WITNESS: This, sir, that the equipment of the body was not settled until after I had been at Valcartier and New York and there consulted with the officers. From day to day changes were being made as to what should be the equipment of the whole body, or the body complete, with all these things when delivered at Montreal.

Examination resumed by Mr. Thompson:

Q. But that did not affect the Massey-Harris Company; once they got the specification they drove ahead with the construction of the body?—A. Yes, they had nothing to do with the equipment. We had only to get the equipment and pack it in the boxes.

Q. You were paid for getting the equipment?—A. We were paid for getting the equipment.

Q. And you personally profited?—A. On the items of the equipment—yes sir.

Q. That did not affect the Massey-Harris Company in any respect?—A. No; we treated the body with all this equipment as one thing and that was the proper way to do it. That is the way it was provided for at that time, the Russell Company got the body here, the wire rope there and the other things here, and we were responsible for everything complete.

SIR CHARLES DAVIDSON: And they got their profit?

The WITNESS: And they got their profit.

SIR CHARLES DAVIDSON: And upon the substance upon which they got their profit and handed it over to you, you made a second profit?

The WITNESS: There is no second profit.

SIR CHARLES DAVIDSON: You got your profit?

The WITNESS: You mean the Company's profit?

SIR CHARLES DAVIDSON: The Massey-Harris Company profited and the Russell Company profited. What profit did the Massey-Harris Company make?

The WITNESS: I do not know.

SIR CHARLES DAVIDSON: I suppose the same as you made?

The WITNESS: I do not know what profit they made.

Examination resumed by Mr. Thompson:

Q. When you bought these motor trucks at the prices which you have given, did you include tires?—A. Yes, sir. Some of them sent them with tires which were not uniform and we had to do some changing at Montreal but they were all complete with tires.

Q. Were the trucks when unloaded ready for work after they had received their gasoline and oil?—A. Yes, we tested every one.

Q. Were there any cases where the tires were not attached to the trucks?—A. There always were; but there were a few trucks that came in contrary to the arrangements with the tires not uniform on all the trucks and we had these changed and made interchangeable.

Q. At the expense of the Company?—A. At the expense of the companies that supplied the trucks.

Q. That applied in all cases?—A. Yes, that applied in all cases. The trucks came to Montreal as chassis.

[Motor Trucks—Russell.]

Q. The chassis in the Old Country—in England—sometimes include the bare frame and no tires?—A. Yes, but these included, tires, a seat for the driver, and oil lamps and we put gasolene and oil in them. I had seven of our employees at Montreal with me and we put gasolene and oil in them and tested every one of them and got them in running condition before they went on board.

Q. You said something before the Public Accounts Committee about your having saved a great deal on the shipment?—A. Yes.

Q. What was that?—A. The normal method of shipping motor trucks always has been to crate them. To provide crating for a heavy three-ton motor truck means, according to how well it is done, anywhere from \$75 to \$150. Instead of doing that, which would have cost perhaps \$15,000 or \$20,000, I went over the matter with the stevedores in Montreal and concluded not to crate them but to supervise carefully the loading of them. We took the first truck, arranged a system of slings on the wheels of the truck, dropped it into the hold and packed it around with bales of hay and bags of oats. It was so satisfactory that I concluded to ship all of them in this way and every one of the motor trucks was carefully picked up without any boxing or crating, delivered in the hold and then packed around with baled hay and oats that were being taken over for the horses.

Q. Do you know how the trucks which were first purchased by the British Government were shipped?—A. They were all up to that time shipped, crated.

Q. Is that charged against the purchaser?—A. That is charged against the purchaser.

Q. What do you reckon you saved to the Government in that way?—A. I think about \$20,000.

Q. Did you receive any remuneration for your service in connection with the shipment of these trucks?—A. Nothing.

Q. Or in connection with your various travelling movements?—A. Nothing. Our Company supplied seven men for loading in Montreal. The total disbursements which we paid out in connection with that were \$4,466.18.

Q. Did they make a charge against the Government for that?—A. They charged exactly for that amount. That did not include three of our men who were doing work that I considered connected with the fulfilment of the Russell Company's contract, but it included hotel expenses, freight, express, clearances, and certain things which were purchased in Montreal, details of which have been submitted to the contract department, and, I believe, to the Auditor General. There was no personal pay in these disbursements incurred in connection with the loading.

Q. Your charges were net?—A. They were net.

MR. THOMPSON: That concludes all the evidence on that point, Mr. Commissioner. The Russell Company also supplied some bicycles, and Mr. T. A. Russell purchased tires for these trucks. (To the witness): I presume these were extra tires?

THE WITNESS: Yes, a few spare tires.

MR. THOMPSON: I thought this would be a convenient division to make of his evidence, and we will take the other to-morrow. In the meantime, Mr. Fellers, the manager of the White Company, is here. I was going to take his evidence, and I would suggest taking it to-day.

The witness retired.

MORSE FELLERS, manager for the White Company, of Toronto, affirmed:

Examined by Mr. Thompson:

Q. Are you the Toronto agent?—A. I am manager for the White Company in Toronto. That is the Canadian end of the White Company of Cleveland, Ohio.

Q. You sold some trucks last autumn to the Canadian Government?—A. Yes.

Q. You were interviewed by Mr. Russell with regard to these sales?—A. Yes.

[Motor Trucks—Morse Fellers.]

Q. Did you have any discussion as to a discount, and what arrangement did you arrive at?—A. On the first or the second?

Q. On the first sale—I think you sold four?—A. Five. I conceded no discount at all. They had to be at the military camp in so many days, there was a great deal of talk in the United States against putting motor trucks out of the country, and it was questionable at that time whether we were going to get them at all, and I made no discount whatsoever. I personally went to Buffalo and got them over. From the time I got my motor order to the time they were in Canada only forty-eight hours elapsed.

Q. You did not give much chance for an embargo?—A. Absolutely not. They came from Cleveland to Buffalo, and I went over with my men and loaded them, and next morning we got a special engine from the C.P.R. to haul them over the Bridgeburg bridge.

Q. How did the question of embargo or no embargo cause you to decide not to give a rebate?—A. In the first place, the order was not sufficient to give a discount on.

Q. What would you call a sufficient order to give a discount?—A. In the first place, it is not the general practice to give a discount at all to the consumer. No motor truck industry is supposed to; only an agent gets a discount.

Q. Is that universal?—A. I do not know; that has been our practice.

Q. Generally speaking, do you know the practice among other agents?—A. I cannot say I do because conditions in the United States and Canada are quite different.

Q. They would be more likely to give one in the United States, would they?—A. I think so.

Q. On account of competition?—A. Yes.

Q. Then you subsequently sold?—A. Thirty-eight with a ten per cent discount.

Q. You relented in that case?—A. Mr. Russell told me that there was a discount, that I had to give it to get the order.

Q. Did you think it was a pretty heavy discount?—A. I only wanted to give five.

Q. You made efforts of another sort, did you not?—A. I do not know whether I was the first one approached or not. Another thing; these 38 trucks had to be delivered in Montreal on a certain day and that meant speeding up the factory and working overtime. Under those circumstances it costs more money to produce than when you are working under normal conditions.

Q. That would not affect your own personal interests?—A. I personally had no interest except as manager at Toronto of the White Company of Cleveland.

Q. You are not an agent?—A. I am a direct employee.

Q. If Mr. Russell had not been so insistent and if he had not caused you to speed up your factory you would have been even more generous, would you not?—A. I do not know what my people would have done.

Q. Did you think you were making a pretty generous discount when you made a discount of ten per cent?—A. I thought so. At that time there were inquiries, I suppose, in every motor factory in United States, involving an aggregate of thousands of trucks, from the agents of the foreign nations. I think all the countries now at war were negotiating for trucks.

Q. Do you in Toronto sell on a personal basis?—A. No.

Q. Your own relation with your United States principals is really different from that of an ordinary agent?—A. I cannot say that either because the trucks come billed to us in Toronto from a list the same as to an agent.

Q. Surely, Mr. Fellers, it would make a difference to your pocket?—A. My pocket, no; not in the least.

Q. Not your personal pocket, but that of the Toronto Company?—A. Yes, sure.

Q. When I was referring to you I was referring to you as an agent. So that it really did make a difference to the White Company in Toronto whether they were generous in the matter of discount or whether they were not?—A. Yes.

Q. What discount is allowed by the United States Company to the Toronto White Company?—A. Is that quite fair?

Q. I will not press that; perhaps that is immaterial to this inquiry. Did the Toronto White Company pay any person any commission?—A. Absolutely none—not one five-cent piece to anybody.

Q. Neither directly or indirectly?—A. Or indirectly.

Q. My reason in asking you about a commission, paid either by you or the parent company, was not a mere matter of curiosity but was to ascertain whether there was a probability or likelihood of the United States Company paying any part?—A. Absolutely no.

Q. They paid no commission to anybody in respect to this business?—A. No; with the White Company that would be impossible.

Q. No part therefore of the discount went to any person other than the Government?—A. Absolutely none.

The WITNESS retired.

Mr. THOMPSON: That ends the evidence for to-day, Sir.

The Commission adjourned at 3.45 p.m. until to-morrow, Thursday, morning, at ten o'clock.

OTTAWA, Thursday, July 8, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, O.S.I.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at ten o'clock.

At the sitting of the Court this morning.

The examination of the witness,

THOMAS A. RUSSELL.

Vice-President of the Russell Motor car Company, Toronto,
Was resumed.

By Mr. Thompson:

Q. In addition to the trucks, I understand that you also sold some Russell touring cars to the Department?—A. Yes sir.

Q. What is the list price of the cars which you sold?—A. \$2,750.

Q. Is that the price one could purchase these cars at from an agent?—A. Yes.

Q. What price did you sell to the Government at?—A. Less ten per cent.

Q. Did you follow in this instance the same practice that you followed with regard to the trucks?—A. Do you mean a drawback on the duty?

Q. No, but giving the Government the advantage of ten per cent discount?—A. Yes.

[Touring Cars—Russell.]

Q. Does your Company sell cars to individuals, or do they always sell to agents?—
A. We sell very largely to individuals through our own branches.

Q. Do you give individuals who purchase your motor cars any discount?—A. No.

Q. So that you made an exception in favour of the Government of ten per cent discount?—A. Yes, on the same basis as the trucks.

Q. Do you know whether your cars gave satisfaction in England?—A. I do.

Q. Were they satisfactory?—A. They gave very great satisfaction. After four months of the hardest kind of usage in Salisbury Plains, six out of the seven went forward with the Expeditionary Force into France. The seventh car was damaged in a very serious collision, and I have a photograph that appeared in an English magazine showing it, and that explains why it did not go forward.

Q. Are these cars equipped with the light engine?—A. Yes.

The witness produced photograph of the car that did not go forward, showing it in a damaged condition after the collision.

Q. In addition to the trucks and the touring cars, did you supply any tires to the Government?—A. Yes, our Company did.

Q. Perhaps it might be more correct to ask you whether you bought any tires for the Government?—A. Yes, we bought spare tires for all of the trucks that went forward.

Q. Were these tires purchased after the trucks were bought?—A. Yes, they had to be.

Q. Were the tires shipped with the trucks?—A. Yes.

Q. From whom did you purchase the tires?—A. The Canada Cycle and Motor Company, which is a part of the Russell Motor Car Company; I purchased all the accessories from them.

Q. Did the Russell Motor Car Company purchase them from the Canada Cycle and Motor Company?—A. No.

Q. Did you personally purchase from the Canada Cycle and Motor Company?—
A. From the Canada Cycle and Motor Company. I left them the work of getting together all the miscellaneous equipment.

Q. Do they manufacture tires?—A. No.

Q. Where did they get these tires?—A. They bought them from the Dunlop Tire Company.

Q. Did the Canada Cycle and Motor Company make a profit on them?—A. Not at the prices at which they have been charged to the Government.

Q. What do you mean by that?—A. I mean that they originally made a profit and that I changed the price, after I found the cost of the tires. I did not consider that the way the transaction had been handled that the Canada Cycle Company or the Russell Company was entitled to a profit on them, and the Canada Cycle Company charged them to the Government at their cost price. I can give you the history of that.

Q. We will come to that a little later—how many tires did you buy in addition to those which were on the trucks when they were bought?—A. My records show 158, but I had the impression that it was 160, and I must assume that the record is right; I bought about 30 sets.

Q. How many tires go to a set?—A. On 116 of the trucks six each, and on 26 of the trucks, four each.

Q. How do they employ six tires in a set?—A. On the heavy trucks they use on the rear wheel two tires, what are known as twin tires, one put on outside and the other, side by side, because of the greater weight that has to be carried. I produce a photograph showing how the tires are placed on the rear wheels.

Q. What you say is that on some trucks each rear wheel would have two tires?—
A. Yes.

Q. And the 28 or 30 sets that you have referred to were spare tires for the trucks?—
A. Yes. These were in addition to the ones on the trucks, so that when the ones on the trucks wore out or got damaged they would have spares to replace them.

[Touring Cars—Russell.]

Q. You approximately bought one spare tire for each truck?—A. There were 800 tires on the trucks, and I bought 160 in addition to the ones on the trucks.

Q. Would that not give approximately one spare tire for each truck?—A. Just about that.

Q. What did these tires average in cost, or, rather, what did the sets average in cost?—A. You see, there were several different sizes and the price varied.

Q. I understand that the price averaged about \$390.18 per set?—A. \$375 or \$390. There were seven different sizes altogether.

Q. What was the cost?—A. The only way I can give that is to give the list price, and then the discount. I have here a statement which was submitted by Colonel Thomas, which shows the list price.

Q. Please give the sizes of the tires and their cost?—A. 40 x 5 cost \$149 each tire; 42 x 5 cost \$159.25 each; 40 x 4 cost \$115.50 each; 38 x 5 cost \$139 each; 35 x 5 cost \$129.25; 36 x 4 cost \$100 each; 36 x 3½ cost \$77.25 each.

Q. Is that the cost of each tire?—A. That is the list price of each tire; that is not the price they were charged to the Government at.

Q. Did you pay the list price when buying these extra tires?—A. No.

Q. What discount did you get; what discount did you arrange for the Government?—A. Did you mean originally or finally?

Q. Originally?—A. Thirty per cent.

Q. Did you make an arrangement for a further discount to the Government later on?—A. Yes.

Q. What was the further discount?—A. The final basis was thirty per cent on the steel equipment. The tire as we ordered it, is composed of a rubber band and steel flanges and bolts that hold it on. The final arrangement was thirty per cent on the steel equipment, and forty per cent, less ten per cent, less ten per cent, less ten per cent, and five—40, three 10's and a 5.

Q. What do 40, three 10's and 5 really amount to?—A. It is about 51 per cent off.

Q. Would you explain, in order to have it clear on the record, what the successive tens would mean, and why they are given?—A. The situation on tires when I ordered the trucks—

Q. I am just asking you to explain generally so that one can understand?—A. I do not know why the discount is given in this way, it seems to be a practice among tire-makers in the United States, and the Canadian makers follow them pretty closely in building up discounts like that. I do not know why it is done. I understand that at the present time the price in the United States is forty, and eight successive 10's. There has been a drop in the price of rubber, and perhaps competition has brought it about, but I understand that is so, whatever the reason is.

Q. What is that ten per cent discount calculated on?—A. The net, that is, if you are forty per cent off it leaves 60, ten per cent off that leaves 54.00, and ten per cent off that leaves 49.60, and so on.

Q. So that you arranged for thirty per cent discount on the steel equipment?—A. Yes.

Q. Was that discount the final discount on steel equipment?—A. Yes.

Q. Was there extra steel equipment furnished with each truck?—A. With each tire.

Q. How many extra steel equipments were purchased?—A. 158.

Q. Would that be in addition to those already on the trucks?—A. Exactly.

Q. Is the steel equipment attached to the tires?—A. No, it is not.

Q. Could one use the steel equipment already on the car when applying the extra tire?—A. If it had not been damaged in use, yes.

Q. When you were purchasing the trucks did it occur to you at that time that you would require extra tires and steel equipment?—A. Well, the time of the purchasing and the shipping of the trucks covered a period of three weeks. I did not at first think of sending spare tires. Then it occurred to me that we should send them and I told the Company I thought we should get five per cent spares.

[Touring Cars—Russell.]

Sir CHARLES DAVIDSON: You told what Company?

The WITNESS: The Canada Cycle Company, who were supplying them; five per cent would be forty tires, for the 800 originally on the vehicles.

By Mr. Thompson:

Q. Did you change your opinion about that?—A. I changed it twice, and when I got to England I changed it once more.

Q. What was your final opinion?—A. My final opinion was what I acted upon, and that I ordered twenty per cent extras.

Q. And you went over to England in advance of the trucks?—A. I arrived there just before the trucks, yes.

Q. As a result of the inquiries you made in England, did you ascertain that your final judgment was about correct in reference to the spare tires?—A. I found I had been too conservative in the matter, and that the British War Office had thought it desirable to send one spare complete set of tires for each truck sent over.

Q. Did you, in consequence of that further information, buy additional spare tires?—A. No, I recommended to the department here that it should do so.

Q. So that the thirty sets that you have referred to were all that you bought for the government?—A. Yes.

Q. When did you arrange for the additional discount?—A. On my return from England in January.

Q. Did you know what that additional discount amounted to, in dollars and cents?—A. About \$5,000.

Q. Did the Canada Cycle Company pay you or pay the government that \$5,000?—A. They sent a credit note to the government for \$5,000 approximately, to be deducted from amounts that were due for other goods, not yet paid for.

Q. Was the government buying additional tires from this company?—A. No, but they had not yet paid for all the other goods that had been bought.

Q. Do you mean they did not pay for the tires you had bought?—A. They had paid for the tires, but there were some items which had not yet been paid for, and the Canada Cycle Company gave a credit note to be deducted from the amounts due by the government.

Q. Did your company, that is the Russell Company, make any profit out of these spare tires?—A. No, sir.

Q. Did the Canada Cycle and Motor Company make any profit out of these spare tires?—A. No, sir. Had they remained charged to the government at thirty per cent, then at the price our company paid for them there would have been a profit, but when I dealt with the tire question I eliminated a profit to either the Canada Cycle Company or the Russell Company from them.

Sir CHARLES DAVIDSON: Why?

The WITNESS: I did not think that we had really done any particular work in handling them, other than measuring out the size of the tires and placing the order. The Dunlop company assumed all the work of crating them and shipping them to Montreal, and they sent their representatives to Montreal to check the tires there, and they really handled the whole thing.

Sir CHARLES DAVIDSON: That covers the Russell company, but it does not cover the Canada Cycle company.

The WITNESS: Yes, and the Canada Cycle company, too.

Sir CHARLES DAVIDSON: Why did they consent to sell without profit?

The WITNESS: I did not think they did any work in connection with it that really called for profit on their part.

By Mr. Thompson:

Q. Why did you buy from the Canada Cycle Company instead of from the Dunlop company; were not the Dunlop company in Toronto?—A. Yes, just for the

reason, as I indicated yesterday, that I had not measured the trucks and decided on the price, and I put it up to our company to check all that was required in the various sizes to fit the trucks and see they were properly ordered; I asked the Canada Cycle company to look after these details, and I was busy with other matters.

Q. You asked the Canada Cycle and Motor company to act in your place when you were busy elsewhere with the other orders?—A. Yes.

Q. What induced you to ask for this additional discount for the Government?—A. This circumstance—when I ordered the first number of tires, which was about 40 or about five or six tires of each size, I asked the representative of the Dunlop Company what their discount was, and he said their discount to the Government, to whom they supplied spare tires from time to time was thirty per cent, and I asked him if that was the arrangement, and he said, yes. I asked what was their price to the Canada Cycle Company or the Russell Company, as manufacturers or jobbers, and he said he did not know, and he did not know because this occurred in Montreal. The goods were charged by the Canada Cycle Company at that thirty per cent discount, on the basis of the invoices, and I went to England. I was joined in England afterwards by the purchasing agent of our Company, and he stated to me—I have gone a little ahead of my story. Afterwards I increased this order four-fold to 158 tires. When my purchasing agent joined me in England, he said: I do not think that the price of tires was correct, and he told me that in our negotiations afterwards with the Dunlop Tire Company to supply the tires that he had arranged for a discount to our company of forty, two 10's and 5.

Q. Did you tell him then that that additional discount would have to go to the credit of the Government?—A. No, just a moment please—he told me further that in addition to that, on the order for trucks which we had got for the Government, and needed tires for equipment, that he had got a still lower price than that, for equipment purposes. Tire companies make a practice of supplying tires to manufacturers, with what is called the original equipment on their cars, cheaper than they do on replacements. I stated that I would take the matter up when I returned, and when I returned, which was at Christmas, I took the matter up almost immediately afterwards, on January 2. The Dunlop Company said they thought I was quite right, that thirty per cent had been the discount to the Government in supplying odd tires which they had supplied, and he thought such a discount was all right for the few tires first contemplated, but that the price was not a proper one, in view of the large number supplied. In the meantime, there had been further reductions in tire prices.

Mr. THOMPSON: Was it the conscience of the Dunlop Company, through the inquiries made by the Canadian Cycle Company, that this was brought about?

The WITNESS: I do not think there was any question of conscience with the Dunlop Company, but I think they acted quite properly. They had charged them to the Canada Cycle Company at 40, two 10's and 5. I looked into the trade prices as well, and the Dunlop Company frankly told me the lowest price that they had supplied tires to anybody at up until September, whether to manufacturers or others. I took the ground with them, that in view of the way they had handled this order for me, and had gone to Montreal and shipped them, that the Government was entitled to as low a price as they had given any one, up to that time, and that the Dunlop Company should be allowed five per cent for the work they had done. The price then arranged was 40, three 10's and 5, or within five per cent of the lowest price they had made to anybody up to September. They did the additional crating needed, making it a complete crate, and did a lot of work. They passed an additional credit note to the Canada Cycle Company, and the Canada Cycle Company passed a complete credit note, bringing it to this basis on which they have been charged to the Government.

Sir CHARLES DAVIDSON: The Canada Cycle Company passed a credit note to the Government?

The WITNESS: Yes.

[Tires—Russell.]

By Mr. Thompson:

Q. Evidently, even with this additional discount, the prices you have just referred to were considerably higher than those paid for the tires purchased for the second contingent?—A. Some were higher, but the information I have is that the Firestone Company, who are tire-makers in the United States, gave a discount in October of 40 and five successive 10's, and they increased that to 40 and eight successive 10's later, so I simply have regarded the difference in price to the Second Contingent as due to the different scale of prices that was prevailing generally in America on motor truck tires.

Q. Is it a fact that the price of tires broke in the meantime?—A. I would, I think, be safe in positively stating that it did. My information, which was given to me by the Dunlop Company, was that it dropped, the amount I have stated, and the Gramm Motor Truck Company advised me that it dropped two 10's during the period I have mentioned.

Q. Will the manager of the Dunlop Company be able to give me that information, do you suppose?—A. I think the manager or sales manager would know what the difference in the prices was.

Q. Would the forty per cent discount, and the eight 10's which the tire companies allowed on the purchase of tires for the Second Contingent, account for the difference in the two prices?—A. Not quite.

Q. How much would be left that would have to be accounted for?—A. My figures of it are as follows: On a set of six 38 x 5 tires, with steel equipment, the cost price for which they were bought for the First Contingent would be for the tires, \$346.55, and for the steel \$28.98, or a total of \$375.53. My information is that there have been two ten per cent reductions in price since that; those two ten per cent applying only on the price of the tires and not on the steel, so there has been no reduction on the steel—that brings the set of tires, with steel equipment, down to \$309.69 instead of \$375.53.

Sir CHARLES DAVIDSON: This reduced price being obtainable at what date?

The WITNESS: At any time after the first of January, 1915.

By Mr. Thompson:

Q. What did a set of 38 x 5 tires, with steel equipment, cost the Government when you arranged the further discount?—A. \$375.53.

Q. So that the difference would amount to how much?—A. \$65.84, and I understand the prices at which the tires were supplied to the Second Contingent were 40 and seven 10's off the list, and the price \$239.33 applies to American tires, and the American price of the steel equipment—that is without duty—is \$19.66, or a total of \$258.99.

Q. But, that is without duty on the steel equipment; what does it come to by adding the duty on the steel equipment?—A. My information on that is that the duty on the steel equipment and the tires would be \$13.23.

Q. What would the total therefore be?—A. \$272.22. This information should be subject to check as to the price at which the Second Contingent tires have been bought. I see it stated that a large number were bought, I think about ten times as many tires as I bought, at \$272 a set, as compared with \$309, paid on the number I bought. Am I clear on that?

Q. Was the final price that you paid \$309?—A. No, \$375.

Q. You have just referred now to \$309?—A. Well, I do not think that a buyer is entitled to take credit, as a buyer, for reductions in price which have been made uniform throughout the trade over a period of five months; five months have elapsed, so that in considering the basis of purchase, that should be eliminated; that is what I mean.

Q. I am a bit confused still as to that \$309—A. \$375 is what I paid.

Q. Was that your final price?—A. Yes. My information, which you can check accurately off, is that between the time they were bought for the First Contingent, and the time they were bought for the Second Contingent, there were two 10 per cent reductions in price of the tires.

So that had I bought on exactly the same arrangement from the manufacturer, five months later, taking advantage only of the two general price reductions which had been made, the cost of the tires I bought would have been \$309?

Q. Instead of how much?—A. \$375.

Sir CHARLES DAVIDSON: What about the refund of \$5,000 that is referred to at page 315 of the Report of the Public Accounts Committee.

By Mr. Thompson:

Q. I read from the report of the Public Accounts Committee at page 315 of the unbound volume:—

“Q. Now, Mr. Russell, it is rumoured around here, I do not know whether it is true or not, we probably might as well settle it now, that you have paid to the Government lately a certain amount of money as a refund, is that correct?—A. Not lately. I presume the reference is to motor truck tires.

“Q. But did you, I do not know what it is for?—A. There have been altogether three adjustments of accounts, two credit notes, or refunds, as you may call them, and one new charge which I can deal with if you desire to deal with them now.

“Q. How much was the amount of the refunds?—A. About \$5,000.

“Q. What were they on?—A. On the tires.

“Q. They were on the tires, nothing on the trucks?—A. Nothing on the trucks.

“Q. \$5,000 refund on the tires?—A. On the tires.”

The WITNESS: That is the amount of the difference between the price at thirty per cent off and the price which was finally settled on, of 40, three 10's and 5, to which I have referred.

Sir CHARLES DAVIDSON: Where did that refund come from?

The WITNESS: From the Dunlop Tire Company and the Canada Cycle Company.

Mr. THOMPSON: How much did the Canada Cycle Company refund?

The WITNESS: They have been charged to the Canada Cycle Company at 40, two 10's and 5. The Dunlop Company reduced their price to 40, three 10's and 5 and sent a credit note to the Canada Cycle Company for the extra ten.

Sir CHARLES DAVIDSON: That was the reduction of which your salesman spoke when he arrived in England?

The WITNESS: Yes, and then the Canada Cycle Company sent a total credit note including that and reducing it from the original price of 40, three 10's and 5.

By Mr. Thompson:

Q. Before we leave this question of tires, I see, in referring to the prices paid for tires for the Second Contingent, you made reference to duty unpaid, American price; has that reference to tires or to something else?—A. That was on the material entering into the tires and the steel equipment for them.

Q. But the tires are manufactured in Canada, are they not?—A. They are, but the steel equipment is not.

Q. When you referred to the duty into Canada, or when you referred to the American price, were you referring entirely to the steel equipment?—A. No, to both, because these prices on which the tires are being supplied by the tire companies for the Second Contingent are based upon the condition that the makers are allowed a refund of the duty on all raw materials entering into them, and that is estimated in a set of tires of that size at \$13.23.

[Tires—Russell.]

Q. Is there a refund on tires made by the Dunlop Company which are to be sent to the front?—A. For the Second Contingent, yes, but not for the first.

Q. Are you sure there was no refund for the First?—A. For the First, sure.

Q. Will the Dunlop Company be able to speak as to that?—A. Certainly.

Q. So that would account for an additional \$13 in price?—A. According to my figures, yes.

Q. Is the steel equipment made in Canada, or is it all made in the United States?—A. I understand it is all made in the United States.

Q. Whose evidence will I be able to get on that?—A. If you call the Dunlop man he ought to be able to give evidence as to that.

Q. Were all the touring cars which the Russell Motor Company sold to the Government absolutely new cars?—A. Yes, sir.

Q. Were any of them second-hand cars?—A. No.

Q. If any of them were second-hand cars would you know of it?—A. Well, I know that such a thing would not be done in our company.

Q. It would not be done?—A. No.

Sir CHARLES DAVIDSON: Or by any of these companies?

The WITNESS: And I think not by any of these companies that supplied the goods.

By Mr. Thompson:

Q. Do you know whether any of the trucks were second-hand trucks?—A. I know they were not. The makers had to draw on trucks which had been standing in show rooms in some of their branches, in order to rush through the order rapidly, but there were no second-hand trucks.

Q. I think Mr. Acason stated before the Public Accounts Committee that he had taken some from Winnipeg, and Victoria and so on?—A. I think the other truckmen who supplied the trucks, in order to get them delivered on time, did that. I know that the Kelly Company brought two from outside in order to make their delivery in time.

Sir CHARLES DAVIDSON: But they were all new?

The WITNESS: Absolutely.

By Mr. Thompson:

Q. They were trucks that were with their agents in these various cities?—A. Yes.

Q. Did your commission from the Minister of Militia include the purchase of bicycles?—A. No, sir, I had nothing to do with buying bicycles.

Q. Were these bicycles purchased from your company by you?—A. No, sir.

Q. Or by MacQuarrie?—A. No, sir.

Q. Were they ordered direct by the department?—A. By the department.

Q. Without your intervention?—A. Without my intervention. I saw them first when I was here with regard to spare tires for them.

Q. Was that after the bicycles were ordered?—A. After the first of them were ordered, yes.

Q. At any rate, your commission from the Minister had nothing to do with the purchase of bicycles?—A. Nothing.

Q. Do you know at what price your company sold these bicycles to the Government?—A. Yes, sir.

Q. What did the Government pay for them?—A. For these supplied with the First Contingent, \$62, and with the Second Contingent, \$55.

Q. Is that the price at which they were listed?—A. There is no list on them; that particular bicycle, there never had been any of it made except one.

Q. Is it different from your ordinary bicycle that is listed in your catalogue?—A. In some respects no, and in some respects very different.

Q. Has the bicycle a name?—A. It is the Cleveland bicycle.

Q. Is that a well-known bicycle?—A. The very best.

Q. What is the list price of the Cleveland bicycle?—A. \$45.

Q. What did you add to the standard bicycle to increase the price?

[Bicycles—Russell.]

Sir CHARLES DAVIDSON: I suppose the retail price is \$45?

The WITNESS: Yes, sir. There were a number of different items added, the wheels were steel-rimmed instead of wood-rimmed, the spokes were unwedged.

Sir CHARLES DAVIDSON: I thought the wooden frame was best?

The WITNESS: We rather think that, too, but the Government specification was for steel frames.

By Mr. Thompson:

Q. Is the steel frame more expensive?—A. It depends. If it was not ordered in advance, as was the case, it would cost at least twice as much. We do not carry many steel rims in Canada, and when we were called upon to supply these bicycles the only steel rims we had were 500 pair that were all completely nickle-plated to be used in bicycles with nickle-plated steel rims, and the nickle-plating had to be scrubbed off and the rims re-enamelled.

Q. What would the difference in price be between the wooden rim and the steel rim?—A. Our ordinary charge is 25 cents if we get it originally.

Q. Twenty-five cents more or twenty-five cents less?—A. Twenty-five cents more for the steel rim.

Q. How do you account for the large increase between the price on your list and the price charged?—A. Another thing was that they were traction tires instead of regular tires, that is, a tire with a heavy non-skid arrangement on it, and that is 50 cents extra.

Q. You have accounted now for about 75 cents extra?—A. Then there are special pedals, heavier pedals for military work, and the price on that is down at 15 cents. Then there is the bell, which costs 65 cents; rear carrier, \$2.10; rifle clips, carrying rifle on handle-bar, \$2.75; then there was an extra tool equipment, 17 cents; there was the saddle, 15 cents.

Sir CHARLES DAVIDSON: Why an extra cost for the saddle?

The WITNESS: It is a different type slightly.

Sir CHARLES DAVIDSON: What is the type?

The WITNESS: It is a fairly heavy English type saddle, imported from England. Then there is a different crate. We ship in a light crate usually the parts which are dis-assembled, but this was a heavy crate carrying the bicycle complete assembled, and for that there is a cost of 50 cents. Then there is extra cost of enamelling. Not only has the bicycle to be enamelled of a different colour, but the handle bars, which are nickle, and the lamps, which are nickle, and the cranks, and all the different equipment had to be enamelled, and the cost of that was \$3.47.

By Mr. Thompson:

Q. If the bicycles were being made for the Government that would not be an additional sum?—A. Yes, it would be; we could not buy unplated lamps or several of these equipments unplated. The cost would be reduced a little bit though if the order had been given beforehand. That did not cover all of the extra cost on the first bicycles. Then there is the extra cost of assembling all these bicycles, amounting to \$1.02.

Q. What do you mean by the extra cost of assembling?—A. For this extra equipment, that is, the front carrier, and the rear carrier, and the front gun clip, and the rear gun clip, and the extra accessories on it actually cost \$1.02 extra.

Q. Do you mean that it cost that amount of money to attach this equipment?—A. Yes, that is when we completed the first order of bicycles.

Sir CHARLES DAVIDSON: What was the date of that?

The WITNESS: Our quotations on these bicycles were submitted September 3, 1912.

Sir CHARLES DAVIDSON: 1912?

[Bicycles—Russell.]

The WITNESS: Yes, sir. The question of bicycles was taken up two or three years ago with the idea of making a cycling corps.

Sir CHARLES DAVIDSON: What have we got to do with that, Mr. Thompson?

By Mr. Thompson:

Q. Did you submit a sample at that time?—A. I think we had to submit two or three before we got one that suited.

Q. What quotation did you make for these bicycles in 1912?—A. \$62.

Q. What equipment did they have?—A. The same as we finally supplied.

Q. Tell me what price you charged the Government in 1914?—A. \$62.

Q. The same as the price you charged in September, 1912?—A. Yes. Then, these orders came in a lot of small orders; there were nine orders, I think, altogether, in August, and some in September, and they came in right up to when the boat sailed.

Q. Apparently you charged the Government the price that you quoted on a sample bicycle with equipment in 1912?—A. In December, 1912, in the ordinary course of business, we submitted the bicycle with a price on it.

Q. That is distinct, as I understand it, from your own activities?—A. I had nothing to do with the purchase of these bicycles.

Q. Did the Militia Department write you or telephone you about the bicycles, or did you write or telephone them?—A. We had a wire. We had a wire from the Director of Contracts on August 15, 1914. I should say that we never got any orders in 1912 or 1913, they did not go on with that organization. On August 15, 1914, we had a wire, asking for quotations on 275 bicycles and how soon we could deliver. On August 17, we wired 50 in ten days' delivery, and the balance 50 per day. On August 17, there was a wire from the Director of Contracts, ordering 50 to be shipped on the 27th and the balance in five days afterwards. Then on September 10, 107 to be delivered nine days afterwards. On September 18, 20 to be delivered three days afterwards, and on September 22, nine to be delivered two days afterwards, and, finally, on the 23rd, nine more, to be delivered the same day. These were all included in the first order of 450. The original order was for 275 first, and then we kept getting orders in the way I have recited.

Q. Was the price still the same?—A. The price was still the same.

Q. Did you supply any further bicycles?—A. Not for the First Contingent.

Q. I mean did you supply any further bicycles at any time?—A. Yes, for the Second Contingent.

Q. When?—A. The order for the Second Contingent was a wire from the Director of Contracts for 373 bicycles on December 17th, to be filled inside 28 days.

Q. Did they ask you for further quotations?—A. We had, as a result of our previous cost reductions reduced our quotation to \$55.

Q. Was that at the request of the Department?—A. No.

Q. You voluntarily offered the reduction?—A. Yes sir.

Q. And the bicycle was of the same quality?—A. The same.

Q. Was the equipment the same?—A. The same.

Q. Did you sell any further bicycles to the Government?—A. Yes.

Q. When?—A. January 22nd.

Q. How many?—A. The Director of Contracts ordered 200 to be delivered complete in ten days.

Q. Was there any interrogation as to the price?—A. I do not think so.

Q. What did you charge the Department?—A. \$55.

Q. That would be the same basis, would it not, as the charge for the 370 order?—A. Yes.

Q. Would that cover all the bicycles you sold?—A. Yes.

Q. What would that bicycle cost without all that extra equipment if sold by a retailer?—A. \$45.

Q. Is that the list price?—A. That is the list price, without any of the extra equipment, \$40 cash, if a man pays cash and takes delivery of the bicycle, and \$45 if he does not.

Q. Have you calculated what this extra equipment totals up to?—A. I think the cost is \$4.50 when completed and delivered.

Q. What I mean is, what is the cost of the additional equipment that was put on the standard bicycle; do you know how much that comes to?—A. These items come to about \$16.

(Subsequently, the witness filed as Exhibit number 49, a statement showing cost of military bicycles).

Factory cost of regular bicycle made in lots of		
5,000 or more.. . . .	\$21 95	
Add for small lots, rushed.. . . .	4 39	\$26 34
Cost of extra assembling.. . . .	1 02	
Cost of enamelling service green hand-worked..	3 47	4 49
Extra equipment:		
Dunlop traction thread tires.. . . .	35	
Special-sized crate.. . . .	29	
Luggage-carrier, front.. . . .	67	
Luggage-carrier, rear.. . . .	2 13	
Gun carrier, front.. . . .	75	
Gun carrier, rear.. . . .	1 25	
Oil lamp (Never-out).. . . .	2 16	
Bell.. . . .	57	
Extra cost tool kit.. . . .	23	8 40
Cost of special tools spread over first 450 bicycles.. . . .		1 20
Administration expense.. . . .		6 20
		<hr/>
		\$46 63

Q. It would appear that after adding the cost of the extra equipment to the standard bicycle, you are still charging the Government more than an individual would have to pay if he went to a retailer and bought a bicycle and then bought the equipment separately and had it assembled, how do you account for that?—A. Very easily, sir, that would be the cost if we received an order for 450 bicycles and built them up. What we received were orders for rush bicycles. We took down bicycles, completely finished, frames complete, enamel complete, forks assembled in them, bottom brackets assembled in them, ready to go out as standard bicycles. We took down rims, nickle-plated and finished. We took off the finish on that work and did it over again. We worked over-time and obtained permission from the Police Department to work on Sundays and we filled these orders. In addition to that, we had never made a front carrier before. We bought enough to fill the order, but they were not satisfactory and we had to rebuild them. We had to make all that by hand without tools for the first lot. We charged into the cost of the first lot finally, the cost of the tools for making these parts. As I have said, the finish was special.

Q. If the finish was special it would not, therefore, be the same finish as I would have on a bicycle that I bought in a shop?—A. No, the ordinary bicycle is a black bicycle and the costs of enamel are standard for them, and it goes out as a manufacturing proposition packed up in crates. But this is another proposition. There is a difference in the price of the enamel. It costs four or five times as much to hand-enamel as to dip. I had forgotten that we finished the first lot of bicycles to the colour of the English military bicycle, and then found that was different from the Canadian service green required, and we had to again re-enamel. The conditions of the turning-out of that first order of bicycles were absolutely foreign to the conditions that prevailed in a good manufacturing establishment in turning out its regular goods. Our prices were made in advance, and without any knowledge of special conditions. We carried out the contract on that price. So far as I know, the department may have

got tenders from other people. We supplied a bicycle which there have been seven courts of inquiry on, and not a single defect pointed out except the suggestion that the tires might better be a larger size, and I have notified the department that if they wish a larger size we can supply them, and that they will go on the same rim.

Sir CHARLES DAVIDSON: Has the witness stated the profit?

The WITNESS: \$46.63 was our cost on the first lot of bicycles.

By Mr. Thompson:

Q. How do you class that profit?—A. I consider it was a fair good profit.

Q. What do you mean by a fair good profit; was it a very extensive profit?—A. No, it was a good profit. I do not consider it an immoderate profit in any sense of the term, considering the conditions under which they were manufactured and the product turned out.

Q. What did it represent net in Toronto?—A. Twenty-four per cent.

Sir CHARLES DAVIDSON: That is allowing for your overhead charges?

The WITNESS: Yes, allowing ten per cent overhead charges.

Sir CHARLES DAVIDSON: What is the total amount of profit you received?

The WITNESS: The total cost was \$20,983 and they were sold for \$27,900, that is, on the 450 bicycles, the difference is pretty nearly \$7,000.

By Mr. Thompson:

Q. You spoke about courts of inquiry, what courts of inquiry were these?—A. They were held by military officers in connection with the equipment.

Q. In connection with these bicycles?—A. In connection with these bicycles, yes sir. I was informed by Colonel Thomas that there had been seven courts of inquiry on the bicycles, and I presume that was correct.

Q. Were complaints made to you or to your company about these bicycles?—A. None. I was in Ottawa two weeks ago and went to see him, and he said that the tires were not heavy enough.

Q. The point is whether you or any officers of your company were summoned before these courts of inquiry?—A. Never.

Q. And no complaints reached you or your company about any defects?—A. Never, if there is any complaint we will be prepared to meet it, I do not think that bicycle can be improved.

Sir CHARLES DAVIDSON: Have they the right to manufacture the Cleveland bicycles?

The WITNESS: Our company have the rights for them for Canada. One of the constituent companies which is merged in the Canada Cycle and Motor Company is the Cleveland Bicycle Company.

Sir CHARLES DAVIDSON: Is the Canada Cycle Company a branch of the Russell Company?

The WITNESS: Yes sir, I have stated that. It is only a nominal company.

By Mr. Thompson:

Q. Will you explain that?—A. We handle our bicycle business as the Canada Cycle and Motor Company and the Russell car is the Russell Motor Car Company, Limited; two separate selling departments.

Q. I understand you wish to make a statement with reference to your activities, and also in respect to the equipment you purchased and which was not purchased from your own company?—A. Yes.

Sir CHARLES DAVIDSON: Is that all you want on the bicycle question?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: There was a drop, was there not, between 1912 and 1914, in the price of bicycles:

The WITNESS: No, there was a big drop before that, but not then.

[Bicycles—Russell.]

By Mr. Thompson:

Q. What could you buy in the market, at retail, a Cleveland bicycle for?—A. If you pay cash over the counter, forty dollars, without special equipment.

Sir CHARLES DAVIDSON: I understood you to say a moment ago that the price was \$45?

The WITNESS: The price is \$45 if the cash is not paid when delivery is taken, but if a man comes in and pays cash over the counter, it would be \$40.

Sir CHARLES DAVIDSON: Will you make a statement in tabulated form as to what these extras on the bicycles cost you.

The WITNESS: I have made a statement as to the particulars.

Sir CHARLES DAVIDSON: Yes, but I would like to have it in tabulated form. Were the prices you mentioned retail?

The WITNESS: No, these were all wholesale or cost prices.

The Statement was subsequently filed by the Witness as Exhibit No. 49.

By Mr. Thompson:

Q. What is the wholesale price of the Cleveland bicycle?—A. Thirty dollars, with its regular equipment.

Sir CHARLES DAVIDSON: What is its regular equipment?

The WITNESS: It does not include these different things I have enumerated.

Sir CHARLES DAVIDSON: It does include a tool-bag and saddle?

The WITNESS: It does not include the extra for the different types and the amounts I set forth.

Sir CHARLES DAVIDSON: You see you have to account for the difference between \$30 and \$62?

The WITNESS: Yes sir.

Sir CHARLES DAVIDSON: You have not done it.

The WITNESS: I have only done it in this; that before we had made any of these bicycles, having any knowledge as to quantities or conditions of manufacture, we had named to the Department a price of \$62. The facts are that when the orders came in in the way I stated we completed them, and when they were done the cost of these bicycles was \$46.63. That was not ascertained, nor did we know what they would cost until they were made. Having that knowledge, we reduced the price.

Mr. THOMPSON: After charging your ten per cent for overhead charges, they cost you \$46.63?

The WITNESS: Yes, having that knowledge when the next lot were called for we reduced our price to \$55. We anticipated, however, sir, to be able to reduce the cost, because we had charged in that \$1.20 for tools, and there were minor items we expected that with less emergency and urgency we would be able to reduce the price we got for the first ones.

Sir CHARLES DAVIDSON: Did you do that voluntarily?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Did you make the reduction to \$55 voluntarily?

The WITNESS: Voluntarily, and without any request. I recognized in the carrying out of this work that I would, under certain circumstances, be in the awkward position of buying for the Government, and naturally buying at times from our own Company, as our own Company have the largest automobile manufacturing plant in Canada except the Ford Company, which did not make anything of this kind. I endeavoured throughout to deal, where I did deal with our Company, as I would with an outsider. When I carried out this commission for the Minister, of buying, I did not do it personally; I used the whole of our organization, purchasing, shipping, making and accounting. I have for the purposes of your Commission divided my work into two

[Bicycles—Russell.]

particular parts. The goods which I ordered from our own Company I set forth, giving the cost of these goods, including where they were made in the factory cost of them, including, when they were bought outside, the purchasing cost of them. I have set forth the cost of them including the ten per cent for overhead expense which is the best basis on which we have worked, and the price at which they were sold, and the profit realized, so that it will be put before you in tabular form.

I have also made a statement of the goods which I purchased, inspected and shipped, and on which neither the Russell Company nor I personally, had any commission or interest or profit in any shape or form, and I will submit this.

The total factory cost, upon that basis of the cost, which I bought from the Russell Motor Car Company or the Canada Cycle Company, was \$255,862.63.

The total cost of these, which we regard as our cost, including ten per cent for administration and general expenses, was \$285,382.93.

The price at which the total of these goods was sold to the Government, was \$299,670.11.

This showed a total net profit to the Russell Motor Car Company of \$14,287.18, or about five per cent.

The witness submitted the following tabulated statement:

SUPPLIED to Department on orders through Mr. T. A. Russell.

	Factory cost.	Factory cost including administration and general expense.	Sold.	Profit.
	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Accessories.....	29,339 56	32,860 30	35,207 48	2,347 18
Motor trucks, cars, etc—				
12 special trailers.....	11,376 96	12,781 96	14,100 00	
22 Jeffrey trucks with khaki tops.....	46,183 50	51,717 60	55,341 00	
7 model "32" cars with extras and crating..	20,827 59	22,547 49	17,199 00	
3 workshop bodies.....	7,415 10	8,360 10	9,450 00	
4 Jeffrey trucks.....	11,632 89	12,961 69	13,288 00	
126 truck bodies.....	28,350 00	31,752 00	34,020 00	
9 Jeffrey trucks.....	27,853 11	81,088 61	32,355 00	
25 Kelly Springfield trucks.....	64,737 50	72,600 00	78,625 00	
	218,371 65	243,809 45	254,378 00	10,568 55
Parts—				
Russell.....	2,823 55	3,279 25	4,557 03	
Jeffrey.....	861 87	967 93	1,061 60	
	5,685 42	4,247 18	5,618 13	1,371 45
Disbursements in connection with shipping.....	4,466 00	4,455 00	4,466 00	
Total.....	255,862 63	285,382 93	299,670 11	14,287 18

The goods which I purchased for the department, my lord, and which are on a statement which I now hold in my hand, included wagons from a different lot of firms which I need not enumerate, amounting to \$100,217.35. I have marked on the sheet what these wagon prices are approximate, but they will not vary by more than one per cent at the outside; there are some of the invoices I have not before me. The trailers I purchased amounted to \$2,200; the motor trucks to \$349,624, the motor truck parts to \$9,410, or a total of \$451,552.18.

In addition to these, we received and shipped at Montreal the bicycles, motor-cycles, motor cars, motor parts, and arranged for the shipment and loading of the Sifton machine-gun battery, in all of which items we had no interest.

Sir CHARLES DAVIDSON: What is the total of the purchases?

[Bicycles—Russell.]

The WITNESS: About \$760,000, which does not include, of course, the motor-gun battery.

Sir CHARLES DAVIDSON: That \$760,000 includes all that you bought?

The WITNESS: Yes.

Mr. THOMPSON: In connection with that was there ever a cent paid directly, or indirectly, or promised, or asked in connection with commission?

The WITNESS: Absolutely no.

Mr. THOMPSON: And no commission, and no profit, and no benefit to you?

The WITNESS: None. The names of the firms are there, and if any one wants to call the firms, I shall be very glad.

Mr. THOMPSON: Did you receive any personal recompense?

The WITNESS: None whatever.

Mr. THOMPSON: You were on a salary?

The WITNESS: By the Russell Motor Car Company. When I completed that work in Montreal, I submitted a detailed statement of everything shipped, of the boats on which it was loaded, of the particulars of the goods and how they were shipped, and I submitted it to the Minister so that it could be unloaded on the other side, and I recommended to him that there should be sent over three of my mechanics, who had helped in the loading, and he stated he would consider it a great favour if I could go over myself, as these goods amounted to one million dollars, and he wanted to see that they were all right. I stated I could not do that without consultation with our board of directors. I returned to Toronto, obtained their approval, they felt I had got so far into this that it was most important it should be completely carried out, and on the 8th of October I sailed for England, and arrived on the 16th, and remained in England in touch with the mechanical transport section of the War Office and with the Canadian Expeditionary Force on Salisbury Plains until December 16th. A part of that time, during the last month, I attended to some business for our own company, so that it would not be fair to say that I spent all of the time I was in England in connection with this work. I returned to Canada and I submitted a report to the department, based upon my experience of the purchases in England, and the exceptional advantages I had enjoyed in consulting with the mechanical transport officers and the British War Office, and the advantage of having discussed it with General Alderson, in command of the Canadian Forces. I submitted that report. I wish to leave a copy of this report with the Commission, because it has formed the basis and did form the basis of the organization of the mechanical transport section of the Canadian military organization. It recommended the training of men for this service, because the first men we took over were not trained, and that recommendation has been put into effect and I superintended the organization. I submitted reports as to the requirements for getting out an efficient organization. I helped the work out, and submitted as an appendix to this report the amount of spare parts that ought to go forward with these trucks, and that is now being acted upon by the transport department.

I submitted a report showing the experience that the War Office called for in the packing of these goods, the equipment of machine shops, etc., and I submitted the results of the War Office tests on our trucks.

I do not know whether you are interested in having a statement as to that or not, but they tested the trucks that went here. I submitted the record of the inspection of these trucks, made at different times by the general officers with the Canadian Expeditionary Force. I submitted a report on the method of shipment, and generally I laid all these things before the department with my recommendation.

I stated that while it was possible I could handle work of that kind in an emergency, it was not possible to have a continuing arrangement under which a man connected with the trade could act, and I retired from the position.

There is one thing I would like to deal with, which is set forth at page 414 (unbound copy of the Public Accounts Report), because it is a matter about which I

[Bicycles—Russell.]

feel very strongly. This statement was made at various times, and, as I say, I feel very strongly about it. (The reference is to be found at page 458 of the blue book, bound volume of evidence before the Public Accounts Committee.) I refer to a letter addressed to the Hon. Major-General Hughes by Colonel Thomas.

Sir CHARLES DAVIDSON: What specific part of that letter do you refer to?

The WITNESS: I refer to the whole of that letter.

Sir CHARLES DAVIDSON: It is a pretty long one.

The WITNESS: Pretty long. In that letter, Colonel Thomas states that he has been responsible for saving \$180,000 or thereabouts in the purchase of the equipment for the Second Expeditionary Force, and this letter was submitted as an evidence of it. It totals, as this shows, up to \$196,000.

Despite the conditions under which the goods were bought for the First Contingent, if that saving had been possible by anybody, or if one-half of it had been possible, or if one-quarter of it had been possible, I would feel that I had carried out my work in a very unsatisfactory form. The statement is made in that letter that there was a saving of 155 chassis of \$765 each, totalling \$118,575, and that in the next month, there was a saving on 15 chassis of \$765, or a total of \$11,475, making a total in all of \$130,000 on that one item.

Now, the impression that was created by that was that \$130,000 more was paid for trucks for the First Expeditionary Force than was necessary. It does not exactly state that in this letter, but that was the information and the impression that went abroad.

To start with, there were only 141 trucks purchased instead of 170; would it be fair to say that a saving had been made on 30 or 40 trucks which were never purchased?

In another place, in arriving at this saving of \$765 per chassis, he has taken the price of the Kelly trucks, at which they were subsequently bought, and compared with that the price of the Gramm, Peerless and White trucks bought for the first contingent, all higher-priced trucks, and on which it was impossible to get, either then or since then, the price of the less expensive Kelly truck. In addition to that, it was an impossibility for the Kelly Company to have supplied not only 170 or 140, but under 50 trucks for the first contingent. Afterwards, this matter was discussed in the Public Accounts Committee, and I would like to refer to page 534 of that report, (paging of the blue book volume of evidence before the Public Accounts Committee). I quote there, certain evidence given by Major Thomas:—

By Mr. German:

Q. You did state that under your management, or under the management of this Committee that had been appointed, a very large saving had been made in the purchase of motor trucks as against the price paid for the motor trucks purchase for the first contingent?—A. Yes.

Q. Now, on the basis of the saving that you made in the purchase of motor trucks for the second contingent, how much saving would have been made on the same line of action in the purchase for the first contingent?

Mr. RHODES: Is that question put right, Mr. Chairman?

Mr. GERMAN: I think it is a proper question.

Mr. RHODES: You are assuming that the same line of action could be taken.

Mr. GERMAN: If he says the same line of action could not be taken it is another thing. I am asking him, following out the same line of action that was taken by him, or by the Committee, which was taken in the purchase of motor trucks for the second contingent, how much saving would have been made on the purchase of motor trucks for the first contingent?

Mr. RHODES: Why not put the question in this way: assuming that you bought an individual motor truck for so much, how much would you have saved?

Mr. GERMAN: I am not assuming that at all. If my question is a proper one I want it put in the way I have suggested. If it is not a proper question, all right.

Mr. RHODES: The way you put the question involves the reply that the purchases for the first contingent could have been made in the same manner as the second.

Mr. GERMAN: Not necessarily at all, because he can be very quickly asked if that is the answer to this question whether those purchases could have been made in the same way.

The WITNESS: The saving made on the second purchase was not possible on the first. I could specifically have bought, if I had been here at the time, Peerless and Kelly trucks for the same price as I did buy them—in fact I gave General Hughes those prices in New York—but otherwise I could not have bought anything cheaper at the time than Mr. Russell bought.

Q. Very well then, you have answered part of the question. Now, what saving would have been made on the Peerless and Kelly trucks?—A. Peerless and Kelly trucks I happened to have special prices on and Mr. Russell did not at that time.

Q. I don't care anything about that. What saving would have been made?—A. On the Peerless a saving would have been made of \$270 a truck.

Q. And how many trucks were purchased?—A. 25.

Q. 25 at \$270 a truck, that would total how much?—A. \$6,750.

Q. \$6,750, is that right?—A. Yes.

Q. Then on the Kelly trucks?—A. A saving would have been made of \$510 a truck.

Q. And how many trucks were purchased?—A. 25.

Q. 25 at \$510?—A. That is I think \$12,750.

Q. That would make a total of \$19,200?—A. No, \$19,500.

Q. You are right, it is \$19,500?—A. I could only have done that because we had at the time special prices for the British War Office on these trucks.

When the witness was cross-examined on the statement which I have read from page 534, that was his specific statement on oath as to the total saving he could have made in the purchase of trucks. It was \$19,500 instead of what any one would have interpreted from the letter, namely, \$13,000. I will not question the amount of \$19,500, for I presume that if he states he could do that, probably he could, but I wish to refer back again to page 459.

Sir CHARLES DAVIDSON: I read on page 534 you were put down as agents for the Peerless?

The WITNESS: That is an inaccuracy.

Sir CHARLES DAVIDSON: You were not?

The WITNESS: No.

Sir CHARLES DAVIDSON: You were only agents for the Kelly and the Jeffrey?

The WITNESS: Yes, we had no relation to the Peerless at all. I presume the question was put and the witness acquiesced in that without thinking of it.

Sir CHARLES DAVIDSON: The question is put to this witness: you heard Mr. Russell make the statement that his Company were the agents for these concerns, including the Peerless?

The WITNESS: That is an inaccuracy, and I am glad to correct it.

Referring again to page 414 (unbound volume Public Accounts, bound volume 459) he claims the following savings:

"10 sets of replacement units, at saving of \$1,807.24
per set. \$18,072.40"

That is repeated three times in this table which appears on that page, and it is repeated twice on the next page, with a saving of \$9,000 each on five sets, giving a total claimed saving of \$72,289.60 in the purchase of spare parts.

[Touring Cars—Russell.]

Now, the total amount that I have spent on behalf of the Government for spare parts, on which this possible saving of \$72,000 is claimed, was \$14,446.10, as the following statement will show:

"Motor Truck and Automobile Parts.

"White Motor Truck Co., at 20% discount from list prices.....	\$ 5,433.64
"Gramm Motor Truck Co., at 20% discount from list prices.....	1,976.52
"Dominion Automobile Co., Peerless truck parts at 20% discount from list prices.....	2,000.00
"Total parts for Motor Trucks and Automobiles purchased from Russell Motor Car Co., for Jeffrey and Kelley trucks and also for Russell automobiles and trucks.....	5,035.94
	<hr/>
	\$14,446.10"

This statement shows all of the parts purchased and shipped as equipment for the First Expeditionary Force.

The next saving claimed is 35 sets of replacement tires at a saving of \$90.72 per set, and there is a claim there of saving \$8,618.40, and on the next 35 sets of replacement tires at a saving of \$90.72, the total there is given at \$3,175.20, or a total saving claim on 120 sets of tires of \$11,793.60. Now the total number of sets of spare tires purchased by me and shipped with the First Expeditionary Force was 30 sets of tires, or one-quarter the number claimed by Colonel Thomas. So that, if the figures were accurate in every detail as to the saving, the possible saving would have been one-quarter of that stated, or, roughly, \$3,000.

Before I leave that I might say that I have never been able myself to figure in any way in which there was a saving of \$90.72 per set, but accepting it as accurate, as the sworn testimony of the witness, you may add that \$3,000, as the saving and price to the \$19,500 claimed as a possible saving on trucks, and then you will have a total saving claimed of \$22,500.

I am prepared to be examined by every man who supplied spare parts in that \$14,000 worth that I bought, and to demonstrate that they could not have been bought for a dollar less at that time by anybody in Canada, and considering the way they were shipped.

There is, therefore, a total possible claimed saving of \$22,500. However, further down in that same letter, over the signature of the witness, Thomas, and addressed to the Minister it says:

"I will also draw your attention to the memorandum of the Q.M.G. attached under date of March 22, on price of repair parts, showing that the White Company are now supplying repair parts for the first contingent, at a 20 per cent discount instead of net as heretofore."

I wish to submit the invoices of the White Company for the parts supplied for the first contingent, showing deducted from the price 20 per cent from the list price which was their arrangement with me, got without any pyrotechnics about it, but simply as a business arrangement.

A copy of the invoice is filed as Exhibit No. 44.

I think that concludes my references to the claim for saving.

Now, in the way this business was done by me for the first contingent, every dollar of expense that the Government incurred is shown on its invoices. There were no administration expenses, telephone expenses, travelling expenses, hired help, nothing that is not on the invoices of the respective companies. Had the purchasing

[Motor Trucks—Russell.]

for the first contingent been handled in the same way as for the second contingent, there would have been on my purchases of \$760,000, a commission paid of one and a half per cent, and if you refer to page 191, (unbound volume paging of the evidence of the Public Accounts Committee) that is the basis on which it is stated that work is being done at the present time, and on that basis my claim would have amounted, approximately, to \$11,000.

I repeat that every dollar of expense the Government incurred in the equipment for the first expeditionary force is shown in these invoices, and included in it is the freight from the manufacturers to Montreal, whereas all of the motor transport for the second contingent has been shipped to Ottawa and will have to be shipped to the port of destination for transport to the other side.

I understand they were permitted to be shipped before provision was made for their reception here, and that some \$100 damage was paid. After they came here the wheels had to be attended to and holes drilled on them and certain work done, and that will need to be added to the cost.

I am told that the first set of bodies ordered—despite the fact that the specifications were in the hands of the Department with the War Office sanction as to a satisfactory body—the first ones were not constructed properly and that a second equipment of bodies has been necessarily provided, which will mean that there will be considerable loss on the first.

I understand that there have been a force of men employed doing work in connection with getting these trucks ready for shipment, and that there have been one or two premises rented in the city to store the trucks until the different parts are got ready, so that they can be shipped complete.

I presume that the trucks have been paid for by the Government, whereas none of the trucks shipped with the first contingent were paid for by the Government until these trucks had been unloaded at Plymouth and were doing the country's work at Salisbury.

I am prepared to have this total claimed saving of \$22,500 compared with the cost of administration and so on, had the mechanical transport for the first contingent been carried out along the same lines which have been followed for the second contingent. If that saving is accomplished by handling it in one way, against it must be set the expense of handling it in the other way.

I am not trying to find fault with the administration of any one in connection with this, but I handled in the time at my disposal a fairly large piece of work, and it has worried me that the suggestion should have been made that it was possible to accomplish savings such as have been suggested.

I am not even comparing the results obtained, which were these: that, 26 days after the first order was given to me for equipment to get the contingent ready, the contingent sailed with its complete mechanical transport equipment, out of Montreal, and on October 23rd, seven weeks after the word was given to get the equipment ready, it was in service in Salisbury.

Major Thomas has handled the equipment for the second contingent. His statement is that he began work on November 16, with a tremendous fund of information with regard to such matters. On June 16th last, he had been in the Department seven months. The Second Contingent has gone and is in England. Its mechanical transport has not left Ottawa, and I do not believe that there is a truck or a machine shop ready to go yet.

Sir CHARLES DAVIDSON: Were they to have gone?

The WITNESS: General Hughes told me that for the first contingent it was essential that the contingent should go complete. That is all I know.

Sir CHARLES DAVIDSON: Was it essential that the second contingent should go complete?

The WITNESS: I should think so.

Sir CHARLES DAVIDSON: Do you make that statement on any definite basis?

[Motor Trucks—Russell.]

The WITNESS: I make this statement with knowledge that requisitions have been made to the mechanical transport section to send these trucks so as to give whatever transport was available, and that they did not have any ready to go.

Mr. THOMPSON: I will put in evidence as to that.

Sir CHARLES DAVIDSON: That they have been asked?

Mr. THOMPSON: That the mechanical transport should have accompanied the second expeditionary force.

Sir CHARLES DAVIDSON: It should?

Mr. THOMPSON: Yes.

The WITNESS: I have made that statement, not with a view to complain, because I know, as no one else knows, the amount of work involved in getting it done, but I have felt for myself and for the company I represent keenly, very keenly, the suggestion that higher prices were paid than should have been paid, when I know, that under the circumstances, there is no truth in the statement.

Perhaps the statement will be made that that letter of Major Thomas was not intended as a reflection on the first purchasing, but presumably I would, four or five months afterward, when conditions had changed, have purchased just in the same way as on the first occasion. Fortunately, I am on record, not only alone but in conjunction with Lieutenant-Colonel Frederick Nicholls, President of the Canada General Electric Company with regard to a proposal to supply the requirements of the Canadian Government with future motor transport. I have here a document which was sent to the Minister on February 17, 1915, and which provided that the trucks for the future requirement of the Canadian contingents should be made in Canada, and that the price on them would be the United States price plus five per cent on the value of the work done in Canada, that would have been the extent of the extra cost of doing the work had I been able to carry out the work of equipping the second contingent.

The undertaking was given there that deliveries would commence in ninety days after the receipt of the order, and it would have been possible to have shipped a Canadian-made transport as early as the second contingent transport will be shipped.

The following is the document to which I refer:

February 17, 1915.

REPORT OF THE COMMITTEE APPOINTED BY THE MINISTER OF MILITIA AND DEFENCE TO CONSIDER THE ADVISABILITY AND FEASIBILITY OF THE MANUFACTURE IN CANADA OF MOTOR TRUCKS FOR MILITARY PURPOSES.

MEMBERS OF COMMITTEE.

Lt.-Col. Frederick Nicholls.

Major T. A. Russell.

Your committee respectfully submits the following memorandum in reference to the advisability and feasibility of the manufacture in Canada of motor trucks for military purposes:—

Whereas the requirements of the Department of Militia and Defence for Canada in motor trucks for the present year will probably exceed six hundred in number.

And whereas it is in the public interest that these trucks be built in Canada, and so afford employment to Canadian Labour.

And whereas at present there are no manufacturers of motor trucks in Canada building the completed trucks and their component parts, and therefore utilizing to the fullest extent Canadian labour and material.

And whereas the Kelly-Springfield Motor Truck Company of Springfield, Ohio, are manufacturers of a type of motor truck which has already been adopted for service by the Militia Department, said trucks having proven satisfactory in service.

And whereas the Kelly-Springfield Company have expressed their willingness, in the event of an order for six hundred trucks being placed with them, to arrange to have built in Canada as much of the completed truck as Canadian manufacturing facilities will warrant,—

It is therefore recommended that an Agreement be entered into between:

The Department of Militia and Defence for Canada (hereinafter called the Department) Of the First Part.

and

The Kelly-Springfield Motor Truck Company of Springfield, Ohio, a Corporation operating under the laws of the State of Ohio, one of the United States of America, (hereinafter called the Kelly Company)

Of the Second Part.

and that this Agreement shall contain, amongst others, the following provisions:

1. The Department will agree to purchase from the Kelly Company six hundred truck chassis of three and one half tons capacity, according to specifications attached hereto, and agree to take delivery of same during the present calendar year.

2. The Department will agree with the Kelly Company to pay for these trucks, as and when delivered, the price set forth in schedule attached hereto, amounting to Two thousand, five hundred and fifty dollars, (\$2,550) each f.o.b. Canadian point of assembly, plus freight charges to point of assembly on such portions of the motor trucks as may be found necessary to import, and in addition to pay a sum equal to five per cent (5%) of the value of all the work done in Canada according to the prices set forth in said schedule.

In consideration of the undertaking set forth above, by the Department, the Kelly Company will accept the order and undertake and agree as follows:

1. That it will cause to be manufactured and assembled in Canada either the whole or such parts of the six hundred trucks aforesaid as may be possible at the prices for such trucks or parts thereof set forth in the schedule attached hereto, plus amount of freight that would be paid on such units from Springfield to point of assembly in Canada if they had been imported.

2. That it will furnish to Canadian manufacturers, who may be desirous of becoming sub-contractors for component parts of the motor trucks to be furnished all drawings, data, and such other manufacturing information as may be necessary to the sub-contractors to enable them to tender for such component parts, and in the case of a Canadian manufacturer or manufacturers being awarded a sub-contract for component parts of any description, or assembly thereof, that it will furnish, where possible, to such sub-contractors at ten per cent (10%) above a predetermined cost, such jigs, dies, tools, raw materials or partially or wholly manufactured parts as any of the sub-contractors may desire to purchase from the Kelly Company.

And also that in the event of any of the sub-contractors requiring the use of any jigs, dies, tools, patterns, etc., which are owned or controlled by the Kelly Company, and which would have been used by the Kelly Company had such component part or parts of the trucks for which sub-contracts are let been manufactured in the Kelly Company's own shops instead of being sub-let to Canadian manufacturers, it (the Kelly Company) will permit the use by such sub-contracts of such jigs, dies, tools, patterns, etc., provided the parts requiring the use of such jigs, dies, tools, patterns, etc., are purchased from the same sources of supply.

[Motor Trucks—Russell.]

3. That in the event of any of the sub-contractors requiring to purchase any of the articles or parts above referred to, which are not manufactured by the Kelly Company but purchased by it from outside sources, that it (The Kelly Company) shall place such sub-contractors in a position to purchase from the same sources of supply and at the same prices as the Kelly Company, without any profit being added thereto for the Kelly Company.

4. That in addition to providing all the working drawings, data, and other information necessary to establish the manufacture in Canada of their type of trucks, or parts thereof, to be provided under the terms of this agreement, that it the (Kelly Company) will permit such person or persons as may be approved of by the Committee hereinafter referred to, to visit their shops for the purpose of securing such information as may be considered by the Committee to be necessary to the proper carrying out of this Agreement.

5. That the Department shall have the option of purchasing, on the same terms and conditions, at any time within two years from the date hereof, such numbers of trucks or parts thereof as they may desire in addition to the initial order of six hundred (600) as hereinbefore provided, but such order for trucks or parts thereof shall be for not less than one hundred at any one time.

6. That the trucks now or hereafter to be supplied to the Department, by virtue of this agreement, shall be designated the Canadian Kelly in place of Kelly-Springfield.

7. That the completed trucks and the component parts thereof shall be subject to the inspection of such inspector or inspectors as may be appointed by the Department, and that a certificate of acceptance of such inspector or inspectors must be presented before payment shall be made by the Department.

8. That it will make deliveries of the completed trucks as follows:—

At the rate of two per day commencing in three months after such date as the committee hereinafter referred to shall have reported that arrangements have been entered into with Canadian manufacturers for the delivery of the parts to be made in Canada, for a period of thirty days.

At the rate of three per day, during the next ensuing thirty days, and at the rate of four per day thereafter, and until the contract shall have been completed.

9. That these vehicles are sold subject to the standard warranty of the National Association of Automobile Manufacturers, adopted June 20, 1913, and the specifications and schedules hereinbefore mentioned as being attached hereto shall form part of this agreement.

10. It is understood and agreed between the parties hereto, that the prices set forth in the schedule attached hereto are based upon either the free admission into Canada of the raw or manufactured materials necessary in the construction of the trucks, or the shipment abroad of the complete machines in such a way as to entitle the manufacturer to receive the drawback provided in the Customs Act when the goods were exported.

11. It is mutually agreed between the parties hereto that to facilitate the carrying out of this agreement, the Department has appointed Messrs. ——— a committee to represent it in all matters pertaining to this contract, said committee to have full authority in arranging for the manufacture in Canada of all materials, or parts, that in its judgment should be manufactured in Canada, and it is further understood that the decision of the said committee in this and all other matters pertaining to the contract shall be decisive and final.

Your committee in submitting the above suggestions which should receive consideration when preparing any contract that may be entered into between the Department and the Kelly Company, respectfully suggests that such contract be either drafted by the committee or submitted to the committee for its approval before completion and final acceptance.

We may say that this report has been shown to Mr. James L. Geddes, president of the Kelly-Springfield Motor Truck Company, and that he is agreeable to its terms, and is prepared to enter into a form of contract based upon the provisions set forth above.

We have the honour to be, Sir,
Your obedient servants.

Major-General,
The Honourable Sam Hughes,
Minister of Militia and Defence,
Ottawa.

I have felt that the results of the mechanical transport are of interest to the Canadian people. On Wednesday, February 17, the Mail and Empire contained this report from the front. It speaks of General Alderson's meeting with the Canadian mechanical transport, and it says:—

When he stepped out of his car they came sharply to 'attention' and stood before him in a long line. But this did not suit General Alderson. 'I have something I want to say to you men particularly,' he told them, 'and I want you to gather 'round me so that you may all hear me.' Wondering what was in store for them, they obeyed. Then the General made a little speech in which he told them that the mechanical transport section of the force had done better and more efficient work than any transport section it had ever been his privilege to command.

'I want to tell you,' he said, 'that I believe the Canadian transport section has done better work than any transport system ever used on these plains, and have done it under the worst possible conditions. You men have worked almost night and day and you have done wonders. I am proud of you.'

The World the same day had this report:—

Considerable praise has been showered on the Canadian Army Service Corps. British officers have said that the C. A. S. C., especially the mechanical transport, is unbeatable. The big trucks are of the best American makes and the drivers in most cases have had years of experience. This section probably has done more work than any other branch of the force. Night and day they have conveyed supplies from the various stations and towns in the vicinity of the Plains to the different corps.

The Toronto Globe on March 2 has this report from the front:—

The Canadians had a rousing reception in France, the people everywhere making a great fuss over them. A fine compliment was paid to the mechanical transport section in the town of, where they were reviewed by a British General. 'The Canadian division has the finest transport section of any division I have seen,' said he. Not only were the men from Canada splendidly received by the French people, but also by the regulars and territorials of the British expeditionary force, who greeted them with ringing cheers and treated them as brothers.

I also beg to submit the following report:

REPORT

Re Mechanical Transport for the Canadian Expeditionary Forces.

1.—Importance of Mechanical Transport.

One of the outstanding features in connection with the present war is the tremendous importance of mechanical transport. It is being realized by the British War Office, and a most thorough organization is being provided to secure proper vehicles

[Motor Trucks—Russell.]

and equipment, to carry spare parts, supplies, and provide efficient organization for maintenance and repairs close to the field.

If the Canadian expeditionary forces are to compare in efficiency with those of the Mother Country, it is essential that there be a similar organization in connection with our Canadian mechanical transport.

2.—Mechanical Transport Organization at Ottawa.

In view of the above I recommend that there be established at Ottawa a Mechanical Transport Branch of the Army Service Corps; that it be given a position commensurate with its importance as a separate branch of the service, and that it be placed under the charge of a man of experience in military mechanical transport work.

If it can be arranged, I consider it highly desirable that some one of the efficient and experienced officers of the Mechanical Transport in the British War Office be secured to take charge.

While the War Office is unwilling to spare any of their men at the present time, I believe it could be arranged.

Such an officer would require to have under him at once one or two trained inspectors, familiar with motor construction; at least one man thoroughly experienced in handling all spare parts and stores, and the necessary junior clerks and assistants.

Without such organization at home it will be impossible to provide the support necessary to our forces in the field.

3.—Organization of a Mechanical Transport Base in France.

The present plans of the War Office are that our forces will not carry any separate organization for mechanical transport supplies such as petrol, carbide, lubricating oils, etc., but that there should be a separate organization to take care of the spare parts and repairs for the Canadian vehicles.

Whether this will be under Canadian organization or Imperial, at the moment is not settled, but in either case it is important that an organization be trained to go forward to France equipped with men, spare parts and machinery necessary to provide for the steady repair of our machines.

I therefore recommend that the organization of a mechanical transport base be proceeded with so that it will be prepared to take the field at the earliest possible moment, and that this organization include a base store for spare parts, a base repair depot, and also an advanced base for spare parts and an advanced repair depot.

4.—Training Men.

While the mechanical transport vehicles are accomplishing wonders in the field, the success or failure depends to a very marked extent on the training and the character of the men who are to go forward with the Canadian units as drivers, helpers and mechanics. This training should cover the following heads:—

1. Military Training and Discipline.
2. Driving of Motor Lorries.
3. Driving in convoys as this involves many new problems in driving.
4. Training in daily care of the machines.
5. Training in more extensive repairs.

The importance of this branch can hardly be over-estimated, and the training should be instituted at once.

5. Supply of Vehicles.

The life of motor lorries in active service in the field is said to extend only over an average of a few months by reason of the arduous work performed and the inability to provide for proper skilled attention.

The vehicles in Salisbury Plain have now been at work for substantially two months under conditions of active service.

If the Troops should be kept in training on the Plains until the Spring, it will be necessary to replace a number of those vehicles with new ones, or our Division will be placed in the unfortunate position of moving into action with its equipment, to a considerable extent worn out.

To take care of this it is going to be necessary, with each Division, to send forward a number of machines, each month, so as to keep the equipment up to efficiency.

I made certain recommendations as to what was necessary in regard to this, and those recommendations after discussion with the mechanical transport section at the War Office, have been forwarded, with the approval of Major General Alderson in Command.

This report covers certain recommendations with regard to the present division and is submitted herewith as Appendix A.

Action with regard to those recommendations is essential if the efficiency of the first contingent is to be maintained.

6. *Spare Parts.*

The amount of spare parts, etc., required for the proper maintenance of the Mechanical Transport in the field is many times greater than one might judge from any commercial experience.

I submit herewith, marked Appendix B, the percentage of spare parts supplied with the vehicles, according to the standard now demanded by the Mechanical Transport section of the War Office.

I recommend that spare parts for the Canadian Forces be kept up to this standard, but that instead of following it line by line, conference be held with the manufacturers of the trucks supplied, as the need for spares of some of the units will vary according to the design of truck supplied.

7. *Re Packing of Spare Parts, etc.*

The importance of proper packing of spare parts and equipment must be emphasized.

The boxes should be small and not too heavy so that they can be handled.

The goods should be packed in them so that a portion may be taken out without moving the others in the same case.

The Mechanical Transport at the War Office have adopted certain instructions which are detailed and attached as Appendix C. It is hard to improve on these. The suggestions which our man made in addition were: that each box should be numbered on the outside with the name of the make of vehicle and its type, and if possible have affixed metal plates with the name of the parts stamped on them. The lid of the box to be hinged and also clamped and screwed.

8. *Re Bodies.*

The bodies supplied with the first contingent differ in some respects from those ordinarily equipped on War Office vehicles, but they are very highly thought of by War Office officials, who advise us to continue with exactly the same specifications on the rest of our units with one exception.

Wider front seats should be provided so that four men can be carried and provision made for carrying the men's kit and clamps for holding their rifles.

An extension should also be provided to the dashboard so as to give more adequate protection to the driver.

The specifications for the body as apart from the driver's seat which should be furnished with the chassis, is submitted as Appendix D.

9. *Equipment.*

The equipment provided with our vehicles was considered very complete and satisfactory, any suggestion of change relating only to details, as follows:

[Motor Trucks—Russell.]

1. To carry one spare acetylene lamp with self-contained generator, so that it is readily portable, or good railway oil lantern. Provide bracket for carrying it so that it can be used to light the interior.

2. The mud-hooks were much appreciated, but I wish to look into the question of a further improvement on them.

3. The hemp roping provided was too light. It should be made at least 60 feet long and of one inch diameter.

4. The tow ropes were found too light and I would recommend adopting substantially the specifications now adopted by the War Office. These are submitted as Appendix E.

5. The specifications for Canadian Mechanical Transport for chassis, body and equipment are set out in Appendix F.

10. *Machine Shops.*

Our pattern of machine shops, although different from the British machine shops of which I submit details in Appendix G, was very greatly approved, in fact was considered in some respects superior to that in use by the War Office.

They are considering changes in theirs at the present time and my recommendation is that we adhere closely to our present work shop with the exception that provision be made that with each two vehicles there be provided an independent engine which could be used for power generation in the event of the engine in the truck itself failing.

The supplies which the War Office furnished with their mobile machine shops are also included in Appendix G.

I would recommend that careful comparison of these be made with our list (also included in Appendix G) so as to make this as efficient and complete as possible, as its importance in the field can hardly be over-estimated.

I also recommend that half of the mobile work shops called for in the equipment regulations be provided of a more simple design, more after the pattern of wrecking wagons, with a crane, a windlass, work bench and good store of parts, but not with repair machinery. Design of this to be worked out and approved. All tools, etc., to be carefully vaselined before shipping.

11. *Results with Trucks.*

The results obtained with the Canadian Mechanical Transport were very satisfactory.

Major General Alderson told me that he was highly pleased with the work of the men and the performance of the vehicles, and states that there was no unit in the force which had surpassed them in point of efficiency.

The vehicles have been working steadily every day.

They are parked in the open in a muddy field.

There are no facilities for washing or cleaning and none for doing repairs under cover.

Before leaving, Colonel Carson and I assisted in making arrangements to improve these conditions for the future.

Despite these conditions, the vehicles have performed their work remarkably well and with few casualties.

With a view to recording the performance of the vehicles, I submit an Appendix H, containing the following reports:—

1. Record of vehicles I made at the time they were purchased.
2. Inspection of vehicles by Major Donohue, Chief Inspector Mechanical Transport.
3. Report of test by War Office officials at Woolwich.
4. Letter from Colonel Venteries, the officer in command of a British division to whom some of the vehicles were loaned for service.
5. Reports of inspections made by me at different times while the vehicles were in service.

12. *Equipment for Future Divisions.*

I recommend that if time can be given to secure sufficient numbers of any one make that only two types of vehicle be supplied, and that in these there be as many points of similarity as possible, in points such as bodies, tyres, oil lamps, acetylene lamps, generator, magnetos, carburetors, chains and other equipment.

That the equipment of the chassis and the body as in Appendix F be adopted.

The officers in command of Ammunition Park believe, as a result of experience, that there should be a percentage which they estimate at 33½% of four wheel drive machines, similar to those in use now, as they have special adaptability for certain work. The balance of the equipment (*i.e.* 66½% per cent) should be 3½ to 4 ton lorries of standard pattern, all of one make and that make, one that has been demonstrated a success.

13. *Method of Shipment.*

The method of shipment adopted with the First Division, although novel, proved a complete success, and saved at least \$25,000 in packing charges. It should be followed again where steamers are chartered by the Government.

The method was to crate the bodies separately, to take the equipment, guards, etc., off the chassis, box and number the equipment, drop the chassis into the hold by slings without crating, and packing for security with bags of feed and bales of hay.

Certain points should be observed:—

1. At least two men who superintend loading should be present to unload.
2. Bodies and equipment for each lorry be certain to go on same ship.
3. Special care in loading and unloading the first machine so as to get ropes and slings right.
4. Numbering of parts detached from the chassis.

14. *General Information.*

In Appendix I are a number of papers of interest and use which I secured from the C. I. M. T. at the War Office as follows:—

1. Specifications of British subsidy lorries.
2. Specifications of Wilcox Petrol Pump.
3. Specifications of Base Mechanical Transport Depot-Army Form G-1098-56.
4. Instructions to Observers in Lorry Trials.
5. Inspection Report Form.
6. Instructions for invoicing, etc.
7. General instructions to inspectors of mechanical transport.

15. *Re Manufacturing or Assembling in Canada.*

It has seemed unfortunate that it is not possible that Canada should have a bigger share in the manufacture of motor lorries. If some Canadian firm could secure foreign business that enabled it to provide the organization for assembling and partially manufacturing, then such a firm should receive consideration in connection with Canadian orders. Or, if it is possible for the Government to so far anticipate its future requirements of trucks as to provide fairly steady work of building them for six months or so, then some work that would be of real value to Canadian labour could be given, and, if possible, arrangements should be made in that way. If, however, it is impossible to do this I do not believe that all the assembling that could be done in simply dealing with the equipment of one division, which has to be done in a limited time, would be of any real value to Canada, and it might impair the efficiency of the machines to a slight extent, as there would always be some new men to educate on the work. Of course, as in the case of the First Contingent, the bodies can be built in Canada, and some equipment, and certainly the tires should be got here if time will at all permit.

16. *Re Motor Cars.*

There were 17 Ford and 7 Russell Touring Cars supplied with the First Contingent. Considering the care it was possible to give them, and the usage they got, both makes of cars were standing up remarkably well. When I left five of the Russell Cars were running in first class condition, and two were undergoing repairs as a result of collisions with others vehicles. I was unable to get complete reports on the Fords as they were scattered among the different units, but the impression was that they had done remarkably well.

Opinion differs more or less as to the type of touring car desired, for the service, but there are certain points which stand out fairly clearly:—

So far as work in Camp is concerned, the Ford is a most useful vehicle for going across fields and among the units. But for regular work on service, where long distances have to be covered, as is the case in France, our own Contingent, and the officers at the War Office, were unanimous in stating that a stronger, more powerful, and speedier car was necessary. While a number of large, powerful machines are in use at the front the practice of the War Office is to buy a machine of moderate size, of about 20 to 25 H. P. (English rating) but to get as good a machine of that size as could be got.

I think that is the correct policy for our Contingent as they require the best moderate size, five passenger car can be got.

Another point that is absolutely imperative if efficiency is to be considered is that every car sent in a Division, and, if possible, in all the Divisions, shall be the same make, so that a good supply of spares can be carried. As such a small number of machines are used the policy of dividing the orders and sending more than one make would be most culpable.

16. *Armoured Cars*

We had no experience on this in Camp. The information I gathered was from conference with officials at the War Office and Admiralty who were dealing with this. I found two types of vehicle being considered:—

1. A fairly high speed, powerful machine, mounted with one gun, and with a limited amount of ammunition, to be used for reconnoitering purposes.

2. Slower moving, somewhat heavier and more substantial machines capable of carrying a greater amount of ammunition. These to be mounted on a light truck chassis, and to be used in co-operation with infantry and cavalry in their movements.

One point that was brought home to me very strongly in connection with either vehicle was that experience had shown that the German rifle bullet had a much greater penetrating power than the British, and that where they believed $\frac{3}{16}$ -in. tempered steel was heavy enough at the beginning they were now calling for $\frac{1}{4}$ -in. material.

Another point was that it was absolutely essential that the machine be roofed in with as heavy material as the sides, as one use of an armoured car was in going through villages, etc., where there was frequently sniping from buildings or trees, etc.

The third point is that the plan of mounting the gun in a turret seems to be pretty well adopted now as general practice.

17. *Re Wagons.*

The British people considered our wagon lighter than theirs, but the reports of its use in camp were very satisfactory. Two suggestions were made, first, that some additional space be provided as a tool box, and with provision to carry the men's kits. Second, that some arrangement be made to let the wheels cut in under the wagon better and so provide a shorter turning radius.

18. *Bicycles.*

It was stated to me at one time that the wheels of bicycles appeared to be light for the rough conditions they had to encounter. There was no formal report on the

[Motor Trucks—Russell.]

subject, but from my investigation I would be inclined to recommend, with a view to stiffening the wheels and preventing any tendency to buckle, that instead of using steel rims we use wood rims with steel lining, which my experience in the bicycle business indicates makes the strongest wheel to resist buckle that can be procured.

I also wish to produce the following statement of goods purchased by me for the Department of Militia.

STATEMENT OF GOODS PURCHASED BY T. A. RUSSELL FOR THE DEPARTMENT OF MILITIA ON WHICH NEITHER T. A. RUSSELL NOR RUSSELL MOTOR CAR COMPANY, LIMITED MADE ANY COMMISSION OR PROFIT WHATSOEVER.

Transport Wagons.

Adams Wagon Company, 150 at \$83 each.. . . .	\$12,450 00	
Spare parts.. . . .	477 35	
Petrolia Wagon Works, 100 at, say \$115	11,500 00	
Spare parts.. . . .	400 00	
Woodstock Wagon Works, 85 at, say \$112.. . . .	6,160 00	
Spare parts, say.. . . .	300 00	
Bain Wagon Company, 300 at, say \$110 each.. . . .	33,000 00	
Spare parts, say.. . . .	600 00	
Ottawa Car Company, 80 at, say \$110.. . . .	6,050 00	
Spare parts, say.. . . .	200 00	
International Harvester Co., 74 at, say \$110.. . . .	8,140 00	
Spare parts, say.. . . .	200 00	
D. Sinclair, Lindsay, 9 at, say \$110.. . . .	990 00	
Canada Carriage Company, 85 at, say \$110.. . . .	9,350 00	
Spare parts, say.. . . .	300 00	
Massey-Harris Company, 11 wagons of heavy type to be used as trailers, at say \$100 each.	1,100 00	
		\$100,217 35

Trailers.

Detroit Trailer Company, 2 3-ton trailers at \$1,100 each.. . . .	2,200 00
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Motor Trucks.

Gramm Motor Truck Company, Walkerville, invoices of September 16, 1914.. . . .	\$76,568 36	
Gramm Motor Truck Company, 4 trucks at \$3,600, purchased early in August.. . . .	14,400 00	
Dominion Automobile Company, Toronto, 25 Peerless trucks with special tops and draw bars.. . . .	85,750 00	
White Motor Truck Company, Toronto—		
12/9—30 trucks, special tops and draw bars.	98,399 37	
14/9—8 " " " "	27,184 00	
17/9—1 " " " "	3,623 00	
Trucks purchased early in August, 5 at \$3,150 each.. . . .	15,750 00	
Ontario Motor Car Company, 4 Packard trucks at \$3,050 each.. . . .	12,200 00	
Pierce Arrow Motor Trucks—		
Four trucks at \$3,150 purchased from Automobile and Supply Company.. . . .	15,750 00	
		349,624 67

Motor Truck Parts.

White Motor Truck Company, at 20 per cent discount from list prices.. . . .	5,433 64	
Gramm Motor Truck Company, at 20 per cent discount from list prices.. . . .	1,976 52	
Dominion Automobile Company, Peerless truck parts at 20 per cent discount from list prices.	2,000 00	
		9,410 16
Grand total.. . . .		\$461,452 18

In addition to the forgoing we received and shipped the bicycles, motor-cycles, 17 Ford motor cars, Ford motor parts, and arranged for the shipment and loading of the Sifton Machine Gun Battery, in all of which items we had no interest.

[Motor Trucks—Russell.]

In addition to the actual shipping expenses incurred in Montreal our firm disbursed the sum of \$4,416.15 which represented our actual cash disbursements by the company in attending to the loading on which no percentage for profit or no charge for interest was made.

Wagon prices are approximately.

Mr. THOMPSON: That is all I have to ask the witness for the present.

The witness retired.

WARREN Y. SOPER, of the city of Ottawa, sworn.

By Mr. Thompson:

Q. Mr. Soper, you are the president of the Ottawa Car Company, are you not?—

A. The vice-president.

Q. Mr. Russell bought a number of wagons from your Company for the first expeditionary force, did he buy them at a favourable price for the Government?—A.—A. He bought them at \$112 each.

Q. Was that a close price?—A. Our retail price is \$125 for the same wagon, and in addition we put some special equipment on the wagons supplied to the department.

Q. Did it leave you a large margin of profit?—A. Our loss was \$11.05 per wagon, or a total loss of \$884.31 on the 80 wagons.

Q. Mr. Russell bought pretty close when he bought from you at that price?—A. We had to work day and night on these wagons, and at night we paid time and a half to our men, and that was the result of the transaction to us.

The witness was not further examined on this matter.

WARREN Y. SOPER, of the city of Ottawa, sworn:

By Mr. Thompson:

Q. Mr. Soper, you are, or were, the agent in Ottawa of the Gramm Motor Truck?—A. The Ottawa Car Company is the agent in Ottawa and the district for the Gramm motor truck.

Q. When were they appointed their agents by this company?—A. In February, 1914.

Q. Does that agency just include the city of Ottawa, or does it include a larger district?—A. It includes the city of Ottawa and Hull.

Q. The Gramm Company sold a number of trucks to the Government for the first expedition, did you supply any of these trucks?—A. Nineteen were supplied by the Gramm Motor Company.

Q. Did the Ottawa Car Company supply any of these?—A. We supplied one we had in stock.

Q. Did Mr. Russell have any interview with you with regard to these Gramm trucks?—A. I was present when Mr. Russell placed the order for the 19 Gramm trucks with the president of the Gramm Motor Car Company at Toronto.

Q. Toronto is outside your agency district, is it not?—A. Yes, sir.

Q. And these trucks were shipped from Walkerville, were they not, to Valcartier?—A. Some from Walkerville, one from Victoria, one from Montreal, and one from Quebec, but the transaction, the Ottawa Car Company considered, came under this agreement with the Gramm Motor Car Company.

Q. Which transaction?—A. The purchase of these trucks.

Q. The purchase of all the trucks?—A. The purchase of these nineteen.

Q. Was the Ottawa Car Company claiming a commission on all the trucks that were sold by the Gramm Company?—A. On the nineteen.

[Gramm Motor Trucks—Soper.]

Q. Was that in addition to the commission which the Winnipeg agent, for example, would be entitled to?—A. No, the car at Winnipeg, the car at Victoria, the car at Quebec, and perhaps one from Montreal—the commission on these particular trucks was divided between the Ottawa Car Company and the agents in these respective cities.

Q. In other words, the Ottawa Car Company exacted part of the commission due to the agent who relinquished his right to the car which he had in stock; is that correct?—A. I do not know that the word “exacted” is correct.

Q. The net result was that the agent in this particular case only got one-half of what he otherwise would have got?—A. I suppose that is correct.

Q. What did the commission amount to, Mr. Soper, on these nineteen trucks?—A. The total sale to the department was \$78,544.92.

Q. Is that the total bill rendered by the Gramm Company?—A. Yes, sir, the Ottawa Car Company’s commission was \$15,209.05, under this agreement.

Q. Is your agreement with the Gramm Company such as you were entitled—when I say you I mean the Ottawa Car Company—that you were entitled to a commission on any or all trucks sold to the Government wherever used?—A. On any and all trucks sold to the Government because it was considered as being in the Ottawa district.

Q. Would that apply to a truck purchased by the Government, say, from the agent at Vancouver, for use in the Custom House at Vancouver, or to a truck purchased at Valcartier?—A. I do not know; that question has not arisen.

Q. Have any been sold in any of these outside towns to the Government agents or the Government officials for the purpose of Government work?—A. Not that I am aware of.

Q. If any such trucks were sold, would you know of it?—A. The company might not hear of it.

Q. Do you now, as a matter of fact, claim the commission on any such sales as may be made to these in these outside sales?—A. I do not know that I can answer that. The matter has never been considered. I do not know what the view of our board might be.

Q. After all, that is not a question of what your board considers; it is a question of what your contract is with the Gramm Motor Company?—A. Our contract which, as I said, is dated February, 1914, several months before there was any talk of war, provided that the Ottawa Car Company should be the agents of the Gramm Motor Car Company for Ottawa and Hull, including the Dominion Government.

Sir CHARLES DAVIDSON: Is that specifically mentioned?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: In writing?

The WITNESS: Yes, sir, it is in the agreement.

Sir CHARLES DAVIDSON: Have you that agreement here?

The WITNESS: I have a copy of it here.

Mr. THOMPSON: Mr. Soper has handed me a copy of the agreement, and I find that the Ottawa Car Company is appointed agent for Ottawa, Ontario; Hull, Quebec, and contiguous territory, and exclusively to the Dominion Government. I do not think it is necessary to file the document, further than to read from it.

The WITNESS: It will be always available if you wish it; it is always on our files.

By Mr. Thompson:

Q. Is that the only commission you received from the Gramm company?—A. Yes, sir, on the nineteen trucks that is the commission.

Q. You claimed that under this written agreement of date 1914?—A. Yes, sir, there was no question about it, it was not discussed.

Sir CHARLES DAVIDSON: Ask the witness if there was any competition for this commission from any other agent.

[Gramm Motor Trucks—Soper.]

By Mr. Thompson:

Q. Was the Gramm Company obliged to pay any other agent a commission on these trucks?—A. Not that I am aware of.

Q. Do you know whether any other agent claimed a commission?—A. I do not.

Q. Was there an agency in Toronto?—A. I do not know.

Sir CHARLES DAVIDSON: The contract was made by Mr. Russell in Toronto with the Gramm company and the cars were shipped, with the exception of a very few, straight from the company, or from the port of entry, to Montreal and Quebec and then overseas.

The WITNESS: The tests were being made on very rough ground outside Toronto, and perhaps that is the reason all the agents went to Toronto.

By Mr. Thompson:

Q. That was Russell's headquarters, and he was assembling them all there?—A. Yes.

Sir CHARLES DAVIDSON: I suppose your roads are too good here to make a test?

The WITNESS: Too smooth.

Sir CHARLES DAVIDSON: Put a question to the witness as to whether he was aware there was any commission paid to any person?

By Mr. Thompson:

Q. Do you know whether any commission or inducement was hinted at or given or promised to any official?—A. Absolutely no.

Q. Was any part of your commission disbursed to any other person or to any official of the department?—A. Absolutely no.

The witness retired.

WILLIAM SANFORD SMITH, automobile agent of the city of Toronto, sworn.

By Mr. Thompson:

Q. What car or truck are you the agent for?—A. The Pierce-Arrow for one.

Q. Is that the Pierce-Arrow truck?—A. Yes.

Q. Do you recollect last summer or autumn Mr. Russell asking you something about Pierce-Arrow trucks?—A. I do.

Q. I understand you eventually sold some to the Government through him?—A. We sold them four trucks.

Q. At what price?—A. At the American list price of \$3,000 and supplied some extras, \$150 each for the bodies, and we furnished some extras on the trucks for which no charge was made.

Q. The truck complete with the body cost what?—A. \$3,150.

Q. Does that include tires?—A. Yes.

Q. Did you allow any discount to the Government?—A. None except the extras we put on free of charge.

Q. That was not discount?—A. It would be marked discount.

Q. Was there any discussion between you and Mr. Russell as to the price of these trucks?—A. Mr. Russell asked me for the price and the price was submitted in writing.

Q. Did he have a discussion with you as to a discount?—A. He asked me to submit a price and he wrote and submitted a price for four trucks.

Q. Did you supply any trucks later on?—A. None, we only handled a 2-ton truck and I believe it was 3-ton trucks they bought afterwards.

Q. You sent your trucks to Valcartier?—A. They were shipped to Valcartier.

Q. Did you buy from the American company?—A. We are their agents for Ontario.

Q. From the American company?—A. Yes.

Q. I understand that is the usual course of the business, that automobile agents, as a general rule, buy the car from the company and pay the company and then sell for themselves.

Sir CHARLES DAVIDSON: That was stated, but I would like to have further evidence on it.

The WITNESS: We buy from the Company.

Sir CHARLES DAVIDSON: And pay cash?

The WITNESS: We pay cash before we get delivery.

By Mr. Thompson:

Q. Did you pay cash for these?—A. I did.

Q. And you of course took your remuneration by being allowed a discount by the company?—A. By being allowed a discount by the company.

Sir CHARLES DAVIDSON: I suppose they are not allowed to abate the price at all; you have a standard price?

The WITNESS: We are under contract to sell at a standard price.

Sir CHARLES DAVIDSON: Under contract with whom?

The WITNESS: With the makers.

By Mr. Thompson:

Q. Your remuneration comes through being allowed a discount by the company?—A. It comes through buying at a discount under our contract and selling to the Government at a price stipulated under our contract.

Q. Did you pay any part of your discount to the Russell Company?—A. No, sir.

Q. Did you pay any part of your discount to Mr. T. A. Russell?—A. None whatever.

Q. Did you promise either directly or indirectly to pay or allow any discount to Mr. Russell?—A. No.

The witness retired.

ALEXANDER MONTGOMERY THOMPSON, automobile agent, of the City of Toronto,
Sworn

By Mr. Thompson:

Q. What company are you agent for?—A. The Dominion Automobile Company.

Q. What truck do you represent?—A. The Peerless truck.

Q. Did you sell any trucks last autumn or summer to the Dominion Government?—A. Yes, I sold twenty-five.

Q. At what price?—A. Ten off list price.

Q. Is that ten per cent off the American list price?—A. Ten per cent off the American list price.

Q. I suppose that when you allowed that ten per cent discount your own commission was thereby reduced?—A. Yes.

Q. That appears to be the unfortunate luck of all automobile agents when they are making a reduction; did you follow the course outlined by the last witness; did you buy the trucks from the Peerless Company and pay for them?—A. Yes, sir.

Q. And then you shipped them where?—A. Through to Montreal.

Q. And you were subsequently paid by the Government?—A. Over one month later.

Q. So that you had some financing to do?—A. Yes.

Q. Is your remuneration in the nature of a discount?—A. A discount, yes.

Q. That is a discount from the company?—A. From the Peerless Company,

Q. Did you pay any part of that discount to Mr. Russell?—A. None whatever.

Q. Did you pay any part of it to the Russell Company?—A. None whatever.

[Motor Trucks—Thompson.]

Q. Or any of its officials?—A. No, sir.

Q. Have you promised to do so?—A. Promised nothing; never was asked.

Q. Did you part with any part of your remuneration either directly or indirectly?
—A. None whatever, in no way.

The witness retired.

Mr. THOMPSON: That concludes all the evidence I have, sir, available for the Commission on this question at present. Two of the agents are not here, one is in New York and the other is at some distance, but we expect them here for our next meeting on Monday. I will now put in the department evidence in this case, and also in the case of the Brownlee contract and the McClenaghan contract.

Sir CHARLES DAVIDSON: Do you purpose putting in any evidence as to the manner in which this account was O.K.'d, and when it was O.K.'d?

Mr. THOMPSON: I will have some further evidence on that this afternoon.

Sir CHARLES DAVIDSON: There is another matter to which you might call the attention of Mr. Brown, the Director of Contracts. It is a letter which came into me this morning, and I will transfer it officially to you.

The Commission then took recess for luncheon.

On resuming after luncheon,

HARRY W. BROWN, Director of Contracts, already sworn, recalled.

Examined by Mr. Thompson:

Q. Was there any order directed to the Two Macs, or McClenaghan, to make these housewives?—A. Yes, there were five in all, five different orders at different times.

Q. I understood from one of your officers named McCann that he asked them to tender and it was by telephone he did it?—A. Yes, but that would be confirmed by letter.

Q. That would be confirmed by letter, would it?—A. Yes, the letter would be on the file.

Q. Was the price stated?—A. I think it was, but I cannot say unless I look up the record. I have before me the first order to McClenaghan, dated the 22nd of August, 1914, and I find there that the price mentioned in that order is twenty cents for the empty housewife and thirty-three and a quarter cents for the contents and filling, making fifty-three and a quarter cents complete.

Q. Is this one of the housewives which I have here?—A. It appears to be.

(Housewife filed as exhibit No. 47.)

Q. Have you got a statement as to the contents of the housewife?—A. The contents are, apparently, three skeins of linen thread, one package of needles, one tailor's thimble, three dozen large pants buttons, half dozen small, three darning needles, beeswax, mending-wool on cards, safety pins, bachelor buttons.

Q. Did the department pay for the number delivered?—A. Yes.

Q. I understand that McCann did the negotiating?—A. Yes.

Q. Did you have anything to do with it except to confirm the order?—A. No, I had absolutely nothing to do with it; indeed, I never saw the thing until this spring.

The witness retired.

HARRY W. BROWN, Director of Contracts, already sworn, recalled:

Q. Brownlee supplied a large number of hospital cases to the department, in respect to which there were no tenders called?—A. Yes.

[Brownlee, Supplies—Brown.]

Q. Subsequently the department bought, after calling for tenders, at a very much lower price?—A. Yes.

Q. I notice that Brownlee's account is approved by Major Jacques?—A. Yes.

Q. Is he in Canada at the present time?—A. No.

Q. Is there anybody in that branch, at the present time in Canada, who can give us any information about that contract; I had Captain Adair here the other day?—A. Either Captain Adair or Major Potter would be the only ones.

Q. Was Major Potter in the service at that time?—A. I do not think he was in Ottawa at the time. Captain Adair was here, but I do not know what he had to do with it.

Q. Did that account of Brownlee come before you?—A. It was submitted to me and sent by me to Colonel Jones' office for certificate.

Q. After Colonel Jones approved of it you directed payment?—A. I certified the account.

Q. I read the following letter, dated, Ottawa, September 28, addressed by you to the Director of Medical Services:

Ottawa, Sept. 28, 1914.

Director General of Medical Services:

Attached hereto are six copies of invoices from T. A. Brownlee for boxes biological and boxes medical stores complete. Will you please say if the prices charged for the respective boxes are fair and just.

Sgd. H. W. B.,
Director of Contracts.

Q. H. W. B. are your initials?—A. Yes.

Q. Then, at the end of that letter, I find:

To Director of Contracts:

The prices for boxes, noted in para. 1, seem fair and just.

Sgd. H. M. Jacques,
Major, for D. G. M. S.

Q. Did you pay on that certificate without further investigation?—A. Yes.

Q. Some of Brownlee's supplies were furnished to the department on tender?—A. Yes.

Sir CHARLES DAVIDSON: Before you leave that point, Mr. Thompson, there is a point that has attracted my attention. Brownlee dealt with Parke-Davis and with the National Drug Company; why could not the department have done that?

By Mr. Thompson:

Q. When this order for hospital cases was given to Brownlee, according to his testimony, he either wrote or telephoned to the National Drug Company in Ottawa on Wellington street, and also he wrote to Parke-Davis, and the result of the correspondence was that the National Drug Company and the Parke-Davis Company had the boxes constructed according to the specifications which were furnished by the department, filled them up, put a label of the contents on the lid, and in quite a number of instances shipped the boxes direct to the department so that they never came to Brownlee at all, he never saw them. The most he ever did in receiving the boxes was to lift the lid and see that the lists of contents placed there was placed there as directed by the requisition or the order. Now, why was Brownlee requested, and apparently requested by telephone, to furnish these boxes instead of the wholesalers?—A. I cannot say.

Sir CHARLES DAVIDSON: You cannot say?

The WITNESS: I cannot say. The request was from Colonel Jones.

Sir CHARLES DAVIDSON: No.

[Brownlee Supplies—Brown.]

The WITNESS: I think so. We were asked to place the order with Mr. Brownlee, that is certainly my understanding and recollection of it. The request was made to the Contracts Branch by Colonel Jones' office, not necessarily by Colonel Jones himself personally, but the requisition came over to me with a request that the order be given to Brownlee, because the earlier negotiations had been made with Mr. Brownlee.

Sir CHARLES DAVIDSON: Are you not an independent official in that respect?

The WITNESS: Yes sir.

Sir CHARLES DAVIDSON: And all he could do was to make a suggestion.

The WITNESS: It is not customary for me to make a suggestion in a case like that.

Sir CHARLES DAVIDSON: He suggested to you the name of Brownlee.

The WITNESS: No sir, he did more than that. He asked me to place the order with Brownlee, because he had gone with Brownlee into the matter and because the earlier negotiations had been made with him and because it was an urgent thing and he wanted it done at once and he thought it would save time. He did not want tenders called for, which would mean delay, and he wanted to save all the time he could, and he had already explained the circumstances to Mr. Brownlee.

Sir CHARLES DAVIDSON: Without tenders? You telephoned to Brownlee did you?

The WITNESS: Not I.

Sir CHARLES DAVIDSON: Your office did?

The WITNESS: No. My recollection is, of course it is ten months ago, but it is certainly my recollection, that the telephoning was done from Colonel Jones' office.

Mr. THOMPSON: But you would be the person to send out the specification, would you not?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: And the order.

The WITNESS: Yes.

By Mr. Thompson:

Q. And, as a matter of fact, what followed on that was that Brownlee sent this specification on to Parke-Davis and the National Drug Company?—A. Yes.

Q. So that really it took longer than if you had sent to Parke-Davis or the National Drug Company direct?—A. No, it took a very much less time, because Brownlee had very much more time to spare than we had. We were working day and night and we were absolutely overwhelmed with work; we were not beginning to keep up with the work, and that is the very reason that these short cuts were taken at these earlier stages. Later on, that was not done. As soon as we got time we got tenders but this is one of the cases where the orders were placed at once without tenders, in order to save time. That was the object of this thing, not merely in the case of the order to Brownlee but in the case of a number of these orders which were placed about the same time, within ten days or two weeks. The object was to get the thing as quickly as possible, to save the time that would be lost in getting tenders, which usually would be at least a week, and at times it takes more than that, it takes ten days or two weeks.

Sir CHARLES DAVIDSON: Telephones are available, you could have telephoned?

The WITNESS: Yes, sir, but we had not anything like the staff that we should have. That is an excuse perhaps. We did not have one-half or one-quarter the staff we should have, and we could not begin to keep up with the work, and there was this request from Colonel Jones, who was in the same position; he wanted to get things done quickly and take short cuts, and he said in effect: I have arranged this thing with Brownlee, place the order with him. That was what was done in the Powell case; it was practically the same procedure. He did work that ordinarily would have been done by the Contracts Branch.

By Mr. Thompson:

Q. You see the importance of this, Mr. Brown, lies in the fact that on these open contracts, such as the hospital cases, Brownlee made a profit of about fifty per cent, whereas, when he had to compete in the market with others, on tender, he made from nineteen to twenty per cent. Have you got the invoices there to show what other goods he supplied without tender?—A. I have not.

Q. Will you have copies of the Brownlee invoices prepared?—A. Yes. I think that is in hand now with Mr. Donaldson, and he is at work upon it, but it is quite a big undertaking, because these invoices were at different times of delivery, and it means a good deal of copying and a good deal of research.

Q. In addition to the invoices, will you put in the orders that were given so that we can ascertain what was on tender and what was on open contract?—A. I will put in the orders and the invoices. I think a summary is being made giving you that information more correctly, and showing what tenders were called and what were not.

The witness retired for the present.

HARRY W. BROWN, Director of Contracts, already sworn, recalled:

Sir CHARLES DAVIDSON: Do you vise the accounts after they come in?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Did you certify the motor truck accounts?

The WITNESS: That was more a matter of form than anything else.

Sir CHARLES DAVIDSON: Did you certify them?

The WITNESS: Yes, on the O.K. of Mr. Russell.

Sir CHARLES DAVIDSON: Have you got the Russell invoices?

The WITNESS: I have not, the Auditor General has the original, but I can produce the invoices.

By Mr. Thompson:

Q. What papers have you got here?—A. Simply the files with the orders.

Q. Do you not keep the invoices in your department?—A. I keep an office copy. The certified invoice goes in duplicate to the Accountant's Branch, who keeps one copy and sends the other copy to the Auditor General. These are the certified invoices, a copy of these invoices are kept in my office.

Sir CHARLES DAVIDSON: With your certificate on them?

The WITNESS: My own office copy is not certified; that is sent to the accountant.

Sir CHARLES DAVIDSON: Look, for example, at Exhibit No. 45; did that account pass through your hands?

The WITNESS: Presumably it did; it is certified by Mr. Russell in the usual way. We got a certificate of his to that effect in each case.

By Mr. Thompson:

Q. Would you have in your department the duplicate original of that?—A. I would.

Q. Have you got it here?—A. No.

Q. Is it in your department?—A. Yes.

Q. It is not on these files?—A. It would not be on these files at all. Those are not files of my own office, they are departmental files, belonging to the department as a whole. The copy of that, Exhibit No. 45, is in my own office record; it does not belong to the department as a whole. These papers that I have here are common to every office in the department. This is my own office copy, the Contracts Branch copy and as I say the Accounts Branch has another copy.

[Motor Trucks—Brown.]

Sir CHARLES DAVIDSON: Do not mind all these explanations, will you produce your vise and give us access to it?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: What strikes us as peculiar here is this: here was Mr. Russell, the agent of the Government, buying these trucks, and you stated that you had nothing to do with him?—A. Yes.

Sir CHARLES DAVIDSON: The invoice of his company, of which he is an employee, is handed in to you certified by its general manager; do you consider that sufficient? Do you accept certificates like that as a rule?

The WITNESS: No sir, I do not, but in this particular case Mr. Russell had been engaged by the Minister of Militia; I had nothing to do with the engagement.

Sir CHARLES DAVIDSON: I know, but you had to do with the correctness of the account.

The WITNESS: I had to do with the certificate of the officer employed by the Minister of Militia to buy these vehicles; that was Mr. Russell's character to me, so far as I was concerned.

Sir CHARLES DAVIDSON: I would like to see the original containing your approval of that account.

The witness retired.

THOMAS A. BROWNLEE, retail druggist, of the City of Ottawa, already sworn, recalled.

By Mr. Thompson, K.C.:

Mr. Brownlee, you were directed the other day to bring your invoices and a statement showing just exactly what you sold to the department by tender, and what by open order. Have you prepared that statement?—A. I have made the following summary:

Re Sale Medical Supplies by T. A. Brownlee.

Amount of goods sold on open account	\$22,808 73
Invoice cost of goods	16,010 37
Gross profit on same	\$ 6,798 36

Percentage of gross profit on whole amount of goods sold on open account 30 per cent.

Amount of goods sold on tender and on prices stated by department in the order.	\$13,611 83
Invoice cost of goods sold on tender and on prices stated by department.	11,487 00
Gross profit on same	\$ 2,124 83

Percentage of gross profit, 16 per cent.

Percentage of cost of doing business as per statement filed with Commission, 14 per cent.

Net profit on gross open account, 16 per cent.

Net profit on gross tender and prices stated account 2 per cent.

I certify that the within statement is correct.

Sgd. T. A. BROWNLEE.

Statement produced and filed by the witness. Filed as Exhibit 48.

Q. What is your overhead percentage?—A. Fourteen per cent. During 1914, on account of the volume of the business I had done, it reduced my overhead charges to fourteen per cent.

Q. Now that you have had an opportunity to look over these various invoices and accounts, are you still of the opinion that in the matter of the hospital cases you have given the department the advantage of purchasing in large quantities, as you stated in your letter of the 11th of February?—A. Yes, I think my profit on all the goods, as shown by this statement, that I supplied to the Government, has been very reasonable, and that no person could possibly do it at a smaller advantage.

Q. But Mr. Brownlee, forty-nine or fifty per cent—A. I am taking the average, Mr. Commissioner. Surely you must take the average of that. The average is what should be taken into consideration.

Sir CHARLES DAVIDSON: This is not a question of average on a regular business; it is on an isolated transaction. I can understand that in running a regular business you would have to take the average.

The WITNESS: Please note that I stated in my overhead charges for the year 1914, and I pointed out the other day, that these charges were greatly reduced.

Mr. THOMPSON: But, if you were living in an establishment, for which you were paying \$10,000 a year rental, would you expect an increase price on the hospital cases, or the very high figure you did charge, because you were paying a high rental?

The WITNESS: That is not the same thing. I am a retail man and I think the percentage of profits as shown by that statement is very reasonable.

Mr. THOMPSON: Have you not been calculating that on an estimate of what you have been paying for rental, light, and advertising, and so on?

The WITNESS: My average as shown here is a very small profit for a retail man.

Mr. THOMPSON: Well, I will not press you further on that; I do not think it requires any demonstration to show what your profit was. Would you file the rest of your orders so that we can have it complete. You had quite a large number of open orders from the department where the price is stated. Will you produce the rest of the orders or directions from the department to you?

The WITNESS: In case I should not be able to lay my hand on any of them, would a copy do? I brought these here the other day and there are a few of them I cannot find, would a copy do in such a case?

Mr. THOMPSON: There are practically none of them here.

Mr. BROWNLEE: I took them back; there are only a few missing.

Mr. THOMPSON: They are almost all missing, so far as the Commission is concerned, the ones we have here are for the hospital cases and only amount to about one-half of what you sold to the Government.

The witness retired.

THOMAS A. RUSSELL, vice-president of the Russell Motor Car Company, of the city of Toronto, already sworn, recalled:

By Mr. Thompson:

Q. Mr. Russell, you bought some Kelly-Springfield trucks for the Government for the first expedition, did you not?—A. Yes.

Q. Your Company acted as agent in that sale?—A. Yes.

Q. And as agent they received their profit?—A. Yes.

Q. When was your company appointed agent for the Kelly-Springfield Motor Truck Company?—A. Just prior to that time.

Q. Was your company appointed agent to that company before you received your buying commission from the Minister of Militia?—A. I would have to compare dates

[Motor Trucks—Russell.]

on that. When I returned after finishing my first commission which I think was on the 24th of August, we decided to try to secure the rights for assembling and completing in Canada one or two motor trucks, and Mr. Burt, the assistant general manager of our company, spent the next week or ten days visiting truck factories in the United States and getting arrangements under way, and it was during that time he arranged it, and when I came back to Toronto with instructions from the minister to purchase the trucks they told me that they had arrangements with the Kelly Company to represent them and to assemble and complete the trucks in Canada afterwards, and wanted to submit tenders. I stated they would have to submit a test truck with the others, and that was done.

Q. Was that after you provided the twenty-five trucks?—A. After I provided the twenty-five trucks for Valcartier and before the others.

Q. It was after you provided the twenty-five for Valcartier that you and your company decided they would look to the United States to ascertain where they could secure some agencies?—A. We were not actually after agencies, our thought was to secure manufacturing rights, to assemble and build under arrangements that we made with the Jeffrey and the Kelly. We arranged to be agents and ultimately to assemble and complete as much in Canada as possible.

Q. Did you yourself go over to the Kelly-Springfield Company?—A. No, I never met any of their officers, except when the president appeared before me, with representatives of our company, for the test of his truck.

Q. Can you make sure of the date on which you were appointed the agent of the Kelly Company?—A. I can, it was just about that time, between the two events.

Q. Did you know when you received this commission to purchase from the Minister of Militia, whether or not your company had the agency?—A. I did not know. I was not handling it and I did not know. The assistant general manager of the company and our factory manager were handling that.

Q. When were you or your company appointed agents of the Jeffrey Company?—A. About a week before that.

Q. A week before that?—A. I can give the date of that because I attended to the arrangement myself; it was the 28th of August.

Q. When did you receive your commission to purchase from the Minister of Militia?—A. The following week, the 2nd of September.

Q. Had anything been said to you by the Minister of Militia, with reference to purchasing these further trucks at that time?—A. I do not think he knew; nothing had been said to me.

Q. Was there not already an agent of the Jeffrey Company in Toronto?—A. I had the impression that there was a local agency for Toronto and perhaps for Ontario.

Q. Is there not a law suit pending about that now?—A. I believe it has been settled. I expect there was an agency arranged in Toronto, but what we had in mind was manufacturing the trucks for export. But when I went to Kenosha and saw the general manager of their company, I said: I believe you have an agency arranged in Toronto. He said: I do not think so; there were negotiations under way and they were never completed. He said he would assure himself of that and he went out of his office and returned and said: no, we had negotiations on with a firm in Toronto, but they were not carried out, and we are free to do business, and so we entered into an arrangement at that time, for us to act as his agent to assemble their cars or to buy parts from them, and market them in our own name.

Q. According to that, was your company appointed the agent of the Kelly-Springfield Company and also of the Jeffrey Company after you had supplied the twenty-five trucks for Valcartier, and before you received your commission from the minister to purchase the 140 odd cars for overseas?—A. As far as the Jeffrey is concerned, that is absolutely the case. As to the Kelly, I have the impression that while I was in Ottawa here, just about that time, Mr. Burt, our factory manager, was in Springfield, completing arrangements there; he had been in Sharon, Penn., Detroit and other points.

Q. What day did you complete the purchase of the twenty-five trucks for Valcartier?—A. I completed the purchase with regard to these on the 18th of August.

Q. And when did you receive the commission from the minister to purchase the 134?—A. On the 2nd of September.

Q. Did the Minister of Militia intimate to you, before that date in September, that he would probably want you to buy further trucks for him?—A. No, there was no discussion on the subject. I think I had an intimation on the first day of September that there were some more trucks to be got, but that was unofficially in the department, but I was not instructed or given any information until the following day when the minister returned.

Q. I understand you purchased Peerless cars?—A. Yes.

Q. Did several people offer you further Peerless cars or was it just the one firm?—A. I have a recollection that a firm in Montreal had a number of Peerless cars which had been in use for some time, and they were offered to me.

Q. Did they say they had been in use?—A. I think they advised me they had been in use. The Peerless Company sent their own representative from Cleveland to meet me and he came with the Ontario representative of the firm; the two of them came together.

Q. Do you know as a fact whether these Peerless cars which you purchased were sent overseas?—A. I do.

Q. You know they were?—A. Oh yes, and as a result the British War Office made them their standard American truck. There is one thing I would like to refer to further. A question has been made as to my expenses to England. I want to say that with the exception of my actual transportation across, which was arranged by the minister, all expenses incurred by me going to England and while there, and going to the camp at Salisbury, were borne by our company in the same way as the other expenses.

Sir CHARLES DAVIDSON: You spoke of having had your time in part occupied in business connected with your company; was that work for your company continuing and did it take a large part of your time?

The WITNESS: I would consider that practically all of the first month I was in England was devoted to work in connection with the transport. The second month I was there I spent perhaps one-half or two-thirds of it in connection with our own business.

Sir CHARLES DAVIDSON: Did you get any pay, so far as your personal emolument is concerned?

The WITNESS: Nothing, except my regular salary.

Sir CHARLES DAVIDSON: That is from your company?

The WITNESS: Yes.

The Commission then adjourned until Monday, in the afternoon, next, at two o'clock.

OTTAWA, MONDAY, JULY 12, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight, *Commissioner*.

JOHN FRASER, I.S.O., *Auditor General*.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this afternoon at two o'clock.

At the sitting of the Commission:

SIR CHARLES DAVIDSON: What will you take up to-day, Mr. Thompson?

MR. THOMPSON: Major Thomas is expected here in a few minutes. I will go on with the Brownlee case. Brownlee was to produce copies of original invoices and orders from the department.

SIR CHARLES DAVIDSON: Very well.

T. A. BROWNLEE, druggist, of the city of Ottawa, already sworn, recalled:

The witness produced a large number of invoices, some from Parke-Davis Company, the National Drug Company, Hartz Company, Burrowes-Wiltman & Co., and others.

(Invoices filed as Exhibit No. 50.)

By Mr. Thompson:

Q. Were the drugs and supplies represented by these invoices all sold to the department after the declaration of war?—A. Yes, I think they were.

Q. Do you know which of these represents drugs and supplies sold to the department on open contract?—A. I cannot say, they are all that except goods out of stock in a few cases.

Q. Have you any means of checking up which of these goods were supplied to the department on tender and which on open contract?—A. No, I never checked that up.

Q. During the last few days have you made any list showing what was sold on open contract and what on tender?—A. I made that summary which I already have given you.

Q. Is that the only summary you have?—A. Yes, and it is substantially correct. The more I go over it the more I think it is.

Q. Can you tell us the dates on which the last orders were given on the open contract?—A. No, my ledger does not show that.

Q. All these orders from the department would show it?—A. Yes.

Q. Have you the orders here?—A. I have brought all I could find. I never made any particular effort to get these orders from the department, and there may be a few of them missing, but I have searched diligently and that is all I could find.

Q. Was it your practice to file all your orders, such as you produced the other day?—A. No, I very often stuck them on a wire file and sometimes I would throw them loosely in the safe.

[Brownlee Supplies—Brownlee.]

Q. Do you think there are any of these missing?—A. There seems to be one or two that I cannot find, but most of them are here.

Q. Will you look through the orders you have here and give the date of each of them, particularly those which called for a supply of goods where there was no price named?—A. On September 4, 10,000 tablets, A. B. S. & C., P. D. & Co. No. C-7.14.

Q. Is that an open contract?—A. Yes.

Q. Where did you buy these?—A. From Parke-Davis.

Q. What did you pay for them?—A. My statement, which I have furnished, will show that, Mr. Thompson.

Q. Does not that statement, which you have already filed, simply show the totals?—A. No, I filed a statement for each item.

Q. What did you pay for the supplies referred to in the order of September 4?—A. \$7.94.

Q. What were you paid by the department for these supplies, which cost you \$7.94?—A. \$10.50.

Q. How many more orders were there in which the price was not stated by the department, can you tell that?—A. Somewhere between \$4,000 and \$5,000.

Q. How many separate orders were there?—A. I cannot tell you that, Mr. Thompson.

Q. Do not your files show?—A. If I could go over all these it would show.

Q. That is what I asked you to get; I wanted you to show me which of these orders from the department contained no prices, and how many there are?—A. Exclusive of the hospital boxes?

Q. Yes?—A. Well, here is, on August 11, an order for 11 biological boxes.

Q. What are the next ones?—A. August 11, field equipment; November 5, hypodermic tablets; November 5, hydrides perchlor tablets; October 24, hypodermic tablets; October 17, hypodermic tablets; September 25, drugs as per attached list; September 14, hydrides perchlor tablets; September 28, castor oil, iodoform, and mustard plasters; September 14, lysol and hypodermic tablets; September 14, 500 tubes lysol; September 5, corks and ædrenalin solution.

Q. Do these orders, which you have just given a list of, comprise all the orders you received and in which the prices were not stated?—A. They are all that I could commandeer.

Q. Do you think they approximately cover all?—A. Yes.

Q. And you say that these open orders totalled how much?—A. The open orders, exclusive of the hospital cases, totalled around four thousand or five thousand dollars.

The witness filed, as Exhibit No. 51, orders from the department for certain drugs.

By Mr. Thompson:

Q. Where did you buy the supplies referred to in these orders, Exhibit No. 51, which I call open contracts?—A. From the various wholesale drug houses and in some cases out of stock, and in some cases partly out of stock.

Q. Which wholesale houses?—A. Parke-Davis, the National Drug Company, Burrows and Wiltman.

Q. Is that firm of London, England?—A. Yes.

Q. Did you buy from their branch in Montreal?—A. Yes.

Q. Did you buy anything from Hartz on open contracts?—A. Not that I remember.

Q. Would there be any other wholesale houses you bought supplies from an open order?—A. Not that I know of; they were bought chiefly from Parke-Davis.

Q. Among the invoices from the wholesale houses which you have produced (Exhibit 50), among these will we find prices paid by you for the drugs referred to in these orders?—A. I think so.

Q. For instance, one order is dated 25th September, will we be able to find among these invoices, from Parke-Davis, from the National Drug Company, the invoices to you for the materials required by that order of the 25th of September?—A. Yes.

Q. If it is not among the Parke-Davis invoices or the National Drug invoices would it be among one of the others in this bunch?—A. Yes.

[Brownlee Supplies—Brownlee.]

Q. What is this book you have in front of you?—A. It is my book of original entry.

Q. What is this, a ledger?—A. Yes, we style it a ledger.

Q. I find on page 555 an entry on the 7th of January, would that be 1915?—A. That is the time I was paid.

Q. Is that 1915?—A. Yes.

Q. I see you have a cheque entered there of \$5,078.81, was that a Dominion Government cheque?—A. Yes.

Q. What does that represent?—A. Goods billed to the department on December 28.

Q. What did you supply on that day?—A. Material for No. 1 clearing hospital, material for No. 1 stationary hospital, material for No. 2 stationary hospital, material for No. 1 general hospital and for No. 2 general hospital. The goods were delivered on the 19th September.

Q. Were these goods supplied on an open order from the department or did you secure them by tender?—A. By tender.

Q. Have you a copy of the departmental notice asking you to tender?—A. No, unfortunately, I could not find that.

Q. Do you recollect now how long before the 28th December you were asked to tender on it?—A. I fancy it was some time in December, I do not know just the exact date.

Q. What length of notice did you receive?—A. I cannot say.

Q. Could you ascertain?—A. It would be on file in the Militia Department.

Q. Would you not have among your papers any note showing what date you received the notice?—A. No.

Q. Are you quite sure that all these supplies, for which you received \$5,078.81 was furnished the department in response to a request from them?—A. I am quite sure.

The witness retired.

Lieutenant-Colonel W. OWEN THOMAS, Mechanical Transport, Department of Militia, sworn:

By Mr. Thompson:

Q. When did you enter the service of the Militia Department?—A. In November last.

Q. In what capacity?—A. As an adviser on motor matters.

Q. What duties were assigned to you at that time?—A. I was appointed as a member of the last Transport Commission.

Q. And as such what were your duties?—A. My duties were just that of a member of the Commission, to receive the bids and make a report to the sub-committee of the Privy Council, on what bids were received for motor transport and other transport; my special duties were on the motor transport.

Sir CHARLES DAVIDSON: Was he under salary?

By Mr. Thompson:

Q. Were you on a salary at that time?—A. Not at that time.

Q. Were you receiving pay as an officer at that time?—A. No, nor now.

Q. Were your services at that time gratuitous?—A. Absolutely.

Q. Did you consult with that committee from time to time?—A. Continuously.

Q. Was that a committee which was appointed to purchase supplies for the second expedition?—A. Yes sir.

Q. Were your duties subsequently changed?—A. Yes.

Q. What date was that?—A. I do not know if I have a copy of the order in Council, but I have a letter written directly before that. I find that the recommendation to Council was on the 29th of January.

[Motor Trucks—Thomas.]

Sir CHARLES DAVIDSON: You began your duties when?

The WITNESS: My present duties were begun on the 29th of January.

Sir CHARLES DAVIDSON: Gratuitously?

The WITNESS: Yes sir, I originally began on the 16th November.

Sir CHARLES DAVIDSON: Did the witness hold military rank?

The WITNESS: Yes, I was appointed honorary major.

Sir CHARLES DAVIDSON: Concurrently with your gratuitous services?

The WITNESS: Concurrently with my coming here and joining the committee.

By Mr. Thompson:

Q. Will you explain exactly what was done by the Committee of which you were a member?—A. The committee met every day and received bids and representatives of eighty-four motor car companies, and made a full report on the bids, and made a recommendation to the Minister and to the Sub-Committee of the Privy Council.

Q. Was that with reference to mechanical transport?—A. Mechanical transport, bicycles, water-carts, ambulances, supplies on transport generally.

Q. As the result of the deliberation of the Committee, what mechanical transport did you decide to purchase; what trucks did you decide to purchase?—A. We recommended the purchasing of the Kelly truck and insisted that it should be assembled in Canada.

Q. Was that eventually adopted?—A. The assembling in Canada was not adopted, because at the time the decision was made there was no time to do it.

Sir CHARLES DAVIDSON: Was there a fixed number of Kelly trucks?

The WITNESS: The first order for Kelly trucks was 150.

By Mr. Thompson:

Q. Was that decided upon by the Committee of which you were a member?—A. It was recommended by the Committee.

Q. When was it finally adopted?—A. The order for the Kelly trucks—I have not a copy of it here, because I only had fifteen minutes' notice to get these files together—but I can bring the actual order for the Kelly trucks.

Q. Can you tell me approximately when that order was given?—A. It was towards the end of February.

Q. Was the Committee, during January and February, considering what style of trucks should be used?—A. No; the recommendations of the Committee were made on November 25.

Q. What were these recommendations?—A. That Kelly trucks should be purchased and assembled in Canada.

Q. Did you, or did the Committee to your knowledge, give careful consideration to all motor truck companies which applied?—A. To every motor truck company that applied.

Q. Do you recollect the Indiana motor trucks; do you know if that Company applied?—A. Yes.

Q. Did you consider that application?—A. We considered that, yes.

Q. Do you recollect now what price they offered to supply trucks at?—A. I would not want to say from memory.

Sir CHARLES DAVIDSON: Can you give that information, Major?

The WITNESS: I can give you a tabulated list of the results.

By Mr. Thompson:

Q. I would like to have that, please—I am informed that the Indiana Company offered to supply a truck with tires attached for a price of \$2,450; did you or the Committee have some objections to the Indiana truck; did you consider it inferior because the price was somewhat lower than the Kelly truck?—A. It had objections to all

[Motor Trucks—Thomas.]

trucks with a continental motor, because in cabling to General Carson in Salisbury, we found that the continental motor supplied in the Gramm trucks did not stand up.

Q. Did the Indiana truck have a continental engine?—A. It did.

Q. And for that reason did you disregard it?—A. I think I am right in saying that in reference to the Indiana, but at all events it is in that class.

Q. Would you have a record which would show that definitely.—A. Oh yes.

Q. Will you produce that record if you have it?—A. Yes.

Q. Do you recollect the Winton Company applying for permission to supply trucks?—A. No sir, the Winton Company, to my knowledge, do not built trucks.

Q. Do you recollect the firm of Frigon & Baker?—A. Not by the firm name, if you had the name of the truck I probably would remember it.

Q. You think that the Winton Company does not make a truck?—A. It is not known as building trucks; it builds six-cylinder motor cars, touring cars.

Q. Do you recollect whether this firm of automobile agents applied to you?—A. I do not remember the name.

Q. If their names had been brought to the notice of the Committee, would there be a note of it in the minutes?—A. It would be considered under the truck name and not under the firm name.

Q. I will call this matter to your attention a little later—subsequently, I understand you were placed in charge of the mechanical transport, so far as attending to the delivery and the preparation for sending them overseas?—A. Yes.

Q. Was the Kelly truck decided upon before you assumed these new duties?—I had nothing to do with the actual purchase of the Kelly truck, or of any of them as a matter of fact; only the recommendation.

Q. When reading the evidence taken before the Public Accounts Committee, I notice there were some difficulties over the bodies for the first mechanical transport?—A. The first bodies for the second mechanical transport.

Q. Yes? I did not state that correctly. I understand that 140 odd of these bodies were not suitable for the trucks which were to take them?—A. The bodies supplied were only large enough for a two-ton load; they were not interchangeable enough in every part to be considered serviceable for military duties. They were obtained from three different manufacturers; the parts of the three were not interchangeable.

Q. Were any of the bodies supplied identically the same?—A. They were supposed to be the same.

Q. Were they not?—A. They were not. They varied in their measurements. For instance, I remember checking up the width of the trop-doors in the floor, and they varied three-quarters of an inch.

Q. I think there were some more serious objections, which you told the Public Accounts Committee of, namely, that some of the bodies were too narrow?—A. They were all too narrow; they are all being used.

Q. Did you not see a sample body?—A. I did; I sent for it and turned it over to Colonel Hurdman.

Q. That sample was also too narrow?—A. It was a sample 2-ton body; it was only a sample of the type.

Q. What you say, as I understand it, is that it was the type of body required, but not the actual body?—A. Not the actual body. We made recommendations for changes, apart from noting whether it was of 2-ton size.

Q. Were these changes noted in the minutes of the committee?—A. I would imagine that the minutes would show that.

Q. Have you the minutes?—A. No, I am not the secretary.

Q. Who is the secretary?—A. Colonel Howard.

Q. Would he have the minutes of these proceedings?—A. Yes, I expect so, there is correspondence which would show that.

Q. Would he have the correspondence which would show just what the body was intended for?—A. The correspondence would be in the headquarters file.

[Motor Trucks—Thomas.]

Q. Do you know which officer has it?—A. No officer has it; it is filed in the headquarters file, and it can be drawn by a requisition by anybody.

Q. You say it is not in charge of any particular officer?—A. No.

Q. Do you say that Colonel Howard would have the minutes of the meetings?—A. Yes.

Q. Would those minutes show that this body was intended as a type of body required and not as an actual sample for the trucks that were under order?—A. I have not read the minutes; I do not know how closely the minutes would follow the details, but I know that the discussion was very plain.

Q. Did you recommend this particular type?—A. I recommended the type, yes. I recommended it because it is the type used by the French army.

Q. Did you know of some builder or company that was manufacturing that type in the United States?—A. We sent for that one body, in order to enable Colonel Hurdman, who was designing our body, to stick to the type.

Q. To get some idea of what ought to be done?—A. Exactly.

Q. Did you call his attention to the fact that it was not the size that was required?—A. The correspondence from the builder—

Q. Did you call his attention to the fact that the body was not the right size?—A. I did not go into the details of the body at all.

Q. That is not the question?—A. The correspondence is plain enough.

Q. That is not an answer to my question. I asked you whether you called Colonel Hurdman's attention to the fact that the body did not fit the trucks?—A. I do not know that I particularly did.

Q. Did you examine the body in company with Hurdman and some others?—A. I did.

Q. The others were the committee that were examining them?—A. Yes.

Q. Did you observe at that time that it would not fit the trucks which were under order?—A. I observed it was a 2-ton body. It was in pieces in the basement at the time; it was not very plainly seen.

Q. Did you know it would not fit the trucks which were under order?—A. Oh, certainly.

Q. Did it not occur to you to mention that to one of the committee or to Colonel Hurdman?—A. It was very plainly discussed at the time by me and by others.

Q. What was discussed?—A. The size of the body.

Q. When you were inspecting it?—A. Yes. Colonel Hurdman's correspondence afterwards shows that he understood it.

Q. But what I want to get at is whether you called the attention of the committee to the fact that that body would not fit the trucks which were under order?—A. I do not know that I particularly did that; it was so evident that it was a 2-ton truck.

Q. My question is not directed as to what it was; I want to know whether you had done so; or do you recollect whether you did call their attention to it?—A. I do not recollect particularly drawing attention to that one point, but I can produce the correspondence on that.

Q. I wish you would, please—was Major MacQuarrie on that committee?—A. Yes.

Q. I notice that when giving evidence before the Public Accounts Committee he used very contemptuous language with regard to the bodies, whereas you state they were a very useful body and could be used for other purposes, or sold to the French Government; are you still of that opinion?—A. I have hauled as much as 3,000 tons in one day in this town with them.

Q. Do you therefore consider them a useful body?—A. A very useful body.

Q. Can you tell me how many of them are being used in Canada?—A. About 24.

Q. And how many were bought?—A. 142.

Q. Have any of the others been sold?—A. No, sir.

Q. Do you know whether or not an effort has been made to sell them to the French Government?—A. Yes, and they quoted from Major MacQuarrie's evidence before the Public Accounts Committee.

[Motor Trucks—Thomas.]

Q. And, they did not apparently like his language?—A. They did not like his description.

Q. And was it because of his vivid description of their uselessness that they did not buy?—A. It was.

Q. How many of these have the Government got on hand at the present time that are not being used?—A. The difference between 142 and the 24, but some are being put into use all the time.

Q. Do you consider that the others of them will be used from time to time?—A. Oh, yes.

Q. Do these bodies last any length of time?—A. Well, it is constantly necessary to replace certain parts; with the 24 in use, we have used up 30 bodies to date.

Q. Do you think that practically all of these bodies will in time be used?—A. Oh, yes.

Q. Then you, in February, were appointed to attend to the assembling of this motor transport?—A. I think it was the first week in February.

Q. Tell me, please, in what respect your duties were then changed?—A. The proposition which I made to General Hughes in New York, before I came here, was accepted.

Q. What was that proposition?—A. That I should inspect the whole of the motor apparatus, supply the personnel for doing it, and charge one and a half per cent.

Q. Was that the arrangement which was made with you at the end of January or the beginning of February of this year?—A. Yes.

Sir CHARLES DAVIDSON: Under salary?

The WITNESS: No, sir.

By Mr. Thompson:

Q. What was your remuneration to be?—A. One and a half per cent of the total cost.

Q. The total cost of what?—A. I think I have the correspondence here.

Q. Was it the cost of the mechanical transport?—A. Yes, the commission amounts to something over \$9,000.

Q. Did that include the tops and bodies for the trucks?—A. Yes.

Q. Was that one and a half commission to represent your total emolument?—A. Yes, it amounted to \$9,362.62.

Q. That is an estimated amount, is it not?—A. Well it is based on the actual order in council buying these things.

Q. When you were appointed to these new duties had the Kelly truck been already ordered?—A. Yes.

Q. At what price?—A. At \$2,550, less the value of the tires, which I think was \$247 each, and less a small amount for tools and other things that were purchased in Canada rather than from the Kelly Company.

Q. Did that \$2,550, less the cost of the tires, represent the price f.o.b. at the factory?—A. Yes, I think the freight was per carload, which took two trucks and averaged \$83 per car.

Q. When was the order placed with the Kelly Company for these trucks?—A. The exact date I will have to get from the order.

Q. Approximately?—A. It was in February.

Q. At the end of February?—A. I think so.

Q. Had they all been delivered?—A. Yes.

Q. When was the last one delivered, an approximate idea will do?—A. I think the last one was delivered in April.

Q. Do you know whether these trucks were paid for as delivered?—A. Yes, they were paid for as delivered, that is, when they were received here.

Q. That is practically c.o.d. delivery?—A. It always is on an automobile.

Q. Mr. Russell told us that trucks purchased for the first expedition were not paid for until after the cars had arrived in Plymouth?—A. That is a week afterwards.

[Motor Trucks—Thomas.]

Q. Was it a week afterwards?—A. They were delivered at the boat in his case.

Q. Does not delivery mean delivery at the port of entry?—A. No sir, delivered at a specified point.

Q. What did it cost you to have the truck prepared for the tires?—A. I can give you an absolute statement as to that.

Q. Let us get it this way; are all the trucks bored to receive the tires?—A. Yes, the tires were purchased in Canada.

Q. What did it cost you per car to have the wheels bored?—A. Less than a dollar a wheel, including putting the tires on.

Q. That would be four dollars per car?—A. Yes.

Q. I think it was estimated before the Public Accounts Committee that it would be six dollars?—A. I think I made a rough estimate there, but it is not over one dollar per car.

Q. You have ascertained that definitely since?—A. Yes, I have checked it up: I will give absolute figures as to that.

Q. Did that apply to having the tires put on?—A. Yes.

Q. Did the wheels have to be sent away from Ottawa?—A. No sir, they were done here. It was found more practical to bore them here than to pay freight and ship them away.

Q. Who did the boring of the wheels?—A. The Ottawa Car Company.

Q. Did they call for the wheels and return them?—A. No, we delivered them to them on the testing of the trucks.

Q. Did you take the trucks to the factory?—A. No sir, we took the wheels off some trucks, on other trucks that we were testing; as the trucks arrived we ran them and tested them and made the wheels a load to take them over.

Q. What did the tires cost you for these trucks?—A. The contract price for the tires was \$249 per set of six tires, and the steel that goes with it.

Q. Does that include the steel?—A. It was intended to include the steel, but it does not include the freight to the factory on the steel, and it does not include the duty on the steel.

Q. About how much would we have to add for that?—A. It brings it up to about \$265, but I would rather give the exact figures, which I can obtain.

Q. A set of tires for these trucks would approximately cost \$265, is that correct?—A. That is correct.

Q. We can get all that in one general statement?—A. I will produce the absolute bills.

Q. Are you attending to the making of the bodies for these trucks?—A. I am inspecting them.

Q. Who drew the specifications for these new bodies?—A. I did.

Sir CHARLES DAVIDSON: Are you engaged in business?

The WITNESS: No sir.

By Mr. Thompson:

Q. Where are these bodies being made?—A. In the Nova Scotia Steel and Coal Company, New Glasgow, Nova Scotia.

Q. Are they all being made there?—A. Yes, in the plant of the Eastern Car Company which belongs to the Nova Scotia Steel Company.

Q. Do you know who the officers of the Eastern Car Company are?—A. Mr. Cantley is the General Manager and the President.

Q. Did you recommend that the bodies should be made by that company?—A. No, I recommended originally that they should be built by the Ottawa Car Company, and to get another bid from a company that could give strictly interchangeable work. We tried to get another bid and finally we got it from Mr. Cantley's company, and his bid was less than the Ottawa Car Company's bid.

Q. Did you try the Massey Harris Company?—A. The Massey Harris work on the old bodies was enough to condemn them.

Q. Did you ask them?—A. I did not.

Q. And you say the reason is that their work was not satisfactory on the first order?—A. It was not interchangeable enough.

Q. It was satisfactory in the workmanship, was it?—A. The workmanship was good, and the material was good, but the measurements were strictly off.

Q. Do you mean to say it was not according to what was required?—A. They were only roughly so.

Q. They were not given a specimen body by the committee, were they?—A. They were given drawings.

Q. You don't know that of your own knowledge, do you?—A. That they were given drawings?

Q. Yes?—A. I know they were given drawings.

Q. Did you see any of the officers of that company?—A. No, but I know the drawings were sent to all of the companies who made the first bodies by Colonel Hurdman, and that he visited all the plants.

Q. Did the Massey-Harris Company make some of the bodies which you are now using?—A. Yes.

Q. I was referring to the bodies for the first expedition; was the Eastern Car Company the lowest tenderer?—A. Yes, sir.

Q. How much below the Ottawa Car Company were they?—A. Five dollars per body; one was \$160 and the other \$165.

Q. Did your contract call for delivery within any specified time?—A. I had nothing to do with the placing of the contract, I think it was to be as soon as possible.

Q. Who placed the contract, who gave it out?—A. The Director of Contracts.

Q. Would that be Mr. Brown?—A. Yes; the contract was given by the War Purchasing Commission.

Q. Do you know approximately on what date that order was placed with the Eastern Car Company?—A. The recommendation to council was sent on May 1 and the order was sent on June 21.

Q. When did you draw your specifications out for the bodies?—A. For the existing bodies?

Q. For the bodies that are now being delivered?—A. About May 1. I built a sample body before May 1.

Q. Was there not a long delay between your appointment and the placing of the matter of the bodies in hand?—A. There was a good deal of delay in making the department and every one believe that the bodies were not right to send.

Q. Which bodies?—A. The old bodies.

Q. How long after they decided that the old bodies should not be sent was it before you got out the specifications?—A. I had the specifications ready and the sample body ready before the decision was made.

Q. When did they finally decide that they would not send the bodies, which are now in stock at Ottawa?—A. I would have to look at the file to see the actual date.

Q. Would you look them up please?—A. Yes.

Sir CHARLES DAVIDSON: Have we heard why the first bodies were not suitable?

Mr. THOMPSON: They were too narrow, he said.

The WITNESS: They were only two-ton bodies for three and a half ton cars.

By Mr. Thompson:

Q. Pending your ascertaining the exact date, can you tell us approximately what the date would be?—A. Of the decision not to send the bodies?

Q. Yes?—A. I cannot tell you the date of the actual decision.

Q. How long after that decision was arrived at did you call for tenders for the new body?—A. Two weeks, I did not call for tenders.

Q. Who called for them?—A. As a matter of fact I had got the two prices, and the two bids were sent to Mr. Brown, but no bids came to me.

Q. What I want to ascertain is, who is responsible for the procuring of these bodies?—A. These new bodies.

Q. Yes; is that part of your duty?—A. It is my recommendation; my part of it is practical engineering.

Q. Was it your duty to see that these bodies should be delivered promptly and should be up to the mark?—A. It is my part to see that these specifications and the drawings and everything are right.

Q. Suppose no bodies at all were delivered up to date, would it be your duty to raise a row with the Eastern Car Company or would it be Mr. Brown's?—A. It would be Mr. Brown. Mr. Brown would probably look to me for the details, but it is officially up to him.

Q. Have you been satisfied with the delivery of these bodies?—A. There has been a slight delay because we have condemned so much material on the new bodies, and in procuring new material there was a slight delay, but really there has been very little time lost. The order has only been placed within two weeks, and the bodies were ready for delivery almost at the time the order was placed. The minister told Colonel Cantley to go ahead with the order, but there was a delay in passing the final order.

Q. Could you tell me how it is that there should be a hiatus for apparently five and a half months with regard to these bodies? Was all this time taken up with a discussion as to whether those first bodies should be sent?—A. Where do you get the five and a half months?

Q. You were appointed in February?—A. It was long after that the bodies were delivered. I had nothing to do with the inspection of the first bodies.

Q. Were the first bodies delivered?—A. They were delivered in Ottawa.

Q. When?—A. I could only guess at that; I will get the date for you.

Q. It would be a matter of interest to know why the mechanical transport was not ready to leave with the second division?—A. The second division did not go as a division.

Sir CHARLES DAVIDSON: The second contingent.

The WITNESS: The second contingent did not go as a division.

Mr. THOMPSON: What did they go as?

The WITNESS: Reinforcements.

Sir CHARLES DAVIDSON: That is a play upon words.

By Mr. Thompson:

Q. How many bodies have been delivered?—A. Of the second lot?

Q. Yes?—A. The first are just ready for delivery now; the inspector is at the factory now.

Q. Can you tell me what the price is?—A. \$160.

Q. What was the price for the first lot?—A. \$168.

Q. Are the new bodies an improvement on the old ones?—A. They have almost twice the capacity; they are all hardwood instead of soft wood.

Q. And you consider them superior?—A. They are modelled exactly on the British Army specifications.

Q. You secured apparently better prices from the Car Company than Mr. Russell did?—A. No, sir; exactly the same.

Q. Are your prices not lower than Russell's on the Kelly trucks?—A. No, I can cite a letter from Mr. Geddes, saying they are the same.

Q. I understood you as getting something, getting a larger discount?—A. Mr. Russell got the same discount.

Q. The same discount as you did?—A. Yes.

Q. On the Kelly truck?—A. Yes.

Sir CHARLES DAVIDSON: How much?

By Mr. Thompson:

Q. How much was the discount?—A. I will read the following letter which will explain all that. This is a letter to me from Mr. Geddes president of the Kelly-Springfield Company:—

[Motor Trucks—Thomas.]

THE KELLY-SPRINGFIELD MOTOR TRUCK CO., SPRINGFIELD, OHIO,

November 10, 1914.

OWEN THOMAS, Esq.,
New York, N.Y.

DEAR MR. THOMAS,—I have been requested by our New York representative, Mr. Joyce, to give you quotations on our trucks for army purposes, understanding that you are to submit our product to the British Army.

I believe you have our catalogue and other literature in which you will find the list prices of all our trucks. We will quote you 25 per cent off list price of chassis on any sales that you may make to the British Government. This is the same rate that we made for the 25 trucks sold to the Dominion of Canada through the Russell Motor Car Company.

We sincerely hope you will be able to close some business for us.

We are in a position at the present time to deliver a large quantity of trucks in the next few months. We will be through with our French order by the 10th or 14th of December and will then be in a position to turn out from 150 to 175 trucks per month, depending upon the model selected. We could give you in the next thirty days about 75 three and a half ton trucks and after December 15th could ship at least five trucks per day.

Yours very truly,

THE KELLY-SPRINGFIELD MOTOR TRUCK CO.,

Sgd. JAS. L. GEDDES,
President.

By Mr. Thompson:

Q. My recollection is that Russell said he had arranged for a ten per cent discount?—A. This letter is from the Kelly-Springfield Company.

Q. I am asking you, as a matter of fact, was there any difference in the price that Canada paid for these trucks?—A. Yes, I think that the Canadian trucks were bought for the First Contingent at ten per cent off, but you asked me if I got any lower price than Mr. Russell, and I said no. Mr. Russell got the same price exactly as I did.

Q. I perhaps was not quite correct in my question. I want to know whether Canada paid more for these 19 or 20 trucks that Russell bought than Canada paid for the trucks that you bought?—A. There is the difference between twenty-five per cent and ten per cent off. His cost \$3,105 and mine cost \$2,550.

Q. But Canada has bought more under the new arrangement than Russell bought under the old arrangement?—A. Yes, but that price is for one truck.

Q. What price could you get one truck for?—A. \$2,550.

Q. Apart from any special arrangement?—A. It is the ordinary agency discount; we are buying at the ordinary wholesale price.

Q. What is the ordinary agency discount?—A. Twenty-five per cent.

Q. That is to one acting as agent?—A. Yes.

Sir CHARLES DAVIDSON: Why did not Russell get that discount? Russell told us he got the very lowest price.

Mr. THOMPSON: He said he got ten per cent off and that was because the Canadian agent had to get the balance of the discount from the company, and that it was not usual for agents to make any discount or allow any discount whatever. He further stated that when he wrote to the companies they always referred him to the Canadian agents.

Sir CHARLES DAVIDSON: And Major Thomas bought these trucks direct from the firms, is that it?

Mr. THOMPSON: Thomas buys direct from the companies.

Sir CHARLES DAVIDSON: Did he march over the heads of the Canadian agents?

The WITNESS: There was no Canadian agent.

Sir CHARLES DAVIDSON: For the Kelly truck?

The WITNESS: No, sir.

By Mr. Thompson:

Q. Was not the Russell Company agent for the Kelly truck?—A. The Russell Company had a tentative agreement to be agents, which was never ratified by the Kelly Company.

Q. And when you opened negotiations they were willing to deal direct with you?—A. Absolutely.

Sir CHARLES DAVIDSON: Russell swore in the most positive fashion that they had become the agents of the Kelly Company.

The WITNESS: I found that condition was supposed to exist when I came up here and I investigated it and found from the Kelly Company that they had no agents here, that the Russell Company wanted to be their agents, and that the directors of the Kelly Company refused to ratify the agreement.

Sir CHARLES DAVIDSON: Why?

The WITNESS: He did not give the reasons. They refused to deal with the Russell Company as their agents; at all events, the arrangement was never finally closed.

Sir CHARLES DAVIDSON: Did not the Russell Company, if I remember aright, get a commission from the Kelly Company?

Mr. THOMPSON: Yes, sir.

Sir CHARLES DAVIDSON: Was not that one of the matters that I expressed some deprecation about, that Russell was in the dual position of being vendor and buyer?

Mr. THOMPSON: I think the question you refer to now, sir, was the purchase by the Russell Company of bodies from the Massey-Harris Company, and then turning them over to the department at an advance. There were two manufacturing companies for which he said they were the agents, namely, the Kelly Company and the Jeffrey Company. But you, sir, directed his attention particularly to the fact that the Russell Motor Company prepared the specifications for bodies for these trucks, and then gave the contract to the Massey-Harris Company and delivered 130 or 140 in a week, which the Russell Motor Company turned over to the department at a ten or fifteen per cent profit, so that the Massey-Harris Company made their profit as well as the Russell Motor Company, and I think you called his attention to the fact that by merely preparing the specifications for these bodies the Russell Motor Company had made five or six thousand dollars.

Sir CHARLES DAVIDSON: Oh yes, I recollect that distinctly, but I was referring to the motors themselves.

Mr. THOMPSON: I do not think that question arose, because Russell stated, very emphatically, that he was selling at a profit the cars for which he was the agent. He sold some of the Russell motor cars at \$2,750 or some price like that, for the first expedition.

By Mr. Thompson:

Q. Does the price you have quoted include tires?—A. Yes, sir. We did not buy the tires, we simply took an allowance for tires and bought them in Canada.

Q. And did you find that this worked out at about your estimate?—A. Just the same, only we wished to place as much business in Canada as was possible.

Q. But, I understand that there are some additional items of expense, are there not, in connection with these Kelly trucks?—A. These Kelly trucks are being used for the work of the department. Part of my plan when I came here, and before I came

[Motor Trucks—Thomas.]

here, was to check off all the motor apparatus before it went to the front, and run it and get rid of its initial wear, so as to put it in permanent shape. For instance, every car I send over—the car you see the General use—runs 1,500 miles and is thoroughly readjusted. Every truck runs 500 miles before it goes, and in that way we are doing every bit of the hauling of the department, and these trucks have replaced some 58 teams.

Q. You replaced these here in Ottawa?—A. Yes.

Q. How many trucks are you using?—A. An average of 15.

Q. Are you using the old bodies?—A. Yes.

Q. There are apparently three sets of bodies, one set which went to England, one set which failed to go and one set which is going, is that so?—A. Yes.

Q. And you are using part of the bodies of the set which failed to go?—A. Yes, we are using these on this work in Canada, and at the same time we are thoroughly breaking the trucks in; any engineer will know the importance of that.

Q. Quite so, but if the bodies were all here or had been delivered concurrently with the trucks, you would have sent them across?—A. Oh yes, they would have been sent before now, but there would not be the same rush there was for the first contingent.

Q. Are they not required across there now?—A. They will be there very shortly.

Q. Are they not now required?—A. Not seriously; the trucks of the first contingent have all been rebuilt over there.

Q. And you think there is not the urgent need for these present trucks?—A. They are not seriously hampered without them, if they could have them now.

Q. What staff of men have you engaged attaching the bodies to the trucks or in testing them here, or whatever has to be done to them?—A. I have about six men who put on the bodies and do all the repairs and all of the going over of the trucks afterwards. I have about 45 men who are doing the transport work.

Q. Doing the transport work; but those men are replacing the teamsters, are they not?—A. Yes.

Q. Would they not be an additional expense?—A. They are saving \$1,000 a week.

Q. Not on account of this?—A. On account of the system.

Q. So that the additional force that you have will be about six men engaged in the attaching of bodies?—A. I have actually a less number of men than would be doing the teaming, including the attaching of the bodies. There is a certain amount of incidental expense in the repairing and running and going over the trucks, which would be necessary at the front if we had not them here, if we did not do it.

Q. In addition to that you would have to add the cost of demurrage and storage?—A. Yes.

Q. Do you know what the demurrage amounted to?—A. We have two buildings in town, for one of which we pay \$250 and the other one for which we pay \$300 a month, but in those two buildings we are doing the entire transport work of the department.

Q. How many teams were engaged in that work before you had your trucks running?—A. There were between fifty and sixty, but we are doing very much more work than these teams ever did for the department. We have also replaced all the railroad teams. The department now does its own haulage from the railway stations as well, which it did not do before.

Q. Is that for the Quartermaster-General's Department?—A. Before that it was charged in the railway freight bill to the department. The charge for that was three cents per hundred pounds added to the freight bill for local haulage, which now is not added because that work is being done by us.

Q. Have you got a fixed price for the tires?—A. Yes, sir.

Q. What are they costing you per set of six now?—A. They are costing me the list price less 40 per cent and seven successive ten per cents, plus the duty on steel, and plus the freight on steel, which amounts to \$260 in all.

Q. I think you gave an estimate of that a few minutes ago, but I do not think you gave the size of the tires?—A. The tires are 38 x 5, single pairs on the front wheels, and dual tires on the hind wheels, demountable, S.A.E. (Society Automobile Engineers) rims.

Q. Are they all the same size?—A. They are all the same size; they are all interchangeable on the front and rear wheels, and we only have one tire in stock.

Q. Are the tires for the rear wheels the same as the front?—A. You can take the tires off the rear wheels and put them on the front wheels.

Q. Are any of your duties connected with the armoured motor cars?—A. I have made one inspection of the armoured motor cars; I have not had anything to do with the details of them.

Q. That does not come within the sphere of your duties?—A. No, and I do not want it to.

Q. Are you receiving a percentage on that?—A. No sir.

Q. You are entirely with the mechanical transport?—A. Yes.

Sir CHARLES DAVIDSON: And you are receiving how much percentage?

The WITNESS: One and a half per cent for inspection. That is one-half of the allowable percentage; the British Government allows three per cent.

Sir CHARLES DAVIDSON: Are you under military pay?

The WITNESS: No sir.

Sir CHARLES DAVIDSON: What does your remuneration amount to?

The WITNESS: \$9,000 covers my entire time, my brother's time that I brought from Europe to do it, and one other man that I brought from Europe to do it; the \$9,000 covers the three of us.

By Mr. Thompson:

Q. So that it would appear to be to your disadvantage that any of this mechanical transport should be detained in Canada for any length of time?—A. Oh yes, I get no more for it whatever; I operate it for nothing.

Q. It would be to your advantage if you had the wizard's ring to ship this mechanical transport immediately from the factory to the front?—A. Yes.

Q. It is to your disadvantage, therefore, that there should be a delay in the delivery of the bodies and so forth?—A. Oh yes, there is a lot of work in connection with it; it would be much easier for me to have accepted the first bodies and said nothing about it.

Sir CHARLES DAVIDSON: Ask the witness, is there no emolument to him whatever from the vendors, as commissions or anything of that sort?

By Mr. Thompson:

Q. Do you receive any emolument, commission, or pay whatever from the selling company?—A. None whatever.

Q. Or from any other person?—A. None whatever, and while I am doing this I am giving up my entire business which is worth \$25,000 a year.

Q. Have you any bargain as to any pay or emolument from any person?—A. None whatever.

Q. Direct or indirect?—A. None whatever.

Q. And your one and a half per cent commission will absolutely recoup everything to you in the way of pay and commission?—A. Yes, including railway fares and boat fares to Europe and everything else.

Q. This one and a half per cent covers everything?—A. It covers everything.

Q. You know something, do you not, Colonel Thomas, of the conditions under which the trucks were purchased for the first expedition?—A. Only by hearsay and by argument with the Transport Commission on certain points of comparison.

Q. You are familiar, are you not, with the prices paid by Canada for the first expedition trucks?—A. From the files, yes.

[Motor Trucks—Thomas.]

Q. You heard, did you not, most of the evidence given before the Public Accounts Committee on the mechanical transport question?—A. All of it.

Q. You are fairly familiar then with the conditions under which the first mechanical transport was purchased and of the limited time at the disposal of the purchaser to buy it and get it on ship-board; do you think, considering all conditions, that it was a fair bargain that was made?—A. It was an extremely difficult thing to do, and it would be a very difficult thing for any one else who was not there to say they could do it better.

Q. They had approximately three weeks to get the bodies, and to get the motors, and so on, for the first contingent?—A. In the case of the first contingent they had to take what they could get at the prices they could get it for, with the available talent here in Canada. In the case of the second contingent the General made a special trip to Europe; he made a special trip to New York, and he went to a lot of trouble to see if it could be done better the second time, even if it took longer and cost more.

Q. Do you think any one company could have supplied anything like the 140 or 150 trucks, in a week's notice, for the first expedition?—A. The Kelly-Springfield Company, I have heard, had an order for 35, of which only 25 were called for.

Q. Oh, yes; but do you think any one company could have supplied enough to have outfitted the expedition in the time?—A. No, two companies could have done it.

Q. You think two companies might have done it?—A. Yes.

Q. You think they could have done it within one week after receiving notice?—A. They could have delivered them within three weeks.

Q. That is not the point; they had to be on shipboard from the time this commission set about purchasing the trucks, the truck companies themselves having only one week within which to make delivery?—A. It is not fair for me to say what I could do at that time, because at that time I could have done it from one company, because at that time I had special information from the British Government. That information was not here, and it is not a fair comparison to make between what I could have done in New York and what Mr. Russell had to do here.

Q. And starting out without any information, and in a very limited time to do the work, do you think a fair price was paid, all things considered?—A. Well, I am not a judge on that personally. I think that some money could have been saved, but I do not think that our prices could have been duplicated.

Q. That is to say, you had special arrangements and you were specially qualified?—A. I may say that I made this file which I have here for the British Government. I tested eighty-four plants in the States and I sent that to them about two weeks after the war started. That is, before Mr. Russell made his delivery here. But I did that at great expense and with ample facilities for doing it, and it was my special duty to do it.

Q. You did that with a view of securing a contract, I presume?—A. No, I was doing it simply as a consulting engineer.

Q. Did you do it at the request of the War Office?—A. I did it at the request of the Government.

Q. It was an official request, was it?—A. Yes, it was from an official personage.

Q. So that, without having that special knowledge, would you be able to have purchased, under the conditions under which the first commission was carried out, at a much lower price than was paid?—A. Not here in Canada. I do not think any one could have done what Mr. Russell did here in Canada.

Q. You think the first arrangement was not a profligate or extravagant one, or do you think it was a fairly economical arrangement?—A. I think, considering the hurry and everything else, that it was not to be condemned.

MR. THOMPSON: That will be all I have to ask you, Colonel Thomas, until you get the further information we asked for.

MR. THOMPSON: There are some witnesses coming in by the morning train, sir, and it will be necessary for me to interview them before I place them in the witness

[Motor Trucks—Thomas.]

box. I think perhaps it would be more convenient if the Commission did not meet until later in the morning. I am told by the representatives of the newspapers, that such an arrangement would be more convenient for them, and in the interests of publicity I think half-past ten in the morning would be a more suitable hour for the Commission to commence its sitting.

Sir CHARLES DAVIDSON: Apart from your reference to that matter, Mr. Thompson, it has been represented to the Commissioner, by various interests, that half-past ten o'clock in the morning would be a more convenient hour than ten o'clock, at which to meet. The Commission will meet at half-past ten o'clock to-morrow morning.

The Commission then adjourned until half-past ten o'clock, to-morrow morning.

OTTAWA, Tuesday, July 13, 1915.

PRESENT:

Honourable Sir CHARLES PEERS DAVIDSON, Knight,

Commissioner.

JOHN FRASER, O.S.I.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met at half-past ten this morning.

At the sitting of the Commission:

Lieutenant-Colonel OWEN THOMAS, Mechanical Transport, Militia Department, examination resumed, already sworn:

By Mr. Thompson:

Q. Have you got a list of these items on which you were to get information?—A. I have only part of the information here, the rest has to be copied out of the files.

Q. Have you a memorandum of that which has been prepared?—A. I have no copy of that; the information will be here with a copy later on.

Q. With the list of the items?—A. Yes, and the information.

Q. What have you got here?—A. I have the correspondence concerning the old bodies for one thing, Colonel Hurdman's specifications, and memo of my own giving the dates of the orders for trucks, as they passed Council, and correspondence referring to them.

Q. What date was the order for the trucks?—A. The original order for the trucks was passed by Council on December 15.

Q. Is that the Kelly trucks for the second mechanical transport?—A. No, that was the order for trucks, it does not say what they are.

Q. Does that refer to the Kelly trucks?—A. Yes, but it was originally passed, not for the Kelly Company.

Q. But apparently the order was given for the Kelly trucks on the 15th December?—A. No sir. The Kelly truck order was released by Sir Robert Borden on the 5th of January, and the bodies were bought before that and the tires were bought before that.

Q. When were the bodies delivered?—A. I think that is not one of the things I have here at present.

Q. Did you know that Colonel Hurdman was preparing specifications?—A. Yes.

[Motor Trucks—Thomas.]

Q. At that time, before the bodies were bought?—A. I knew he was preparing specifications.

Q. Did he consult you?—A. No, he did not. His correspondence with the company that supplied the sample is attached to this correspondence.

Q. Did you have any correspondence with Colonel Hurdman over the specifications?—A. No, I had not. I caused a letter to be written on January 7, to the Director of Contracts, signed by Colonel Winter.

Q. To what effect?—A. Asking the Minister that copies of all orders for motor cars or parts..... may I read the letter. It is as follows:—

MINISTER'S OFFICE,
OTTAWA, Jan. 7, 1915.

Memo for D. of C.

The Minister desires that any orders going out for motor cars or car parts must be subject to specifications; also please furnish Secretary Transport Committee with copies of all orders which have been given for cars, trucks, or parts for repairs, etc., already issued.

Sgd. CHARLES F. WINTER,
Lt. Colonel,
Military Secretary.

Q. Who is the Secretary of the Transport Committee?—A. The Secretary of the Transport Committee was Lieutenant-Colonel Howard.

Q. Under that letter which you have just read, would it be incumbent on Hurdman to furnish the Secretary of the Transport Committee with copies of the specifications?—A. It would be incumbent on Mr. Brown to furnish the Transport Committee copies of everything that was passed with him, because the letter is written to Mr. Brown.

Q. As a matter of official routine, would the specifications of Colonel Hurdman go from Brown before they were delivered to the Department?—A. Yes, they would.

Q. Would Mr. Brown have a copy of that letter which you have just read?—A. Undoubtedly, it was directed to him. The date of it is the 7th of January.

Q. When was the order for bodies placed?—A. On December 17.

Q. So that the order for bodies was given before that direction was issued?—A. Yes, and the order for truck tires was placed the next day, on December 18, before that direction was issued.

Q. What other correspondence have you on the subject; I do not want to go into all the details, but there might be something of interest?—A. There is a letter from me to the Minister of Militia on March 2nd:

H. Q. 38-72-51.

The Minister of Militia and Defence,
M. & D.

Ottawa, 2nd March, 1915.

Truck Bodies.—

Herewith copies of letters referring to the above subject. As soon as the other papers asked for come to me I will make a fuller report.

There is no question but, as shown by the letter of the Hopkins Manufacturing Company to Colonel Hurdman, that his attention was drawn to the fact that not only the sample sent was narrower than the one needed but that the sample body, apron and top, were specially fitted only to a Packard chassis.

I find that the bodies were ordered on December 17th and that tires were ordered on December 18th, 1914, although the first of the trucks were ordered after January 5th, 1915, when Sir Robert Borden wrote to General Fiset that it was not necessary longer to hold up the truck order.

It was impossible properly to order either the bodies or the tires until the make of truck was decided upon as the wheel bases vary and so do the size of wheels, for instance—a White truck would have needed a 13' body.

[Motor Trucks—Thomas]

When I found that the truck tires were thus ordered I immediately notified all of the tire companies that it was impossible to give them sizes until the trucks were ordered. I would have done the same with the bodies if I had had any knowledge of the definite order being placed.

Sgd, W. OWEN THOMAS.

Then there is a letter of the same date, March 2nd, from me to the Director of Contracts:

H. Q. 28-72-51.

The Director of Contracts,
M. & D.

2nd March, 1915.

Truck Bodies.—

Herewith copy of letter concerning sample truck body sent by Hopkins Manufacturing Company of Hanover, Pa., sent to Colonel Hurdman, Inspector of Carriages.

General Hughes has asked me to find Colonel Hurdman's wire of the 20th of November, 1914, mentioned in the above letter and all of the papers referring to this subject. I have only been able to find the one letter and will be glad to have you ask Colonel Hurdman's office for the balance of the papers as he is at present away.

I think that all this correspondence had better go in. I have here a letter, dated December 29th, from Mr. Brown to General Hughes, as follows:—

H. Q. 38-72-50.

Ottawa, December 29th, 1914.

Dear General Hughes,—

About two weeks ago the Sub-Committee of the Cabinet allotted certain orders for motor trucks, transport wagons, etc.

Will you be good enough to advise me what arrangements it is proposed to make for the inspection of these vehicles?

If it is to be left in the hands of the Department Inspector of Carriages, he will probably require much help. Contracts were authorized by the Sub-Committee to be given to five different firms for light wagons, ten different firms for heavy wagons, besides some ten or twelve other contracts in the same connection.

Yours faithfully,

Sgd, H. W. BROWN,
Director of Contracts.

Major-General the Hon. Sam. Hughes,
Minister of Militia and Defence.

Then, in January, the date is not given on the letter, but I will get it later, there is a letter from H. W. Brown, Director of Contracts, to the Oxford Motor Company of Montreal, which reads:

H. Q. 28-72-50.

Ottawa, January, 1915.

Gentlemen,—

I have the honour to confirm the following telegram sent you on the 17th ultimo:—

Please book order for seventy-two three-ton motor truck bodies required by Militia Department, price one hundred sixty-eight dollars, each, delivered f.o.b. Montreal by fifteenth proximo. Must conform to specifications and blue prints and be subject to inspection by Departmental Inspector.

and that of the 11 instant, reading as follows:—

[Motor Trucks—Thomas.]

'Time for delivery of the seventy-two motor truck bodies, ordered 17th ultimo, extended to thirty-first instant.'

In continuation thereof, I have the honour to request you to be good enough to furnish to the Department of Militia and Defence, 72 three-ton motor truck bodies, to be manufactured strictly in accordance with the drawings and specifications therefor, sent you on the 19th ultimo by Lt. Colonel Hurdman, Inspector of Carriages, the price to be \$168 each f.o.b. Montreal, and delivery to be completed without fail by the thirty-first instant.

It is to be distinctly understood that these bodies shall be subject to inspection during course of manufacture and before they are painted, by a Departmental Inspector, and to rejection should he consider they are defective in any respect.

Will you be good enough to let me know when the trucks are ready for inspection so that an inspector may be sent to examine them.

Full instructions regarding shipment will be sent you in due course.

Any further information, you may require in connection with this matter will be furnished you on application therefor.

I have the honour, etc.

Sgd. H. W. BROWN,

Director of Contracts.

Messrs. the Oxford Motor Co.,
Montreal.

Q. I notice that that letter to the Oxford Motor Car Company calls for inspection at Montreal?—A. Yes, that is quite usual, that is at the factory.

Q. I thought the bodies were always delivered here?—A. They are delivered here, after they are inspected at the factory.

Q. By whom were they inspected at the factory?—A. Colonel Hurdman. The final inspection was not quite completed when I took Colonel Hurdman's office over.

Q. Did Colonel Hurdman report the result of his inspection do you know?—A. Not to my knowledge; that would be between Colonel Hurdman and Mr. Brown.

Q. Would there be anything on this file to indicate the result of the inspection?—A. No, there is not. I passed an inspection report to say that these bodies were in accordance with Colonel Hurdman's own version, his specifications, or his own interpretation of his specifications, as given before the Public Accounts Committee. I only passed them with that note on them.

The next letter is from Mr. Brown to General Hughes, of December 29, and it reads as follows:—

OTTAWA, December 20, 1914.

Dear General HUGHES,

In accordance with instructions of the Sub-Committee, an order was given some days ago to the Gutta Percha and Rubber Co. of Toronto, for 240 rubber tires for Jeffrey trucks.

On the 19th instant, they telegraphed as follows:

Telegram 18, *re* truck tires, is the size for these 36 x 4; if not, what size? Must they be the demountable type attachment, or will the standard type with side flanges to bolt on to fit the S.A.E. standard rims, be accepted? Are they all to be for single tires on each wheel or will there be dual tires on rear wheels? If so, how many will be wanted with dual attachments? Is your price for tires only, or does it include flanges and bolts? Sorry to bother you with these inquiries but information necessary to properly execute.

I have, of course, no means of answering these inquiries and am uncertain to whom application should be made.

Moreover, a letter has been received from the Russell Motor Co., dated 23rd

[Motor Trucks—Thomas.]

instant, copy of which I enclose, from which it appears that the Company already has 30 sets of tires on hand for these Jeffrey trucks.

Yours faithfully,

Sgd. H. W. BROWN,
Director of Contracts.

Major General Hughes.

On December 28, there was a letter from Mr. Brown to Sir George Foster, as follows:—

H.Q. 38-72-50.

December 28, 1914.

DEAR SIR GEORGE,—Replying to your letter of the 26th instant, about transport wagons and motor truck bodies, Messrs. A. L. Jennings & Co. and Heney Carriage and Harness Co., both of Montreal, have declined the orders allotted them for 19 heavy wagons each.

Chas. Thibeault & Co., and Arthur Chapelaine, both of Sorel, have declined the orders if the date of delivery is not extended to 15th February. Thibeault's order was for 19 heavy wagons, and Chapelaine's for 18.

I heard a report a day or two ago that the Oxford Motor Co. of Montreal, who have an order for 72 motor bodies, will be unable to make these in their own factory, and are arranging with a Brockville concern to make them.

The Consolidated Rubber Co., of Berlin, have declined the order for 300 standard truck rubber tires. The other two rubber companies to whom orders were given for tires have asked for specification of sizes. These are the Goodyear Rubber Co., Bowmanville, and the Dunlop Tire Co., Toronto.

The Goodyear Rubber Co. pointed out that all three truck manufacturers mentioned in the Order in Council, viz., Packard, White and Kelly-Springfield, used different sized tires. We have been obliged, therefore, to tell them that, for the present, we can give them no sizes.

I have also been told that the Gutta-Percha and Rubber Co., who were given an order for 240 tires for the Jeffrey trucks, make no truck tires whatever, and are not equipped for this work. This also is of course only a report.

Yours faithfully,

(Sgd.) H. W. BROWN,
Director of Contracts.

Honourable Sir George Foster,
Minister of Trade and Commerce,
Ottawa, Ont.

Q. Do you know whether the report referred to by Mr. Brown was correct or not? —A. It was correct.

Q. Who let out that contract?—A. The Sub-Committee of the Privy Council. There was a recommendation made by the Land Transport Committee.

Q. Did they make a representation to the sub-committee?—A. They did not make that recommendation.

Q. Surely some one made the recommendation to the sub-committee? There must have been some officer to report or otherwise how would the sub-committee know that the tires were required?—A. The practice of the sub-committee was to see that the business was evenly distributed.

Q. But some official in the department would, I suppose, bring it to the notice of this sub-committee?—A. I imagine that the Director of Contracts would do that. I did not.

Q. I was asking you if you knew, as a matter of official routine, in the department, who would notify the sub-committee?—A. Most of these matters would be between the Director of Contracts and the sub-committee. On December 23, Mr. H.

[Motor Trucks--Thomas.]

W. Brown wrote to the Goodyear Tire and Rubber Company and to the Dunlop Tire and Rubber Company, as follows:—

H. Q. 38-72-50.

OTTAWA, December 23, 1914.

GENTLEMEN,—I have your letter of the 19th instant with regard to the size of the 600 truck tires ordered from you as per my telegram of the 19th instant. Unfortunately, I am unable at present to give you precise information as to these sizes. Will you therefore be good enough to let the matter stand over for a few days, when I trust the information will be forthcoming.

Yours faithfully,

(Sgd.) H. W. BROWN,
Director of Contracts.

Q. That is not very important because, as I understand it, tires were not eventually purchased that could not be used?—A. That is so. Here is a letter from the Hopkins Manufacturing Company to Colonel Hurdman, dated November 21, 1914:

H. Q. 38-72-51. Vol. 2.

HOPKINS MANUFACTURING COMPANY, MANUFACTURERS OF STRICTLY HIGH GRADE DELIVERY
WAGONS, VANS AND TRUCKS, COMMERCIAL MOTOR TRUCK BODIES.

HANOVER, York Co., Pa., 21st November, 1914.

Colonel W. G. HURDMAN,
Department of Militia and Defence,
Ottawa, Ont., Canada.

DEAR SIR,—We are duly in receipt of your wire request of the 20th instant, for detailed specifications of our number 3 Army Body, sample of which was expressed to you from our New York shops on November 18.

We are mailing under separate cover three photographs of the Packard Truck and body complete with a copy of the specifications as furnished on our contract for the French Government.

I do not mind saying there that it was on my recommendation that this body was obtained, the sample as supplied to the French Government for the 2-ton truck.

You will note that the inside width of these bodies is five (5) feet.

We are pleased to quote you our price for 140 bodies more or less of this size in carload lots at \$175 each, net cash f.o.b. cars Ottawa, Ontario.

Should you desire the extra width of six inches, viz., 5 feet 6 inches, as indicated in your telegram, there would be an additional charge of ten dollars on each body.

The five foot was the body that was copied.

The bodies are strong and well built of seasoned stock and are easily attached. Each body has two coats of best quality oil and lead paint.

We are furnishing these bodies for trucks of different makes and should you desire any for trucks other than Packards, at any time we can furnish them to fit, at the same prices, where the fitting does not entail any extra work.

We thank you for your order for the sample body, which we trust you have found satisfactory and we hope to be favoured with your orders. We are in a position to fill all orders promptly and await your valued commands.

Yours very truly,

HOPKINS MANUFACTURING COMPANY,

Sgd. GEO. D. HOPKINS,
President.

[Motor Trucks—Thomas.]

Again, on November 21, from the same company, the Hopkins Manufacturing Company to Colonel Hurdman, there was the following letter:—

HANOVER, York Co., Pa., November 21, 1914.

Colonel W. G. HURDMAN,
Department of Militia and Defence,
Ottawa, Ontario, Canada.

DEAR SIR,—We are duly in receipt of your wire of the 20th instant, asking us to forward invoices in triplicate for the body expressed to you from our New York shops, on November 18.

We are enclosing herewith the invoices duly certified, which we trust will be satisfactory.

Yours truly,

HOPKINS MANUFACTURING COMPANY,

(Signed). GEO. D. HOPKINS,
President.

There is a telegram to the Hopkins Manufacturing Company on November 20 from Colonel Hurdman, which reads:—

November 20, 1915.

Hopkins Manufacturing Co.,
Hanover, Pa., U.S.A.

Body received, mail price for about 140 bodies, size five feet six inches by twelve feet f.o.b. here. Also detailed specifications that can be used as a basis for making contract.

COL. HURDMAN,
Inspector of Carriages.

Q. What size did the specifications which he prepared call for?—A. Five foot.

Q. And not five foot six?—A. These specifications I do not think mentioned the size, they mentioned the description of material and the quality and the drawings that went with the specifications, I think four sheets, showed a five foot body.

Q. In any event were five foot bodies supplied?—A. Yes.

Q. I noticed that in this correspondence the Hopkins Company referred to the length of the trucks?—A. That was 12 foot.

Q. What sized-bodies are you using?—A. We are using twelve foot. The Packard and the Kelly took a twelve foot body and the White takes a thirteen foot.

Q. Would the Hopkins bodies, therefore, be satisfactory as to length?—A. Yes.

Q. Your complaint is that the width is not correct?—A. Yes. I have here a letter or rather a telegram, dated 18th November, to General MacDonald. This, I think, was the first telegram from the Hopkins Manufacturing Company:

NEW YORK, Nov. 18, 1914.

To D. A. MacDonald,

Major General, Q.M.G., Ottawa, Ontario.

We have forwarded this day via American Express addressed care Colonel W. G. Hurdman, Department Militia and Defence, at Ottawa, one complete body outfit as described in your wire of November seventeenth.

Hopkins Manufacturing Company.

I have here the original telegram which was sent by General Macdonald, and dictated by me, to the Hopkins Manufacturing Company.

[Motor Trucks—Thomas.]

Q. This is the telegram on which the order was eventually founded?—A. This is the telegram on which the shipment of the sample was made, and it reads:—

OTTAWA, Ont., Nov. 17th, 1914.

Mr. HOPKINS,
C/o George Irving,
548 West 22 st.

Express to-day if possible one sample knocked down Hopkins Manufacturing Company's twelve foot by five foot six standard truck body as supplied for Packard truck for French contract for use with three ton chassis. Express to Colonel W. G. Hurdman, Department of Militia and Defence, Ottawa, and advise by wire at once.

D. A. MACDONALD,
Major-General, Q.M.G.

Q. Was it a five foot six body they shipped?—A. No, it was not. It was a five foot, and they called attention in their letter to the fact that it was a five foot.

In answer to that, a telegram was received by General MacDonald on November 17th, reading:—

NEW YORK, Nov. 17, 1914.

To D. A. MACDONALD,
Major General, Q.M.G.

Your wire received too late for action to-day. Will express early to-morrow quickest route and trace, complete body outfit for Packard three ton chassis. Thank you.

GEO. D. HOPKINS.

At that time it was not known that we would even figure on Kelly trucks. It was before the specification for the truck was decided on, except for the fact that only three ton trucks could be considered, as the British War Office specification called exclusively for three ton.

Q. Does that complete the correspondence with regard to the bodies?—A. On December, the date is not given, 1914, I wrote to H. W. Brown, Director of Contracts, as follows:—

OTTAWA, Dec. , 1914,

To H. W. BROWN, Esq.,
Director of Contracts.

"SIR,—I find that an order was placed by telegraph to the Gutta-Percha Co. for tires for Jeffrey trucks.

"It was the intention of the Land Transport Commission to use only demountable tires on standard S.A.E. demountable rims, these are only manufactured in Canada by the Goodyear and Dunlop Companies.

"I will be glad at any time to supply specifications and mechanical details of motor truck parts which are authorized to be purchased and would suggest that you take this matter up with General Hughes in order that we have no further misunderstanding.

"I have the honour, etc., etc.,

"Sgd. W. OWEN THOMAS."

I have here a copy of a telegram, dated Ottawa, Ontario, 11/20/14 to the Hopkins Mfg. Co., signed by Colonel Hurdman, which reads:—

"Body received. Mail price for about 140 bodies size five feet six inches by twelve feet f.o.b. here. Also detailed specifications that can be used as a basis for making contracts.

"Colonel HURDMAN,
"Inspector of Carriages."

[Motor Trucks—Thomas.]

Then there is a telegram, dated Ottawa, Ontario 11/20/14 from Colonel Hurdman to the Hopkins Manufacturing Company, reading:—

“Kindly forward invoices in triplicate for body of truck required for customs purposes.

“Colonel HURDMAN,
“Inspector of Carriages.”

Q. Does that complete the correspondence with regard to the bodies?—A. That is the correspondence I find on the file.

Q. Can you say whether that is all that is of importance?—A. With regard to the old bodies, yes, except the correspondence with the several contractors, similar to the letter that is in here from Mr. Brown, to all of the contractors.

Q. What was the next item you were to look up, I think you said Colonel Heward would have the minutes of the meetings of the Committee?—A. Colonel Heward lent me the minutes to look at last night.

Q. Did you bring them with you?—A. No, I did not. You had better call him on that. The minutes contain very little detail, except for the last meeting, where I insisted on certain minutes being recorded. Up to that time, it was this type of a proceeding: Committee convened, so-and-so present, after making a report the Committee adjourned. Then there was a copy of the reports, of course, which were on file. The minutes were made in report form, rather than as minutes, except in connection with the last meeting, when I insisted on further minutes being added.

Q. Have you any further items that I asked you for?—A. That is, I think, all I have on that one subject of the old bodies. I have the tire figures here and I have Colonel Hurdman's tabulated minutes about the Indiana truck.

Q. I will ask you about the Indiana trucks; have you a memorandum about the Indiana trucks, as to why they were rejected?—A. I have in a marked copy of this book which I brought here. I had this book for the purpose of making minutes of the different things submitted to us, and with reference to the Indiana truck I find that it is four three-quarters by five Rutenber motor. The Rutenber motor like the continental motor, is a cheap truck motor. I have here a list of the companies using the continental motor, and that same list you will find struck off from our consideration, because of the report of Colonel Carson, of the non-success of this type of motor.

Q. Were these entries made in that catalogue at the time of your meeting?—A. They were made in this catalogue that I have in my hand; they are made by me, they are my own personal notes.

Q. They were made at the time the Indiana trucks were under consideration?—A. They were.

Q. I wished to know what the Indiana truck was?—A. The price of the Indiana truck was not considered. I have a price in New York of \$1,900, and the price submitted here was \$2,450.

Q. Did you even reject it on the \$1,900 quotation?—A. Yes. I have marked it here “not sent”. That means, not sent to the British Government because it was not according to the standard specifications. I can show you that we did receive a bid for \$2,450 for the Indiana trucks. It was received from W. D. Morris of Ottawa. It was bid No. 74 for truck with 4½ by 5 Rutenber engine.

Q. Was that prior to your rejection of it?—A. This is a telegram which Colonel Hurdman sent out for bids and the results he received back.

Q. It was after you received these bids that you entered into the consideration of the trucks?—A. Oh yes. In that consideration, we wired to Colonel Carson in England, to find out what his experience was with the trucks sent over before.

Q. Did you look up that other point I asked you about as to the Winton, represented by Frigon & Baker of Montreal?—A. I have one of Colonel Hurdman's tabulations here, in which he mentions the Winton and says “no quotations received.”

Q. Did you invite them to tender?—A. I did not invite them, because I know they do not build trucks.

[Motor Trucks—Thomas.]

Q. Did this firm tell you what trucks they represented?—A. I do not remember that.

Q. To whom did you send notice?—A. To all these companies.

Q. How did you select them?—A. A list was sent to anybody who sold motor trucks.

Q. Apparently Frigon & Baker had motors to sell?—A. Frigon & Baker are small agents, and the policy was to deal direct with the manufacturers.

Q. And you did so?—A. I did not in that case, because the manufacturers did not supply trucks.

Q. But in every other case you sent out to the manufacturers instead of to the agents?—A. In all cases. These three tables I have here were prepared by Colonel Hurdman. I think at the first meeting he was the secretary.

Q. What further information were you to get?—A. I have here a copy of militia order, dated November 23, which gives officially the personnel of the Land Transport Committee and includes Mr. Russell.

Q. What is the date of that order?—A. November 23.

Q. Do you know whether he resigned or not?—A. He resigned much later than that.

Q. Did he take any part in the deliberations of the committee?—A. No, he never attended.

Q. Would you give me the names of the committee that you have just referred to?—A. It says that the following officers have been selected on the Land Transport Mechanical and Vehicular Committee: Major-General D. A. MacDonald, Q.M.G., Honorary Colonel J. C. Eaton, Honorary Colonel Hon. W. K. McNaught, Honorary Colonel the Honourable Senator Taylor, Honorary Major T. A. Russell, Honorary Major J. H. MacQuarrie, Honorary Major Owen Thomas.

Q. Now, can you tell me which of those were the active members of the committee?—A. General MacDonald attended some of the meetings.

Q. What about the others?—A. Mr. Eaton and Mr. Russell never attended a meeting, to my knowledge.

Q. Those two never attended any meeting?—A. No. The others, Mr. McNaught, Senator Taylor, Mr. MacQuarrie, and myself, were mostly present.

Q. Do you know, of your own knowledge, the members of the Sub-Committee of the Privy Council to deal with this question?—A. Not outside of Sir George Foster, I know that he was a member.

Q. Was he the only one you met in discussing the question?—A. I never met any of them.

Q. When were the first bodies delivered?—A. The first bodies were shipped by the McLaughlin Company on February 12.

Q. How many?—A. A carload containing 136 pieces, which, to my memory, was 18 bodies.

Q. When were the balance delivered?—A. The balance were not delivered in a hurry because the first were not found desirable, and the delivery of the last was only begun when it was found that we had to take them.

Q. Were they all from the McLaughlin Company?—A. No, the McLaughlin Company, I think, supplied 36, the Massey-Harris Company 36, and the Oxford Motor Car Company of Montreal 72.

Q. Did that complete the list that was ordered?—A. Yes, that completed the list of 144.

Q. Do you know approximately when they were delivered?—A. Here is a letter from the Massey-Harris Company to Mr. Brown, Director of Contracts, on February 13, saying: "We herewith attach, as per your request, our invoices, and the invoices of February 12 for the first 18 bodies." I have not been able to find the actual shipping bill of that, but Mr. Brown wired them on the 11th: "Please ship immediately the carload of transport bodies. Sgd., Director of Contracts, Dominion Bridge Company Building, Ottawa." He also says: "Please send me a copy of the bill of lading

[Motor Trucks—Thomas.]

and invoices." On February 12 they say: "We to-day load car 152378 C.P.R. contains 18 of these bodies, leaving 18 more, holding subject to your instructions."

Q. I want to get at the approximate date when these bodies arrived; when was it that the authorities finally decided to reject them, or rather not to send them overseas?

—A. I read to you a little while ago my own report on that.

Q. Have you ascertained the date on which they were finally rejected?—A. I do not think there was any correspondence shown on that.

Q. Do you know when the authorities finally decided not to send them over?—A. Not the exact date. I looked for the date of my report on that, but it was a good many weeks after that when the final decision was arrived at.

Q. What is the date of your report?—A. My report on that is dated the 2nd of March, but at that time I had not all of the correspondence, because I ask there that other correspondence from Colonel Hurdman be found.

Q. When did you receive instructions to proceed with the specifications for additional bodies, or for new bodies?—A. I could establish that date, but I actually started making the new body and I started as soon as I got instructions, but I cannot give you the exact date now.

Q. Can you give me that date within a few days?—A. No, I will get the date exactly later.

Q. I would like to have that on the record?—A. I might say there was a little delay there trying to use the old bodies. The first suggestion was to widen the old bodies, and I took one of the old bodies to the Ottawa Car Company and took it to pieces and rebuilt it with longer bunks to make the necessary width. It was during the rebuilding process, which came after the 2nd of March, that we thought that these bodies were so badly interchangeable or were not interchangeable at all, and that practically the only saving in doing this work would be part of the material, which is worth less than thirty dollars.

Q. Was it after your experiments failed you that you proceeded with the new specification?—A. It was after my experiments failed and I built a new body immediately and recommended that new bodies be gone on with.

Q. Have you given me the date at which you placed the orders for the new bodies?—A. I gave you that. The actual order was sent to the Nova Scotia Steel Company on June 21; the recommendation to Council was made on May 1.

Q. Was that recommendation to Council pursuant to your report?—A. Yes, sir.

Q. Who made the recommendation to Council?—A. General Hughes.

Q. When did Council act on it; it seems to have been some time about the middle of June?—A. I think the file should be examined for that; that is out of my department entirely.

Q. What was the procedure after Council had acted upon it; would you be notified to proceed with the new bodies?—A. Yes, after talking with General Hughes and Mr. Cantley, who had the order in General Hughes' office, I sent my brother to Nova Scotia to proceed with the inspection of the bodies, even before I knew they were ready to inspect, and on getting there he found that the order had not actually been placed, and the first rejection of material—

Q. Perhaps I have not got the mode of procedure properly in my mind; I would have thought that after Council had acted on that report it would have notified the Militia Department to proceed?—A. It would have notified the Director of Contracts.

Q. And then would the Director of Contracts notify you to prepare specifications?—A. The Director of Contracts issues copies of all orders to all inspection departments.

Q. Would he issue a copy to you?—A. He would request from me a copy of the specification to send with the orders.

Q. When did he issue that request; would it be about the 21st of June?—A. No, it was before that. As a matter of fact, I did not send them to him; my brother took them with him to Nova Scotia.

Q. When would that request come to you from Mr. Brown for these specifications?
—A. That should come to me as the order was being issued, on November 21. Mr. Brown knew at that time that the information had actually been given.

Q. Perhaps we are at cross-purposes—you told me that the recommendation was made to Council on the 1st of May?—A. Yes.

Q. Was that recommendation made on specifications which you had prepared or with regard to specifications which you would prepare?—A. It was made on the sample body which we had actually built from these specifications.

Q. Would that be sample body No. 2; we have referred to sample body No. 1 as the one sent by the Hopkins Company?—A. No. 2 was the one we built from the old body.

Q. Is it that body you refer to as No. 2?—A. Yes.

Q. And sample body No. 2 is the one you tried to rebuild from the old one?—
A. Yes.

Q. And you prepared your own specifications for sample body No. 3?—A. Yes.

Q. About what date would that be?—A. That would probably be the 1st of May.

Q. Would that be after the recommendation to Council or before?—A. It was about the same time. The body was actually completed before the specifications were made. As a matter of fact I went down to the Car Company myself and superintended the building of the body, and then the drawings were made from it.

Q. It is not a matter of very much importance, but I am endeavouring to trace up the time at which the order was given for these articles, and there appears to be quite a delay somewhere?—A. You will find the same delay in the British War Office and everywhere else.

Q. I have no doubt about that—you told us that the price of the Kelly trucks, with the tires, was what?—A. I have the bid of the Kelly Company here.

Q. I think you said it was \$2,150?—A. Here is the proposition of the Kelly Company.

Q. I want to know at what price you were actually buying them?—A. We are buying them, under this proposition of the Kelly Company; the price for the truck is \$2,550. If supplied, without tires, \$2,303, leaving \$247 for tires, less \$18 for lamps and tools not supplied. That is not strictly true, because it was not found possible to get delivery of some of the lamps and I think that the deduction for the parts we did not take was \$11.60; only part of that \$18 was deducted, because the Kelly Company actually had the lamps in stock, and we were not able to get delivery of them.

Q. So that what you are paying is approximately \$2,303?—A. No, it is \$2,303 less about \$10.06 for the tools being purchased in Canada. I will gladly bring you a copy of the actual contract; would that be of any service?

Q. No, that is not important for my purpose; approximately, you are paying \$2,292.94 for the chassis?—A. Yes.

Q. What is it costing you to bore the wheels?—A. I figured that out to-day; it is costing \$764.40 for 130 trucks.

Q. How much does that work out at per truck?—A. I said yesterday that is was one dollar a wheel; I meant by that one dollar a tire, and there are six tires.

Q. So that it would amount to approximately six dollars each?—A. Yes, it is somewhat less than that, it is about \$5.40 I think.

Q. Then we have to add the steel equipment?—A. The steel equipment is included in the reduction for tires. If you will allow me, I will give you the actual bill of the steel and tires, to a cent.

Q. How much did the steel and tires cost per truck?—A. The six tires each cost \$41.50 or \$249 for the six tires. The steel equipment cost \$24.66, including the duty allowances and freight on steel to the factory.

Q. Did that price for the chassis include duty paid?—A. No sir, but on the tires it is necessary to make this disposal of it, because the tire companies cannot get the steel to work on in their factories until the duty is paid.

Q. What does the \$2,292.94 include; is it f.o.b. at the factory?—A. F.O.B. factory, Springfield, Mass.

Q. What was the sum total paid out for demurrage?—A. Demurrage on trucks?

Q. Yes?—A. I think our total demurrage account to date is about \$1,000.

Q. Are you sure it would not be \$2,000?—A. No sir, it is not.

Q. Have you got a copy of the account?—A. I have not got it here, but I will produce that too.

Q. What did the garage rental cost?—A. The garage rental is \$300 per month.

Q. How many months have you had it?—A. We have had it since the first of May.

Q. That would approximately be two dollars per month per car.

Sir CHARLES DAVIDSON: There are two garages.

The WITNESS: The garage is \$300 a month. The Dominion Bridge Company's building, where we do the changing of the bodies, is \$250 a month.

By Mr. Thompson:

Q. What is the total that you pay for rental and storage and so on?—A. \$550 a month. Besides that, we have the use of that building, and I do not know what the arrangement is as to that; it is just an empty building with a dirt floor that we sometimes put some cars in.

Q. How long have you rented these buildings and paid a rental to the Bridge Company for them?—A. I think the Bridge Company building was taken on the first of April; no, I am mistaken, it was the first of March, but that is not incidental to the cost of the trucks, it is incidental to the local transport.

Q. Are these cars not intended for overseas service?—A. Yes, after they have been tested here. Every car is tested,—as I told you yesterday, to run 500 miles.

Q. How long does it take to test them?—A. The time varies from two weeks to a month.

Q. So that your garage fees would amount to about three and a half dollars per truck per month. How many employees are engaged in the Bridge Company's place or in the garage?—A. A total of about fifty.

Q. What would their average pay be?—A. Their average pay would be about three dollars a day.

Q. That would be \$150 a day; how long has that force of men been employed?—A. Before I came here, some of them.

Q. How many have been employed directly on these new trucks?—A. About thirty of these are employed on the new trucks.

Q. What will the freight be on these trucks from Ottawa to Quebec or to Montreal, where they will be shipped?—A. About \$25 a carload of two trucks.

Q. That would be about \$12 per truck?—A. Yes.

Q. Are there any other administration expenses connected with the trucks?—A. In connection with the use of the trucks?

Q. No—you receive a commission of one and a half per cent and you have fifty employees and you have garage rental; now, are there any other persons receiving a salary or pay?—A. I think fifty will cover it all, but I do not charge that to the cost of the truck; I am charging it entirely to the work I am doing here with the trucks.

Q. Is your percentage independent of this?—A. My own percentage is charged to the cost of the trucks.

Q. Does your percentage extend to the local charges you have spoken of?—A. Oh, no sir, only the original cost.

Sir CHARLES DAVIDSON: That cost goes on while they are not in England. The point of contrast is, that in three weeks all these trucks were on shipboard for the first contingent?

The WITNESS: They were shipped to the ship without testing and without inspection.

Sir CHARLES DAVIDSON: Yes, and that applies to 155 trucks.

The WITNESS: 150.

[Motor Trucks—Thomas.]

Sir CHARLES DAVIDSON: 155 is your report to the minister.

The WITNESS: That is a report on replacement.

Sir CHARLES DAVIDSON: That is not the way it is put down in this report, Major; it is put down as 155 trucks.

The WITNESS: May I read that: there will be required to supply one division with transport, for the first four months of active service, a full equipment each month: 155 Kelly-Springfield sets of units, and 10 Kelly-Springfield parts. These are repairing parts and these are not purchased as part of the 150.

Sir CHARLES DAVIDSON: What I see here is that the 155 trucks was the number you have mentioned.

The WITNESS: Not as being purchased. This is a report of mine on January 19.

Sir CHARLES DAVIDSON: And as I understand it, none of these trucks which you are dealing with have gone yet?

The WITNESS: None of them have gone yet.

By Mr. Thompson:

Q. Do you know when any will be shipped?—A. Yes, the first bodies will be shipped on the 17th of this month, and the trucks will be shipped about two weeks afterwards.

Q. So that the bodies will be of very little service at the front until the trucks have arrived?—A. The bodies will be shipped here and put on the trucks.

Q. But when will the completed trucks be shipped from here for overseas service?—A. About two weeks after the 17th of this month.

Q. So that it will be approximately the first of August before your trucks will leave Ottawa?—A. It will.

And these charges that you have spoken of will continue until they are shipped?—A. They will continue and be charged to the work they are doing.

Q. That is not what I am asking you?—A. But I want to put that on record.

Q. You can do that afterwards, I do not want to confuse you, but I want to get at the particulars—these charges and rentals will continue until the first of August until these trucks are shipped?—A. They will continue until the end of the war because we have to replace these trucks with some more.

Sir CHARLES DAVIDSON: Do you not speak of this as the Second Contingent; they were sent as reinforcements, I am aware, but we have all styled it the Second Contingent, although the men went forward in details.

The WITNESS: They went forward as reinforcements.

Sir CHARLES DAVIDSON: How many men?

The WITNESS: About 20,000.

Sir CHARLES DAVIDSON: That you were called upon to supply?

The WITNESS: No sir, this is continuous. The first order was what was known as the Second Contingent.

Sir CHARLES DAVIDSON: It was first called the Second Contingent?

The WITNESS: Yes, but that has been dropped long ago.

Sir CHARLES DAVIDSON: We still continue to term it that colloquially.

Mr. THOMPSON: And it was officially reported in the newspapers that the Second Contingent had arrived at the front.

By Mr. Thompson:

Q. Is the transport now at the front, which we sent over in September or October, to serve those who went with the first expedition, as well as the 20,000 men which have followed on?—A. No, sir.

Q. Was this additional supply of 150 trucks to furnish transport for that additional draught of men?—A. It is for the Second Contingent in active service, not in England. There was never any intention of sending this transport to England.

Q. It is reported in the newspapers that this second division of 20,000 men has landed in France?—A. Only as reinforcements.

Q. It does not matter how they went, the trucks are not with them; they might land there as circus-riders or anything else, but were not these trucks supposed to supply them?—A. The War Office will not allow trucks used in England to go to the front any more. These trucks are all held to go direct to the front, and they will be shipped direct to the front when the Second Contingent is at the front.

Q. The point is, are these 150 trucks you have mentioned to supply and intended to supply and furnish transport for the 20,000 odd men who went over in March?—A. Yes, the men who were intended to go as an additional second division and did not so go.

Q. What will be done with these trucks?—A. These trucks will be sent as reinforcements for the first trucks, the same as the men were sent as reinforcements for the first men, who went.

Q. Do you know if the authorities have called for reinforcement by these trucks?—A. Not definitely, they are calling for trucks now.

Q. Do you know when they first called for trucks?—A. They have not called very hard yet.

Q. Have they called?—A. Yes sir, they are ready to ship some now.

Q. Have they called?—A. Yes sir.

Q. When?—A. Within the last three weeks.

Q. Was that the first call, the call which was made three weeks ago?—A. Yes sir.

Q. Are you quite sure of that?—A. It is the first I received.

Q. Who would be able to speak definitely as to that?—A. Any of the Militia Council.

Q. Have you been notified to, or were you requested to have the trucks ready some time ago?—A. I was requested to get the trucks first of all right, and then ready as quickly as possible.

Q. Shall I be able to get that information from the Quarter-Master General or one of his officers?—A. Yes.

Q. You think that would be the place I should apply for information on that point?—A. I think the Quarter-Master General or the Chief of the General Staff would know.

Q. Who is the chief of the General Staff, is that General Gwatkin?—A. Yes.

Q. I will ask him—you stated that your commission would amount to about nine thousand dollars; that is a commission, is it not, on the trucks which are now purchased?—A. A commission on the trucks and motor cars and bodies, and everything, as a matter of fact.

Q. Now purchased?—A. Yes.

Q. And you are to receive a further commission of one and a half per cent?—A. I have no such arrangement at present. I certainly will not do inspection unless I receive something for it.

Q. That is with regard to additional equipment?—A. Yes.

Q. Your contract applies to a definite order?—A. Yes, I gave you the figures for it yesterday.

Q. How was it that you gave up such a lucrative position in New York and gave your services for two months or more here without pay; I understand you were not under salary and had not made this contract with the Department until some time in February?—A. Yes, sir.

Q. So that for part of November, December, January, and part of February, you were receiving no remuneration and no pay; how was it you were willing to do that?—A. It was the understanding that I should make that arrangement, General Hughes—

[Motor Trucks—Thomas.]

Q. Wait just a minute now. It was a general understanding that you were to make what arrangement?—A. I made an offer to General Hughes to do this for one and a half per cent in New York.

Q. What date would that be?—A. That would be, I think, on the 16th, or just before the 16th—to be definite, it was the day after General Hughes arrived in New York from Europe.

Q. About when would that be?—A. It would be about the end of August. General Hughes wired me in Detroit.

Q. When?—A. The 14th of November. He wired me to come here.

Q. He wired you to come here?—A. Yes.

Q. Were you waiting three months before you got a definite arrangement?—A. I was.

Q. Were you here practically all that time waiting for a definite arrangement?—A. I was here continually all that time.

Q. Did you find that more profitable than the \$25,000 a year business which you said you had given up in New York?—A. It is not a question of profit, it is a question of duty.

Q. You considered it a matter of duty, did you?—A. I considered I had that information and the Government needed it.

Q. Was it for that reason you gave up, as you stated, your business which was worth \$25,000 a year?—A. It was. I have not given up my business, I am simply not attending to it, and it is producing nothing while I am here.

Q. You said yesterday: while I am doing this, I am giving up my entire business which is worth \$52,000 a year?—A. I have not closed my office or disconnected myself with it. I can go back to it at any moment.

Q. But your business is at a standstill in New York, is it not?—A. That is true, sure.

Q. The mill does not grind when you are absent?—A. No, not very well.

Q. You stated that you had visited some eighty factories in the United States and made a report to the Government or the War Office?—A. Eighty-four.

Q. I understand you to say that you made that visit, not at the direct request of the British Government but at the request of some person in authority?—A. In New York and Washington.

Q. Have you any objection to give the name?—A. Mr. Alfred Herbert.

Q. Did he pay you for making this inspection?—A. He did not.

Q. Did you request him to?—A. I did not. After I had made the tour I made the same offer to the British Government as I have made to this Government.

Q. After you had made the tour?—A. Yes.

Q. So that you had an eye to business, and as a sharp businessman, when making the tour, had you not?—A. It is a thing I am constantly doing, and I am paid for doing it by other companies. My work in America is entirely continuously reporting on American development to foreign companies.

Q. And you saw the chance of combining business with patriotism when you were making these visits?—A. I saw the chance of paying some of the expense. It might be called my ordinary business or what I expect it to be while the war is on.

Q. Would it not be considerably more than your ordinary business if you got a commission from the British Government for buying all the trucks?—A. At one and a half per cent?

Q. Yes?—A. I am not paid for buying, I am paid for inspection, and the work of inspection involves a large expense.

Q. Would not one and a half per cent on the large purchases of motor trucks by the British Government amount to a good deal?—A. One and a half per cent is just about paying my expenses of doing it here.

Q. You could not compare the purchases by Canada with the purchases by the British War Office?—A. Simply on the purchases of the British War Office in America.

Q. But the British War Office in America would pay a great deal more in the way of trucks than Canada would pay?—A. No sir, they have not.

Q. Did not you offer to buy for the British War Office at one per cent basis?—A. Yes, I offered to buy at one-half per cent. I offered to do the actual buying at one-half per cent, actual inspection one-half per cent, and one-half per cent for doing the details if I had to give up my business and go to Great Britain or go to Canada.

Q. Did the British Government accept that?—A. No.

Q. Did they express any reason why?—A. No they did not.

Q. When you were in New York you met General Hughes, I think you met him through Colonel Morgan, was it not?—A. I think Colonel Morgan actually introduced me to him.

Q. What are Colonel Morgan's initials?—A. I do not know, "H." something I think, I do not know. I do not know Colonel Morgan well, but I know that he has been in the British Army. That is all I know.

Q. I thought you might know his initials, because he apparently is friendly enough with you to ask you to take him out in your motor car?—A. He did.

Q. You do not know his initials?—A. I know one of his initials.

Q. What does that initial stand for?—A. I do not know.

Q. Is that the only initial he has?—A. I think so.

Q. Is he a partner with you in this commission?—A. I have no dealings with him whatever.

Q. And no part of your commission goes to him?—A. No part of my commission goes to any one other than to my brother who is in my company.

Q. Do you know whether the Kelly-Springfield Company is paying an additional commission to any person with respect to these trucks?—A. No, I know they are not.

Q. They are giving Canada a discount, I understand, of twenty-five per cent?—A. Yes they are.

Q. Are they allowing any further percentage or any sum of money to any other persons in respect to these trucks?—A. Not to my knowledge, I know that that is their ordinary wholesale price.

Q. Apart from it being their ordinary wholesale price, do you say that so far as you know they are not making any allowance to any person whatsoever, in addition to the twenty-five per cent?—A. None whatever.

Sir CHARLES DAVIDSON: Major Thomas, at page 458 of the Public Accounts Committee, the paging according to the blue book, there is a letter which you read before the committee dated March 29th, 1915, addressed to the Minister of Militia, in which you say the following is submitted to show a saving effected by purchasing certain chassis, replacement units, parts, and, tires, as follows?

The WITNESS: Yes sir.

Sir CHARLES DAVIDSON: Later on in that letter you say that by these figures the savings between the old prices and the present prices on the first two months amounted to a total of \$196,060?

The WITNESS: Yes sir.

Sir CHARLES DAVIDSON: In perusing this evidence, that statement of yours has startled me very much.

The WITNESS: I think you should ask for the production of the invoices.

Sir CHARLES DAVIDSON: I beg your pardon, Major, for a moment; it has startled me because it would demonstrate such looseness of expenditure and methods on the part of those dealing with the equipment of the First Contingent, as to almost amount to profligacy; do you still persist after the evidence you have given here, in that bluff statement?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: You have qualified it somewhat, in your evidence here before this commission.

[Motor Trucks—Thomas.]

The WITNESS: I have simply said it was due to my purchasing.

Sir CHARLES DAVIDSON: Because it is a grievous assault upon the business aptitude and almost the integrity of those dealing with the equipment of the First Contingent.

The WITNESS: It is the difference in dealing between wholesale and retail.

Sir CHARLES DAVIDSON: It needs to be supported. You still assert that is a fact?

The WITNESS: I assert that the prices on bicycles and tires were virtually retail because of the rush it was done in.

Sir CHARLES DAVIDSON: But you have not stated that in this letter which was submitted to the Public Accounts Committee.

The WITNESS: No, but they were for some reason or other virtually retail prices in the first purchases.

Sir CHARLES DAVIDSON: You leave that statement, then, unqualified, other than it has been qualified in your evidence before the Commission yesterday?

The WITNESS: Oh yes, sir, I think I have given the details, the list is attached to that.

Sir CHARLES DAVIDSON: Very well, we will leave that for the moment.

By Mr. Thompson:

Q. Are the Kelly-Springfield trucks, which are arriving, or which have just arrived, consigned to the Militia Department or to you?—A. To the Militia Department, I have nothing to do with the orders, I simply do the inspection.

Q. That is not the point, I want to know whether, as a matter of fact, the trucks are consigned to you or to the Militia Department?—A. They are, I believe, first consigned to the Director of Contracts.

Sir CHARLES DAVIDSON: I shall put further questions to you later on this subject. Where is Capt. Morgan?

The WITNESS: I think Capt. Morgan returned to London directly after that.

Sir CHARLES DAVIDSON: And is he not to come back to this side of the Atlantic?

The WITNESS: I have never seen him; in fact, I have never been in New York, but one day, since.

Sir CHARLES DAVIDSON: And have had no correspondence?

The WITNESS: None whatever.

Mr. THOMPSON: We shall have to subpoena him; that is all.

The witness retired.

STEWART H. MCKAY, Manager, Ontario Motor Car Company, Ottawa, sworn:

Examined by Mr. Thompson:

Q. Are you the agent of the Packard Company?—A. Yes, sir.

Sir CHARLES DAVIDSON: In Canada?

The WITNESS: In Ontario. I am manager of the Ontario Motor Car Company in Ottawa, and we are the agents in Ontario for the Packard car.

Examination resumed by Mr. Thompson:

Q. Mr. T. A. Russell bought a number of Packard trucks for the First Expeditionary Force last autumn. Are you familiar with that transaction?—A. Yes, he bought four 2-ton trucks from us.

Q. He had the negotiations through you?—A. Through me and our Toronto office.

Q. Do you remember what discount was allowed the Government?—A. We did not allow the Government any discount.

[Motor Trucks—McKay.]

Q. What is quite right; it was on the second purchase?—A. They did not buy any from us on the second purchase.

Q. That was for use at Valcartier?—A. Yes, they went to Valcartier.

Q. How many?—A. Four.

Q. Yes, there was no discount on that; you are quite right. Where are you residing—in Ottawa, or at Toronto?—A. In Ottawa.

Q. How do you come to be interested?—A. I am manager of the branch here in Ottawa.

Q. But the testing was all done in Toronto?—A. There was no testing done with the trucks.

Q. No testing at all?—A. No, not with the four first trucks.

Q. When the trucks were brought in from the United States did you do the buying or was it the Toronto office?—A. It was done through our Toronto office.

Q. Then what do you know about the transaction? If the Toronto office imported them and you are residing here, how can you be familiar with what transpired between the parties in Toronto?—A. I know the trucks were bought from the factory.

Sir CHARLES DAVIDSON: Do you know it personally?

The WITNESS: No.

Examination resumed by Mr. Thompson:

Q. Do you receive the discount from the factory or does your Toronto agent receive it?—A. We receive the discount from the factory.

Q. Did your Toronto agency receive any discount?—A. It is the Ontario Motor Car Company that I am talking of. We have an office in Toronto and one in this city.

Q. Was it the Toronto office which carried out the transaction?—A. With the factory, yes.

Q. Did they receive the full discount and remit to you what you were entitled to?—A. Yes.

Q. Well then you cannot tell me what I am trying to get at?—A. —

Sir CHARLES DAVIDSON: Did you make any bargain for tires?

The WITNESS: No.

Examination resumed by Mr. Thompson:

Q. You did not make the bargain?—A. No.

Q. It was the Toronto agency?—A. The Toronto agency.

Q. They could give the full information?—A. Yes.

Q. Who is the man I should apply to for that?—A. Mr. Kennedy.

The witness retired.

Mr. THOMPSON: The other agents will, unfortunately, not be here until to-morrow, sir. I have subpoenaed the president as well as the vice-president of the Gramm Company. They will be here to-morrow, and I hope to be able to conclude with motor trucks to-morrow, probably in the morning. I would suggest that in the meantime we proceed with the oats; that is the purchase of oats from a firm named George Sparks & Son, of Vars, Ontario.

Sir CHARLES DAVIDSON: It is desirable to have the Auditor General here.

Mr. THOMPSON: I saw the Auditor General this morning, and he said that he would be here. The vendor of these oats will be here in a minute; he is coming in on the train which arrives here a few minutes before twelve.

ALBERT SPARKS, of George Sparks & Son, Vars, Ont., sworn:

Examined by Mr. Thompson:

Q. Are you the son of George Sparks, of Vars?—A. Yes, sir.

Q. Are you the son referred to in George Sparks & Son?—A. Yes, sir.

[Oats—Sparks.]

Q. You had a contract last August, I think, for the supply of oats?—A. Yes, sir.

Q. For the Government?—A. Yes, sir.

Q. You were asked to tender, were you not?—A. Yes, sir.

Q. Have you got the request there in your possession?—A. It was a telegram; I have not got it.

Q. You got a telegram asking you to supply oats?—A. Yes.

Q. Did it say how many?—A. Yes.

Q. What did it say?—A. Well, if I remember right, it was 40,000 bushels.

Q. Did it specify what sort?—A. Yes—No. 2 Canadian Western.

Q. Forty thousand bushels of No. 2 Canadian Western?—A. Yes, sir.

Q. Was there any other qualification or specification?—A. That was all.

Q. When was that telegram received by you or by your father?—A. In the latter part of August.

Sir CHARLES DAVIDSON: Have you got the telegram?

The WITNESS: No, I have not got the telegram with me. I do not know whether it has been mislaid; I could not find it.

Sir CHARLES DAVIDSON: From whom?

The WITNESS: Mr. Brown.

Sir CHARLES DAVIDSON: The Director of Contracts?

The WITNESS: Yes, sir.

Examination resumed by Mr. Thompson:

Q. Did it specify within what time the oats had to be delivered?—A. Yes, sir.

Q. How long did it give you?—A. They were to be delivered in Montreal by the 10th September.

Q. When was the telegram received by you?—A. The latter part of August.

Q. It was the 24th August, I think?—A. Yes.

Q. Will this be the telegram—I shall put it in later:—

Please wire quotations before noon 26th inst., delivery f.o.b. docks Montreal subject inspection there. Hay, 1,275 tons baled three wires to bale, good timothy, sweet, dry, clean and well saved, free from weeds, not exceeding 20 per cent clover. Forty-four thousand bushels No. 1 white oats 34-pound bushel, properly bagged. Three hundred tons wheat or oat straw, long sweet dry, clean free from weeds. Fifty tons bran. Only last year's crop hay accepted. Required at Montreal by September 10.

Did you get that?—A. I got something like that; I could not say it was that.

Q. Is that pretty close to it?—A. It is something like that.

Sir CHARLES DAVIDSON: No. 2 Canadian white?

Mr. THOMPSON: No. 1 white oats.

Sir CHARLES DAVIDSON: He said they were No. 2 Canadian Western.

The WITNESS: No. 2 Canadian Western is what my contract calls for.

Examination resumed by Mr. Thompson:

Q. Are you sure?—A. Yes.

Q. Did you have any negotiation with the department after you received the telegram about the oats?—A. No, sir, I tendered for 6,000 bushels.

Q. But the telegram to you called for No. 1. When was it changed to No. 2?—A. I could not say whether it called for No. 1 or not.

Q. You supplied No. 2, did you not?—A. I could not say what grade was supplied; I could not tell you.

Q. Apparently the tenders were changed to No. 2 white oats because nobody would quote on No. 1?—A. No.

Q. Were No. 1 oats scarce?—A. I have never seen a car of No. 1 oats.

[Oats—Sparks.]

Q. What is No. 1 oats?—A. Choice.

Q. No. 1 would be a separate class, would it not?—A. Yes.

Q. How much higher is No. 1 than No. 2 on the market?

Sir CHARLES DAVIDSON: There is no market; he has never seen that grade.

The WITNESS: I do not know what it would be worth.

Examination resumed by Mr. Thompson:

Q. How are the oats which you usually deal in quoted on the market?—A. Two, three and four. We never see No. 1 quoted on the market at all. It is never quoted in the papers that I have ever seen.

Q. Did you or your father write to the Department making the quotation?—A. Yes, sir.

Q. Did you state how much you could supply?—A. Yes, we tendered for 6,000 bushels.

Sir CHARLES DAVIDSON: That is for No. 2 Western?

The WITNESS: Yes, sir.

Examination resumed by Mr. Thompson:

Q. No. 2 Western means a grade of oats?—A. No. 2 Canadian Western is supposed to be oats from Manitoba, Saskatchewan, or Alberta.

Q. Are these better than No. 1 in Carleton?—A. As a rule they are.

Q. Western oats are better than Ontario oats?—A. Yes, sir, as a rule.

Q. And that is why they called for Western oats?—A. Yes.

Q. Did you have these oats on hand when you received the request to tender?—A. I knew where I could get them.

Q. Are you a dealer in hay and oats?—A. Yes.

Q. Is that your occupation?—A. Well, part of it.

Q. I see it is in the name of George Sparks & Son?—A. Yes.

Q. What do you do?—A. We handle grain and live stock and run a large farm as well.

Q. Your father and yourself?—A. Yes, George Sparks & Sons is the name of the firm. There are four sons. Of course, I do the business.

Q. You are the business man?—A. Yes.

Q. I understand your father is very old?—A. Yes.

Q. From whom did you buy these oats?—A. W. H. Dwyer & Co. We do not handle any Canadian Western oats as a practice. Only the very big dealers do that.

Q. Where are W. H. Dwyer & Co.?—A. In Ottawa, here.

Q. What do they deal in?—A. Hay and grain.

Q. Are they big dealers?—A. I guess one of the largest Ontario dealers we have.

Q. Would they be larger than most of the men in Montreal in a similar line of business?—A. I think they are larger.

Q. You think they are one of the largest firms of hay and grain men in Ontario?—A. I would consider them one of the largest.

Q. They have a good reputation as hay and grain men?—A. I think they are all right.

Q. Do you know of any firm doing a larger business than Dwyer & Co.?—A. I could not tell.

Q. You have had some experience of them?—A. Yes, we have handled a lot and I have known Dwyer & Co. for several years.

Q. As soon as you received the telegram asking you to tender for 40,000 bushels did you come in to Ottawa?—A. I phoned him and asked him if he could supply them.

Q. What did he say?—A. He said that he could supply 6,000 bushels and that if I could get the order he could give me 6,000 bushels.

Q. What prices did he quote to you?—A. There has been a misunderstanding in regard to the price.

Q. What price do you say he quoted you?—A. Sixty-five cents to me.

[Oats—Sparks.]

Q. Did he say that 6,000 bushels was the most he could get?—A. Yes sir.

Q. Were No. 2 oats pretty scarce then?—A. At that time of the year. This was too early for the new oats and it was the last of the old oats.

Q. Were there any oats in warehouses or elevators?—A. They seemed to be scarce at that time.

Q. Why? Did you make any inquiry any place else for oats?—A. I did later on after I got the order.

Q. But there was a chance was there not, to make quite a bit of money if you could have supplied the whole 40,000 bushels? Did you not try to fill the whole order?—A. No.

Q. You just rested after the one telephone message?—A. Yes sir.

Q. You say he quoted 65 cents; what does he say?—A. 67.

Q. What price did you get from the Government?—A. 67 cents.

Sir CHARLES DAVIDSON: He first asked 67 cents?

The WITNESS: No, I understand he quoted me 65 cents.

Examination resumed by Mr. Thompson:

Q. And Dwyer says his price was 67 cents?—A. Yes.

Sir CHARLES DAVIDSON: What do you mean by that?

Examination resumed by Mr. Thompson:

Q. There was a misunderstanding over the telephone apparently?—A. Yes, as to the price.

Q. Did that price include oats in bags?—A. Yes, delivered on the dock in Montreal.

Sir CHARLES DAVIDSON: I understand that when they came to settle Dwyer said: It is not 65 but 67?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Did you take his word as to that?

The WITNESS: Well, no, it was left to Judge Gunn to decide. Mr. Dwyer said that I never bought any oats from him, that it was my wife that bought them and that he had sold them to her but that is not true because she never bought oats from anybody.

Examination resumed by Mr. Thompson:

Q. Did your wife telephone to him about oats?—A. Not in regard to price. After they were shipped she had some conversation with him.

Q. That is immaterial. You did telephone asking him to supply them?—A. Yes.

Q. Did Dwyer ship the 6,000 bushels of oats to you?—A. No, they were delivered in Montreal on the dock.

Q. By whom?—A. By Dwyer.

Q. At the dock?—A. Yes.

Q. Then did you send in your bill to the Department?—A. Yes.

Q. At what price?—A. 67 cents.

Q. And you would pay Dwyer out of the Government cheque?—A. Yes.

Q. And the Government paid you?—A. The Government paid me and I paid Dwyer.

Q. The Government paid you at the rate of 67 cents?—A. Yes.

Sir CHARLES DAVIDSON: As I understand it, when you came to pay Dwyer he said: My price is 67 cents.

The WITNESS: Yes.

Examination resumed by Mr. Thompson:

Q. He evidently wanted the middleman's profit?—A. Yes, he wanted it all.

Q. Is that usual with grain men?—A. —

Sir CHARLES DAVIDSON: Suppose you had bought at 67 cents what would you have done in regard to the Government as a matter of patriotic duty?

The WITNESS: —

Examination resumed by Mr. Thompson:

Q. However, you bought them all from Mr. Dwyer?—A. I bought them all from Dwyer and Co. There was some little misunderstanding. I told him what I wanted—No. 2 Canadian Western. He would not give me a certificate and he never even gave me the receipt from the Government man in Montreal.

Q. They were accepted by the Government?—A. Yes, they paid for them any way.

Q. Whether they were good or bad?—A. Yes.

Q. Did Dwyer say whether they had been inspected?—A. No, he did not say they were No. 2 Canadian Western.

Q. You were not interested?—A. I was interested; I bought No. 2 Canadian Western and I wanted to find out what I had got. I could have bought local oats for ten cents a bushel less. I understand Dwyer said that he put in some local oats.

Q. You wanted Canadian Western?—A. Yes; they were part Canadian Western but they were not all.

Sir CHARLES DAVIDSON: Who inspected the oats?

The WITNESS: I understand a man named Sadler. I have a copy of the receipt of them that went to Montreal. Perhaps that would be of some use.

By Mr. Thompson:

Q. Have you the receipt?—A. I have a copy. They would not give me the receipt. It is on W. H. Dwyer's letter head.

Q. What have you in the way of correspondence?—A. I have some of them here.

Q. I presume, Mr. Sparks, you will require this correspondence for your fight with Dwyer?—A. We have had our fight.

Q. Did Dwyer accept the sixty five cents?—A. No. Judge Gunn decided we had to pay the whole amount.

Sir CHARLES DAVIDSON: So you had to pay the sixty seven cents.

The WITNESS: Sixty seven cents. I have not paid it yet. I suppose when this investigation is over I shall have to pay it.

By Mr. Thompson:

Q. It was not a very profitable war contract?—A. No. It was not. There is Dwyer's invoice to us and it shows what he claimed for them.

Q. Does this show what style of oats were delivered?—A. No. He made a draft on me before he ever gave me a receipt for them in full. I would not pay it and he has entered suit against us for the amount. As soon as I got paid I paid him, all but two cents a bushel.

Mr. THOMPSON: I will put in one exhibit, an invoice from W. H. Dwyer to Messrs. Sparks and Co. 2,550 bags, 6,000 bushels at sixty seven cents; a letter from the Director of Contracts to George Sparks and Son notifying them that their tender for 6,000 bushels of oats had been accepted; and a formal letter from J. W. Borden, Accountant of the Militia Department stating that he enclosed cheque for \$4,026.

(Document filed and marked as Exhibit No. 52.)

Q. How do you know that they were not all western oats?—A. Mr. Dwyer told me that they were not.

Q. Did you tell him what were required by the tender?—A. Yes, sir.

Q. What did you tell him?—A. Number two Canadian western.

Q. Did he tell you how much oats were not number two western?—A. He did not say how much.

Mr. THOMPSON: The witness has handed me a receipt signed by W. J. Sadler, Lieutenant-Colonel in charge of the supply depot. It is dated 25th of September, 1914, at Montreal and reads as follows:

Received of W. H. Dwyer Co., Ltd., for account Sparks and Co., 2,550 bags-oats, 80 pounds each, 6,000 bushels.

[Oats—Sparks.]

Were No. 2 western oats plentiful at that time?—A. Not at that time of the year, no.

Q. Was that especially so of last year or is that generally the case in August?—A. It is generally the case in August. The new oats come in in September and the old oats are pretty well out.

Q. Do you know the names of most of the large dealers in oats, hay and feed?—A. I know several.

Q. Do you know any of them in Montreal?—A. Yes.

Q. Do you know G. H. Simpson?—A. No.

Q. Do you know J. McDonnell?—A. Yes, sir.

Q. Is he a large dealer?—A. I understand so, yes.

Q. And as far as hay and oat dealers go, has he a reputable standing?—A. The only dealing I had with him was we supplied some hay and oats last fall.

Q. Do you know the Montreal Hay Company?—A. No sir.

Q. Do you know W. Lamarre and Co?—A. No, sir.

Q. Do you know H. Desrochers & Co?—A. Yes, sir.

Q. Is he in a large way of business?—A. I suppose so.

Q. These were all asked to tender on hay, oats, etc. Do you know R. H. Pringle as a hay and oat dealer in Ottawa?—A. No, sir.

Q. Do you know Morris Shaver of Ottawa as a hay and oat dealer?—A. Yes, sir.

Q. Do you know any Nova Scotia hay and oat dealers?—A. No, sir, I do not.

Q. Do you know any of the New Brunswick dealers?—A. No, sir.

Q. Do you know a dealer named Lemire of Montreal?—A. No, sir.

Q. Would there likely be a large supply of these western oats in Montreal at that time do you think?—A. I would not think there would be a large supply at that time, no.

Q. How much lower were Ontario and Quebec oats?—A. We could have bought Ontario oats about the time that this contract was filled—they could have been got in the country for about fifty to fifty-two or fifty-three cents. That is at country points.

Q. Do you follow the stock market quotations in the papers?—A. Yes, sir.

Q. Amongst these quotations on hay, feed and all that sort of thing?—A. Yes, sir.

Q. When oats are quoted there do they refer to western oats and Ontario oats?—

A. There is a quotation on both Canadian western and local oats.

Q. And what was the daily price of number two western oats at that time?—A. Oh, from sixty cents to sixty-five cents delivered in Montreal.

Q. Where would one buy them at sixty cents?—A. They were running along from sixty to sixty-five cents. Of course it cost something to sack the oats.

Q. How much to sack them?—A. Oh, it would cost about three cents a bushel.

Q. So that you were quoting pretty close at sixty-seven cents?—A. Yes, sir.

Q. What did Ontario oats in bags cost at that time?—A. I could have bought them and delivered them in Montreal for about fifty-seven cents.

Q. In bags? Is that good quality?—A. Well, that would be new oats.

Sir CHARLES DAVIDSON: The difference in price between western and local oats is based on difference in food value is it?

The WITNESS: What would make a big difference at that time would be the difference between the new and the old oats. The new oats, just after being threshed, would shrink a lot, being soft.

By Mr. Thompson, K.C.:

Q. Why are western oats more expensive?—A. They are better oats as a rule. They weigh heavier for the bulk.

Q. More food in them, in other words?—A. Yes, sir.

Q. So the difference in price is supposed to represent a difference in resulting value, is it?—A. Yes, sir.

The Commission took recess.

On resuming after luncheon.

JOHN FRASER, Auditor general, Ottawa, sworn:

By Mr. Thompson, K.C.:

Q. I do not know whether you were here this morning when Mr. Albert Sparks, one of the firm of George Sparks and Son gave evidence and stated that this firm purchased oats which were supplied to the Government from H. W. Dwyer and Co., of Ottawa; that there was a dispute as to the price and apparently, as the result of litigation, Dwyer was entitled to charge Sparks sixty-seven cents a bushel and that was the price at which they were sold to the Government. Mr. Sparks also stated that oats, western oats, number two grade, were very scarce last Autumn. Do you know anything as to the market price at that time?—A. Yes. Some time in August, the early part of August, the Government commandeered all the oats that were at Port Arthur in the elevators and paid for them afterwards on the market quotations of those days. My recollection of the price paid is somewhere about fifty-two cents or fifty-three cents.

Q. Would that be for western oats?—A. Yes, western oats. That was not bagged.

Q. The evidence is that it would cost about three cents to bag them?—A. I figured it at about four cents.

Q. And where were you reckoning the purchasing of the oats? It would make a difference whether it was in Winnipeg or Montreal?—A. Oh, yes it was at Port Arthur.

Q. What would one have to add to that in the way of freight in order to arrive at the price in bags at Montreal?—A. I could not say.

Q. Could you give us approximately?—A. No, I could not say. It would not be anything like the difference in prices.

Q. What would the oats then cost in bags at Port Arthur, according to your estimate?—A. That would be about fifty-six.

Sir CHARLES DAVIDSON: How many bushels did they commandeer at Port Arthur?

The WITNESS: I think about half a million.

By Mr. Thompson:

Q. Was that the total amount purchased by the department?—A. At that time.

Q. And do you know what the average price was?—A. I think that was the price they paid for the whole of them.

Q. What price?—A. Fifty-two or fifty-three cents.

Sir CHARLES DAVIDSON: Did they commandeer elsewhere?

Mr. THOMPSON: I understand they were not commandeered.

The WITNESS: Yes, that is what I understood.

By Mr. Thompson:

Q. Was that subsequent to this contract which we are investigating?—A. No, prior.

Q. Were all oats commandeered or simply the oats in certain elevators?—A. The elevators at Port Arthur.

Sir CHARLES DAVIDSON: Not elsewhere?

The WITNESS: Not that I know of.

By Mr. Thompson:

Q. If they were commandeered at that price possibly it accounted for the shortage in Ontario?—A. Possibly.

Q. And if all western oats were commandeered would that not increase the price very considerably?—A. Naturally. I now understand that is what happened. I had no explanation from the Militia Department at the time. I might say that one of the objections I had to the transaction was the not calling for public tenders. Tenders were submitted to a few parties and my information afterwards was that they obtained

[Oats—Fraser.]

the oats from others that did not have an opportunity of tendering and that there would naturally be some increase in price owing to two hands instead of one.

Q. I notice they called for tenders from about twenty-six different persons?—A. Some of them not in the trade at all.

Sir CHARLES DAVIDSON: Not in any cognate trade at all?

Mr. THOMPSON: I think the Auditor General would appear to be correct. I see R. A. Pringle. I am afraid that is our learned brother professional and I am not aware that he was in oats. He may be dealing in legal fodder, but I do not think that would come within the description contained in the telegram.

By Mr. Thompson:

Q. In view of the later information which you have received in regard to the commandeering of oats, does the price paid to Sparks & Co. appear to be reasonable?—

A. Yes. I understand that Sparks did not make anything out of the oats.

Q. That is what he says; he did not receive anything except some litigation. But do you think that the person he bought from made a profit which would appear unreasonable?—A. I understand not; but I could not say, he can speak for himself.

Q. His name was Dwyer?—A. Yes.

Q. Is he here yet?—A. He is here now, yes.

Q. That is about all you can say?—A. That is all.

Sir CHARLES DAVIDSON: And is there any other circumstance connected with this matter that you would suggest as interesting in the way of investigation?

The WITNESS: No, Mr. Commissioner. I was perhaps misled in my ideas about it on account of the prices the Government paid a short time before and then such a large increase without knowing any particular cause for it.

By Mr. Thompson:

Q. And would the same observations apply to the contractor in Montreal named McDonnell?—A. Well, possibly. He got seventy cents. I do not know what he had to pay for them in Montreal.

The Witness retired.

W. H. DWYER, sworn.

By Mr. Thompson:

Q. What is your occupation?—A. Grain and hay.

Q. Are you a member of the firm of W. H. Dwyer and Co.?—A. Yes, sir.

Q. Do you recollect buying some six thousand bushels of oats for George Sparks and Son, of Vars, last autumn?—A. No, not buying oats for Sparks.

Q. For them?—A. No.

Q. Did not Sparks instruct you?—A. You asked me if I bought oats for Sparks, I say no.

Q. You had some dealings with Sparks in regard to oats?—A. We sold oats to Sparks.

Q. For the Government was it not?—A. I suppose so.

Q. Did you not, as a matter of fact, ship them to Montreal?—A. We delivered them on the dock in Montreal.

Q. And did you charge George Sparks and Son the price?—A. We charged George Sparks and Son the price.

Q. What price?—A. If my memory serves me right it was sixty-seven cents delivered on the wharf.

Sir CHARLES DAVIDSON: You had them in stock had you?

[Oats—Dwyer.]

The WITNESS: Yes, sir. I do not know how long they were in stock. Our Montreal office handled them. All I did personally was to sell the oats to Sparks for account of our Montreal office. How long they had them in stock I have no way of knowing. I did not ask.

Sir CHARLES DAVIDSON: Did you see the oats?

The WITNESS: I did not.

Sir CHARLES DAVIDSON: But you knew they were there?

The WITNESS: Before making the sale I naturally telephoned them to know if they had oats and at what price. I passed the quotation on to George Sparks and Son. They accepted and we delivered.

By Mr. Thompson:

Q. You know sort of oats they were?—A. I do not, sir.

Sir CHARLES DAVIDSON: You do not remember now. You did know then?

The WITNESS: I suppose our Montreal office knew. I did not know. We were to deliver oats there to satisfy an inspector.

By Mr. Thompson:

Q. Did Sparks tell you what sort of oats were required?—A. No. We did not say anything except we were to deliver the oats to satisfy this inspector.

Q. Did Sparks telephone you personally?—A. Sparks' wife did. At least I supposed it was his wife.

Q. Did not Albert Sparks or his father telephone you?—A. Not with regard to oats, no. My recollection is that Sparks' wife telephoned over for a quotation.

Q. Did they say what sort?—A. No, we knew what sort. We had already delivered a shipment of oats, at least a consignment.

Q. What sort of oats were required?—A. They had to be clean, heavy, white oats.

Q. Would Ontario oats be satisfactory?—A. I do not think so.

Sir CHARLES DAVIDSON: Western oats.

The WITNESS: I think western oats were required.

By Mr. Thompson:

Q. When you speak about white oats does that apply to western only?—A. No.

Q. But you knew they were to be western oats?—A. No, I did not know. They were to be an oat up to a standard. There is any amount of our Ontario oats, if there were no western men around I would say better than western, heavier, just as clear and heavier to the bushel. They are equally as good as the western.

Q. That is a delicate question when there is a westerner around I suppose?—A. Yes, I looked around to see that there were none.

Q. But apparently the department are a little prejudiced in favour of western oats because in their telegram to contractors they call for number two western oats?—A. I am not a contractor, I do not know.

Q. Did you know that?—A. No, I did not.

Q. So that if your Montreal office had oats stored would your western oats be mixed with Ontario oats or do you keep these separate in the warehouse?—A. They might or might not be.

Q. Could your Montreal office say whether they were western oats which were delivered?—A. Possibly they could.

Q. Would not their invoice show?—A. No.

Q. Would not their books show?—A. I do not think so. If we had one hundred thousand bushels of oats in a certain elevator in Montreal and took out six thousand or seven thousand bushels, the books would not show what they came out of.

Q. Would they not?—A. They would not in my office.

Q. But if the price is different surely your books would show what quality you were drawing off from the elevator would they not?—A. I do not think so really.

Q. There is a difference, is there not, in the prices?—A. Sometimes.

[Oats—Dwyer.]

Q. In the price of Ontario oats and western oats?—A. Sometimes, both ways.

Q. What do you mean by sometimes both ways?—A. Sometimes the Ontario oats are worth more than western and sometimes it is the other way around.

Q. What was the respective price last autumn?—A. I could not commence to tell you to-day, sir. These prices change as much as two cents in a day.

Q. A witness stated to-day that there was a considerable difference, sometimes ten cents which would be a difference of fifteen to twenty per cent in the value?—A. Between Ontarios and western?

Q. Yes, last autumn. Do you think he would be in error about that?—A. Well, I would not like to say. I have very seldom seen a difference of ten cents unless it was a difference between No. 1 C.W. and a very low grade Ontario. It might be made out in that way but not between a No. 2 western and a No. 2 Ontario, I will guarantee.

Q. Who in your Montreal office could give us information as to the quality of oats which were supplied to the Government?—A. If anybody can the manager there, my brother.

Q. What is his name?—A. H. D. Dwyer.

Q. What is his address there?—A. 302 Board of Trade, Montreal.

Q. That is all you can tell us is it?—A. Well along the line you are asking me.

Q. Did your Montreal office have any communication with Sparks so far as you know?—A. No. I do not think so, any more than sending the invoice of the goods.

Q. If your Montreal office had supplied oats of the western grade, would the shipment be so invoiced?—A. I do not think so, no. If oats were sold inspected 2 C.W. they would likely be so invoiced but if not sold inspected 2 C.W. they would not be invoiced in that way. And I might say that oats put up in sacks cannot be inspected; you cannot get a certificate for them. Therefore they were not likely invoiced as 2 C.W. There is no inspection issued for sacked oats in Montreal.

Q. The department bought these subject to inspection?—A. They inspected them.

Q. In Montreal?—A. Yes, sir, gave a certificate for them.

Q. And would the inspection in the bags indicate whether they were Ontario or western oats?—A. The inspection in the bags, the letter which we got which was not really a Government inspector's certificate, it was a letter from the inspector himself.

Q. Who was the inspector?—A. I could not tell you his name to-day. The party who inspected them gave a letter saying these oats were satisfactory to fill the contract or something to that effect.

Q. As a practical grain man would you say whether an inspection in bags would show whether the oats were western oats or Ontario?—A. I would say where an inspector was told to say whether they were or not he would likely do it if he could.

Q. That is hardly my question. If you were an inspector and the contract called for western oats and you were inspecting a number of bags of oats, could you tell whether the bags contained western oats or Ontario oats if there was a mixture of both kinds?—A. I could not. If there were certain grades of Ontario mixed with certain grades of western I could not tell them apart.

Q. Suppose a good grade of Ontario with No. 2 western, could you tell?—A. I do not think I could in some seasons. In some seasons it is quite different from other seasons. If our Ontario is as white as the western I would almost defy any one to tell them apart.

Q. As to food value are they about the same quality, the western and Ontario?—A. If they both weighed the same to the bushel I consider the Ontario oats are the better of the two for the reason that they have less hull which has no food value.

The witness retires.

JOHN A. RUDDICK, Dairy and Cold Storage Commissioner, sworn.

By Mr. Thompson:

Q. What is your occupation?—A. I am a Civil Servant, Department of Agriculture.

Q. Are you an expert on oats?—A. No, sir, not particularly. I am supposed to be an expert in connection with dairying and work of that kind.

Q. Have you a fair knowledge of qualities and values of oats?—A. I would not pretend to know anything about qualities or values. I have been handling a lot of oats. I have been purchasing and shipping a lot of oats for the War Office since the war broke out.

Q. Can you tell me the prices of western oats last August?—A. I can tell what we paid.

Q. What do you mean when you say what we paid?—A. The oats were bought in the beginning by different parties; I did not buy any of these oats until I think about the beginning of the year, personally I have only the records that passed through my hands in handling these oats in shipment.

Q. What did you pay for western oats last August, about the twenty-fourth?—A. What grade?

Q. Number 2?—A. Number 2 C.W. There was on August, 1,560,000 bushels of oats were commandeered in the elevators at Fort William and the price paid was 47.30. That was the price at Fort William in bulk.

Q. Was that when they were commandeered?—A. Yes.

Q. That would withdraw a very large supply of western oats from the eastern market?—A. No, not at that time. Half a million bushels would not make much difference.

Q. Come down to a little later date?—A. When you asked me the price, you asked the price of number 2 C. W. oats. I cannot tell you the grade of these oats. I have not that information here. I had it on the invoices but I have not it here.

Q. What did you pay for oats then on the twenty-fourth of August?—A. The price went up in the meantime very much. On the twenty-fourth of August there was purchased on this account 57,000 bushels at 68½ cents on the basis Port McNicol.

Q. Where is that?—A. It is a Georgian Bay port.

Q. How do you account for the great variation between 47½ cents and 68½ cents?—A. Because the market had gone up in the meantime.

Q. Is that loose or in bags?—A. All that is in bulk, all these prices are in bulk.

Q. What would it cost to transport oats from Fort William to Montreal?—A. During the winter months the rate was 3½ cents per bushel of 32 pounds.

Sir CHARLES DAVIDSON: What is the average weight of a bushel of oats?

The WITNESS: Canadian oats are bought on the basis of 34 pounds to the bushel.

Sir CHARLES DAVIDSON: Canadian western?

The WITNESS: Yes, all Canadian. That is the Canadian standard. But the export rates are based on a 32-pound bushel which is the American standard, to compete with the American rates on the other side of the line.

By Mr. Thompson:

Q. So the oats for which you paid 68½ cents at Port McNicol would be pretty nearly 72 cents in Montreal?—A. Yes.

Q. And then the evidence is that it costs about three cents a bag to bag oats?—A. It cost from three to five cents. It costs us now about five and a half cents.

Q. More than three cents, put it down low. Then the oats you have just referred to would be 75 cents in Montreal bagged?—A. I would have to go back to look at the cost of bagging at that time because the cost of sacks has gone up.

Q. Take it low. It would be approximately 75 cents would it not?—A. It cost more than three cents to sack oats at that time. It cost that much for the sacks alone and sacking costs one cent a bushel. You cannot sack oats for three cents.

[Oats—Ruddick.]

Q. Then Mr. Dwyer suggests there will be an elevator charge?—A. Yes, there is an elevator charge at Montreal. It all depends on how the purchase was made whether there would be an elevator charge at Fort William or Port McNicol.

Q. So if you were a private individual and wanted to deliver these oats in bags f.o.b. ship at Montreal, it would cost you somewhere between 76 cents and 80 cents a bushel would it not?—A. Yes, it would.

Q. And when you got those oats at Port McNicol at 68½ cents was that a pretty close price at that time?—A. I could not say. I did not make that purchase myself.

Q. Do you know whether that was the current price of oats at that time?—A. I think it was. I have no reason to suppose it was not.

Q. On the 24th of August?—A. Yes.

Q. So Mr. Dwyer furnished oats at a pretty reasonable price when he sold to Sparks at 67 cents?—A. Well as I say I cannot express very such opinion on the value of oats.

Q. I am just judging by your price?—A. On the 26th—Oh I have been giving you some wrong information. That date was not the 24th of August it was the 24th of January. There were no oats purchased between the 19th of August and the 20th of January. I did not notice.

The witness retires.

MR. THOMPSON: That concludes the evidence, sir, in this oats case, unless you think it advisable to call the Montreal Manager of the Dwyer Company to show what quality of oats was supplied. Possibly, if these oats passed the inspection, that would be immaterial.

Sir CHARLES DAVIDSON: It does not seem necessary just now.

FROSST TENDERS ON MEDICAL SUPPLIES.

CHARLES E. FROSST, manufacturing chemist, of the city of Montreal, sworn:

By Mr. Thompson:

Q. What is your occupation, Mr. Frosst?—A. Manufacturing chemist.

Q. Where do you carry on business?—A. In Montreal.

Q. Have you sold any medical supplies to the Dominion Government since the outbreak of the war?—A. I have sold something amounting to seven or eight dollars, practically nothing.

Q. Did you apply to the department in response to any request for tenders?—A. We sent in repeated requisitions with prices.

Q. This document which is filed as Exhibit No. 53, a tender which you put into the Militia Department for drugs and supplies?

(Document filed as Exhibit No. 53.)

A. It is for the amount indicated and the cost indicated.

Sir CHARLES DAVIDSON: How much is the amount?

The WITNESS: \$624.

Sir CHARLES DAVIDSON: Were you allotted that contract?

The WITNESS: We were not.

By Mr. Thompson:

Q. Is this document which I hold in my hands a tender which you made to the Militia Department for drugs?—A. Yes.

(Document filed as Exhibit No. 54.)

Q. What have you to say as to that?—A. The last answer would cover this lot.

Q. What is the amount of that offer, Exhibit No. 54?—A. \$1,518.74.

Q. You had some correspondence, had you not, with the Department of Militia and Defence?—A. Yes. I showed you that correspondence this morning, Mr. Thompson; we were not awarded the contract under that offer. I feel that we quoted so often we would not like to quote prices again if it would not bring the business. I wrote to that effect and I wanted to know who secured the contract and at what price.

Q. Did they refuse to tell you who secured the contract?—A. Yes.

Q. What did they say about giving the information?

Sir CHARLES DAVIDSON: Where is the correspondence?

The WITNESS: I have not got it here.

Sir CHARLES DAVIDSON: You wrote a letter addressed to me, and you were asked to come here and bring all your correspondence.

The WITNESS: I brought it this morning and I showed it to Mr. Thompson. I left it at the hotel and he took one paper out and returned the rest to me, and I thought the correspondence would not be needed further.

Mr. THOMPSON: My reason for selecting these two documents was that these referred to two requisitions from the medical stores giving a number of details. These were the only two documents of that nature which the witness had in his possession.

The WITNESS: I desired to get from the director of contracts the name of the person to whom this contract was allotted and the price at which it was allotted.

Sir CHARLES DAVIDSON: Mr. Thompson, do you desire to have his papers here, with him.

Mr. THOMPSON: The witness, I might state, showed me the prices at which he had tendered on No. 1 hospital box. It was something over \$200, was it not, Mr. Frosst?

The WITNESS: I really do not know whether it was No. 1 hospital box or not. I know it was No. 1 box.

Mr. THOMPSON: Your price was something over \$200?

The WITNESS: Yes.

Mr. THOMPSON: The evidence is that that was awarded to the Hartz Company of Toronto at \$145.

By Mr. Thompson:

Q. At what price did you quote No. 2 hospital box?—A. I did not quote on it.

Q. I thought you did; I think you showed me that you quoted \$65?—A. No, sir.

Sir CHARLES DAVIDSON: Will the witness please go and get his papers.

The WITNESS: I think I could make my statement from memory, but I will go and get the papers if you request me to.

Sir CHARLES DAVIDSON: Mr. Thompson, do you desire to have his papers here; we would all like to see them. The witness had better bring here every paper that he has bearing on the case.

The witness retired, and after returning with papers.

Sir CHARLES DAVIDSON: We will now take up the letter which was addressed by the witness to the Commission, and Mr. Thompson will read each paragraph seriatim.

Mr. THOMPSON: In your letter addressed to the Commissioner, you submitted the following:

“(a) In our first communications to the Government, after receiving their requisitions, we intimated that we were not in a position to quote on goods other than our own manufacture. This would show that we wished to secure business purely from a business standpoint. We made sundry quotations but failed to get the business.”

What quotation did you make?

[Frosst Tenders—Frosst.]

Sir CHARLES DAVIDSON: Do I understand that they are all set out in that letter?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Then you can make the answer that the quotations are all set out in the letter.

The WITNESS: Yes.

By Mr. Thompson:

Q. Are they all set out in this letter to which I am referring?—A. Yes.

Q. Are all the quotations referred to in this letter?—A. No, but there is a list corresponding with these papers here.

Mr. THOMPSON: Where are the sundry quotations that you made?

Sir CHARLES DAVIDSON: I would like you to take that up seriatim so that I may understand the evidence. The witness says that all his complaints are included in that letter?

The WITNESS: Yes, sir.

Mr. THOMPSON: I have quoted paragraph (a) of the letter.

The WITNESS: I think you have the corresponding paper there.

Sir CHARLES DAVIDSON: Are the quotations referred to in the letter?

The WITNESS: With the exception of one, which I have in my pocket.

By Mr. Thompson:

Q. You take that statement as paragraph (a) in your letter and you go on to say in paragraph (b):

“(b) Will show the Department sending us an order for tablets, which they evidently were unable to procure elsewhere, as we could not buy them in Canada or in the United States.”

What have you to say as to that?—A. We wired everywhere to get this and could not procure them. We could only procure a few hundred which we supplied the Government, some six or seven or eight dollars' worth, or something like that.

Q. You got that order?—A. Yes.

Q. Is that all you have to say about that?—A. All.

Q. Then you say in your letter further:—

(c) Covers our quotation on requisition C. M. S. 8-212, which did not bring the order.

Have you got your quotations there?—A. Yes, I have them here.

Q. What is your quotation on C. M. S. 8-212?—A. \$1,518.74, as set forth in Exhibit 53.

Sir CHARLES DAVIDSON: That is the quotation on tablets, which likewise brought no response? What is the date of that quotation?

The WITNESS: February 6, 1915.

By Mr. Thompson:

Q. Have you any correspondence with regard to that?—A. Just the quotation.

Q. Did you have any reply?—A. No, sir.

Q. Do you know what your quotation was?—A. 50 bottles at \$1.12.

Q. What were they?—A. Bichloride tablets.

Q. Can you give me the departmental number of that requisition?—A. C. M. S. 8-301.

Q. You say in your letter: “(b) a quotation on tablets which likewise brought no response,” and the departmental number of the requisition for that is, you say, C. M. S. 8-301?—A. Yes.

Q. Then you say in your letter: "(e) requisition C. M. S. 8-336, 8-337 and 8-341, the writer went to Ottawa to get definite information as to how the goods were to be packed and formulæ for some of the goods which were not given see E-2 and E-3. Not receiving this order, we wrote the Director of Contracts as per E-4. Note his reply E-5. After six months with legitimate methods to get business our letter to Mr. Brown was written, as we felt that something was wrong in our not securing part of this business."

What is your correspondence with regard to that?—A. We wrote Mr. Brown under date February 15, 1915, as follows: (This is the reference to E-3 in correspondence.)

February 15, 1915.

H. W. BROWN,
Director of Contracts,
Department of Militia and Defence,
Ottawa, Ont.

DEAR SIR,—Referring to your H.Q. 513-1-1 under date of the 12th, which only reached us in the noon mail to-day, we have wired you as follows:—"will supply Mallinckrodt, St. Louis, best chloroform and ether. Tender based on packing as specified by you." Our tender, therefore, is not affected by this special packing, as this information was what Mr. Frosst wished to secure when he called upon you early in the month, and this information was furnished by Major Potter.

We therefore await your advice, and trust we may secure the order which will be supplied to the satisfaction of your department.

Yours very truly,

On February 25 we wrote to Mr. H. W. Brown, Director of Contracts:—

February 25, 1915.

Mr. H. W. BROWN,
Director of Contracts,
Department of Militia and Defence,
Ottawa, Ont.

DEAR SIR,—Referring further to your letter of February 12, with reference to our tender of the 8th, for the supply of drugs on Requisitions H-336, 337 and 341, as we evidently have failed to secure the order, will it be in order for us to receive the name of the successful tenderer and at what price the contract was given. If so, we will be pleased to have this information.

We visited Ottawa and obtained information which was outlined later in your letter of the 12th and thought we were in a position to figure intelligently and secure the order.

We await your favour, and beg to remain,

Yours very truly,

(Sgd.) CHARLES E. FROSST & Co.

Mr. Brown wrote on March 4th:

Department of Militia and Defence,
OTTAWA, March 4, 1915.

GENTLEMEN,—I beg to acknowledge receipt of your letter of the 25th ultimo, and regret I am unable to give you the prices and names of the successful tenderers for drugs before these prices are published for Auditor General's Report for the year.

Yours faithfully,

(Sgd.) W. H. BROWN,
Director of Contracts.

Messrs. Charles E. Frosst & Co.,
91-101 LaGauchetière St. W.,
Montreal, P.Q.

[Frosst Tenders—Frosst.]

I may say that that came from the fact that we had tendered so much, and we felt that if we could not get an order on that basis it was needless for us to figure on general orders any more.

By Mr. Thompson:

Q. Then paragraph (f) of your letter says:

(f) Shows our quotation on requisition C.M.S. 8-367 which brought no business.

What is your correspondence on that?—A. It was only submitting prices, \$833.79. The requisition C.M.S. 8-367 must have been submitted when I was away. I was sick in December, and went away in January to Florida.

Q. Is that all you have to say on point (f)?—A. Yes.

Q. Your letter continues in paragraph (g) to say:—

(g) Contains our quotation for requisitions C.M.S. 8-394 and box 1, 8-431. We also reiterated that we were not in a position to quote on other goods, simply quoting on the lists that we could handle to the advantage of the Department of Militia and Defence.

What have you to say as to that?—A. That must have referred to that box No. 2 that you said we quoted on. I think that contains dressings which we were not in a position to handle.

Q. What was your quotation on requisition 8-431?—A. \$204.80.

Q. What was your quotation on requisition C.M.S. 8-395?—A. \$82.05.

Q. Were you awarded the contract?—A. We were not.

Sir CHARLES DAVIDSON: These boxes are No. 1 and No. 2?

Mr. THOMPSON: Yes.

The WITNESS: I asked was that the box that Mr. Brownlee paid \$216 for.

Mr. THOMPSON: Brownlee was paid \$365, but that was in August, and this quotation was in March.

The WITNESS: That is the same box we quoted \$204 for, when prices were higher.

Mr. THOMPSON: But the successful tenderer got it at \$145.

The next clause in your letter is clause (h), and it reads:

(h) Our quotation on requisition C.M.S. 8-400.

What was that quotation?—A. \$409.60.

Q. Were you unsuccessful?—A. Yes. Personally, I was out of town when that quotation was made.

Q. Your next statement in the letter is (i):

(i) Our quotation on requisition C.M.S. 8-534.

What was your quotation on that?—A. \$344.43 delivered within one week, a very urgent request: please state earliest date at which you could deliver.

Q. You quoted them a price on that?—A. Yes. There was a special case to make, outside the goods, we had made up. We quoted on that \$344.43 delivered within a week from May 20th.

Q. This year?—A. Of this year.

Q. Then the next reference in your letter is paragraph (j) which says:

(j) Our letter of June 2, still directing the attention of the Department that we wished only to quote on goods that we manufacture.

What is that?—A. On June 2, we wrote to Mr. H. W. Brown.

Q. Then in paragraph (k) of your letter, you say:

(k) Our quotation on requisition C.M.S. 8-491.

Q. What was your bid on that?—A. \$343.48.

Sir CHARLES DAVIDSON: As per your letter of what date?

The WITNESS: As per our letter of June 7, 1915.

By Mr. Thompson:

Q. That is the last of these, unless you have something else which is not referred to in your letter?—A. That I think covers all.

Q. That covers all?—A. Yes.

Sir CHARLES DAVIDSON: I suppose that in all these cases they were asked to submit tenders?

By Mr. Thompson:

Q. Were you asked for tenders in all these instances you have referred to?—A. Yes, we were.

The witness retired.

HARRY W. BROWN, director of contracts, Department of Militia and Defence, sworn:

By Mr. Thompson:

Q. Mr. Frosst has made certain complaints that he had not been able to do business with the Militia Department, and taking his observations seriatim, referred to in his letter, it shows that under paragraph (b) of his letter he did secure an order. In paragraph (c) of his letter he states that he made a quotation on requisition C.M.S. 8-212, which did not secure him the contract—can you tell what this quotation was and at what price the contract was awarded?—A. I have here the original schedule of tenders. Mr. Frosst's quotation, according to this schedule, is \$1,518.74.

Q. At what prices was the contract awarded?—A. At \$1,026.99 to Lymans, Limited, Montreal. We asked some 12 or 15 firms.

Q. In paragraph (d) of his letter he says that Frosst & Company made a quotation on tablets, which likewise brought no response; I think you have a note of that?—A. Yes.

Q. Have you got his quotations?—A. I have not the papers about that but I can state positively that if Mr. Frosst did not get that order it was because his quotation was not the lowest.

Q. You might verify that, Mr. Brown?—A. I shall.

Q. In paragraph (e) of his letter he says that upon receiving requisition C.M.S. 8-336, 8-337, and 8-341, the writer went to Ottawa to get definite information as to how the goods were to be packed and formulae for some of the goods which were not given, and he says that after six months with legitimate methods to get business, his letter to Mr. Brown was written as they felt that something was wrong in their not securing part of this business, and the writer sets out some correspondence and in that correspondence he asked you for the name of the successful contractor?—A. Yes.

Q. Is it your practice to give the names of the successful contractors and the prices?—A. It is not.

Q. Is that the invariable rule with you?—A. I think I can say it is the invariable rule. I have given the one answer to every one, and it is that unless I was directed by the deputy minister or by the minister himself to give information out, I would not give it out.

Sir CHARLES DAVIDSON: You did not make a statement of that kind in your letter to Mr. Frosst?

[Frosst Tenders—Brown.]

The WITNESS: No, sir.

Mr. FROSST: I may say that if Mr. Brown had written me, that I would have asked the prices elsewhere. Mr. Brown did not write me that.

Sir CHARLES DAVIDSON: He did not; he wrote you it was not customary to publish it before it appeared in the Auditor General's Report.

The WITNESS: Yes, sir, I wrote that.

By Mr. Thompson:

Q. Have you got Mr. Frosst's quotation on 8-336?—A. No, I have not the papers.

Q. You have not the papers on that?—A. I have not the papers here.

Sir CHARLES DAVIDSON: Make a memorandum of that and get it.

By Mr. Thompson:

Q. Have you got the papers with regard to requisition 8-337?—A. No, but I will get them. I have not here the papers since the first of the year with the exception of 8-431. I have that schedule of tenders here.

Q. You have got requisition 8-431 here?—A. Yes.

Q. What was Mr. Frosst's quotation on 8-431?—A. We asked for tenders on five boxes and Mr. Frosst quoted on one, which was No. 1.

Q. What was his quotation?—A. His quotation was \$204.80.

Q. What did the successful tenderer bid at?—A. J. T. Hartz quoted \$145 and the order went to them at that price.

Q. Have you got the requisition 8-394?—A. No sir, I have not. I have no papers here since the first of January with the exception of the one I have mentioned.

Q. Will you bring these papers here to-morrow morning?—A. Yes.

Mr. FROSST: That last one that you called was November of last year.

The WITNESS: One was in November and the other was last March.

By Mr. Thompson:

Q. Frosst & Company also tendered on requisition 8-205?—A. Yes.

Sir CHARLES DAVIDSON: What is the reference to that in the letter?

Mr. THOMPSON: I do not find it in the letter.

Mr. FROSST: That is not included in the letter. That is what I handed to Mr. Thompson this morning.

By Mr. Thompson:

Q. Mr. Frosst tendered on requisition 8-205 at \$624.14? This tender is not included in any of the items in Frosst & Company's letter to the commission. Frosst & Company's quotation was \$624.14. What price was the contract awarded at?—A. \$450 to J. T. Hartz Company of Toronto.

Q. Can you give me the answers as to the other requisitions to-morrow morning?—A. Yes.

Sir CHARLES DAVIDSON: Are you returning to Montreal to-night, Mr. Frosst?

Mr. FROSST: I intended to go at four o'clock.

Sir CHARLES DAVIDSON: Mr. Brown, as a matter of general statement, would you say what was the relation of the amounts in Mr. Frosst's tenders to the amounts stated in the tenders which were accepted?

The WITNESS: They were very much higher, that is these three.

Sir CHARLES DAVIDSON: In every case?

The WITNESS: In these three they were higher.

Sir CHARLES DAVIDSON: They were higher in every case?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Mr. Frosst, if you desire to ask any question, you can put it to the witness through me

[Frosst Tenders—Brown.]

Mr. FROSST: Mr. Brown said that in all cases we were higher.

Sir CHARLES DAVIDSON: Yes, I put the question to him in order that possibly it might enable you to leave for Montreal to-night because he will produce the verifying papers in the morning.

Mr. FROSST: Well, that is sufficient for me.

Sir CHARLES DAVIDSON: You have got the general statement that in every case you were higher than the successful tenderer, and Mr. Brown will produce the vouchers.

Mr. FROSST: I think it will be unnecessary for Mr. Brown, so far as I am concerned, to produce any more vouchers. Evidently our prices were too high, probably owing to the packages, but that does not make any difference because we were fifty per cent higher in one case than the other tenderer, and in respect to one of the big orders that we thought we were lowest in at the time.

Mr. THOMPSON: Is there anything further you wish to ask, Mr. Frosst?

Mr. FROSST: Nothing.

Mr. THOMPSON: Are you satisfied.

Mr. FROSST: Perfectly satisfied. I thank you.

Sir CHARLES DAVIDSON: In view of the statement of Mr. Frosst with regard to being satisfied with the explanation, I suppose we need not trouble Mr. Brown any further. It is not now necessary for him to produce the other files which he did not bring with him to-day.

Mr. THOMPSON: That concludes the evidence for to-day, sir.

The Commission adjourned until half past ten o'clock tomorrow morning.

OTTAWA, Wednesday, July 14, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, KNIGHT,
Commissioner.

JOHN THOMPSON, K.C.,
Counsel, to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met at half-past ten o'clock this morning.

JAMES L. GEDDES, agent for the Kelly-Springfield Motor Truck Company Springfield, Ohio, sworn.

Examined by Mr. Thompson:

Q. Are you the President of the Kelly-Springfield Motor Truck Company?—A. I am.

Q. Do you remember having some negotiations with the Russell Motor Car Company or one of their officials, with regard to appointing that company as agent for the Kelly Company?—A. I do. The first conference I had was with Mr. Burt.

Q. Who was Mr. Burt?—A. His title is Engineer or Production Manager, I do not know which, of the Russell Motor Car Company.

Q. When was that interview?—A. September 2, last.

Q. What was the nature of that conference?—A. They wanted to become our agents for Canada. He wanted to go into a working agreement that we would supply
[Motor Trucks—Geddes.]

parts, the shipments to Canada to be assembled into trucks. That, with the agency for any trucks they might want to take in before they could start with the parts. This was a long-distance talk first from Detroit, Mr. Burt was in Detroit, he afterwards came to the factory.

Q. When?—A. I should say about two days after that, probably the fourth. I went into the matter a little bit with him but not as regards prices. That was put to after consideration. We would go further into it later to see how we could work it out. In the meantime, I gave the Russell Motor Car Company the agency. Then I went down on the following Sunday, which was the 6th, I believe, to Toronto, and met Mr. Rogers, who is the Assistant Manager of the company.

Q. Of what company?—A. Of the Russell Motor Car Company.

Q. Just before you proceed—did you inform Mr. Burt that his company would be the agent of the Kelly Company on the 4th of September?—A. Until that we could thresh out the basis of manufacturing in Canada—temporarily.

Q. Did you on the 4th of September temporarily appoint him your sales agent in Canada?—A. No, it was not until the following Sunday, I think.

Q. About what date would that be?—A. The sixth, I presume. That is, I gave him to understand that we would give him the agency and sell him on an agency discount, on the fourth.

Q. When you referred to appointing him agent, did you mean that you would appoint him your sales agent in Canada?—A. Our sales agent in Canada.

Q. That would be what date?—A. September 4.

Q. About what date was it that you went to Toronto?—A. The sixth.

Q. Did you confirm the agency on that date?—A. No, we made no change for the reason that I had no figures, no cost figures, and as I am not an engineer I could not go into the manufacturing data, so that we did not get very far. However, I met Mr. Russell that day, and he told me that if I wanted to supply Canada with any trucks that I would have to give an instant demonstration, almost. I got a truck over there and demonstrated it to him on Tuesday.

Q. What date?—A. About the 8th of September, I presume. That was all I did and that was all I had to do with Mr. Russell. My transactions were always with Mr. Burt first, and then with Mr. Rogers.

Q. What further discussion did you have with Mr. Burt?—A. Mr. Burt was going to come to Springfield to go into the detail of manufacturing. He thought that they could purchase parts to manufacture the products here. I was not willing that they would for the reason that we were still responsible for the Kelly trucks and if any parts that went into them were not up to our standard it would of course affect the name of our product.

Q. After the Russell Company were appointed agents, did they purchase trucks from you?

Sir CHARLES DAVIDSON: Have we reached the point that they were appointed agent?

Mr. THOMPSON: He said, tentatively.

Sir CHARLES DAVIDSON: That was on the 4th.

The WITNESS: That was all the arrangement there was. There was no written contract in the matter and it stood that way until finally our company turned down the proposition of allowing them to be agents, and assemble the trucks here.

By Mr. Thompson:

Q. But did you turn down their agency with regard to selling your trucks in Canada?—A. The whole thing was cancelled.

Q. When was that?—A. I should say about the first part, or it may have been as late as the middle of November.

Sir CHARLES DAVIDSON: In the meanwhile, they were your agents for the sale of the entire truck?

The WITNESS: Yes, for the assembled truck.

[Motor Trucks—Geddes.]

Mr. THOMPSON: That was under the tentative arrangement?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: The middle of November?

The WITNESS: About that, I would not swear to the day.

By Mr. Thompson:

Q. What did the Russell Company do under the tentative arrangement?—A. The only thing they did was to buy some trucks, twenty-five trucks, and some parts.

Q. Did you allow them a discount?—A. Yes, sir.

Q. What discount?—A. Twenty-five per cent.

Q. Did you sell any trucks in Canada, prior to the 2nd or 4th of September, at a discount of twenty-five per cent?—A. Yes, we sold to our different agencies. We have an agent in Vancouver, one in Victoria, one in Duluth, one in Montreal, and one in Quebec.

Q. Were these men your agents?—A. Yes.

Q. Did you sell to any purchaser direct at a discount of twenty-five per cent?—A. No. I do not want to swear to that because before I came to the company they may have done that, but during the last two years and two months, in which I have been with the company, we have not.

Q. I am only interested as to what happened since August of last year. Since the tentative arrangement with the Russell Company was cancelled, have you sold any trucks in Canada to purchasers, at a discount of twenty-five per cent?—A. I think we sold one to a gentleman by the name of MacDonald in Ottawa. He is in some kind of business here but what business I cannot tell.

Q. Did you sell to purchasers in Canada at a discount?—A. No, the only one we sold in Canada since this was the one we sold at Ottawa; I made a mistake there, there was one sold at Paris the other day.

Q. Was that to an agent?—A. No.

Q. Was it to a purchaser?—A. It was to a purchaser, yes.

Q. Was that recently that that sale took place?—A. That is in the last two or three weeks; the truck has not been shipped yet.

Q. Have you sold any of your trucks to the Allies? To Great Britain or to France?—A. Yes.

Q. How many?—A. We have an order now for, I think, 125 for Great Britain; there are several hundred going to Belgium, and we sold 340 complete trucks and 20 more of parts, which would make about 360 to France.

Q. Are those recent orders?—A. The French order was last October and the Belgian order we are shipping now.

Q. When were they ordered?—A. About two months ago I should say.

Q. Have you had any repeat orders from France?—A. Not from France, no.

Q. I think it was to France that you sold the trucks in October?—A. Yes.

Q. Have you had any complaints about them from France?—A. None whatever, they are all giving good service, every truck is running. I sent a man over there and he found from the man in charge of the trucks—

Q. You sent a man over to what country?—A. To France. He found that there were only six that they could not account for, and they may be in Germany, for all I know.

Q. Do you say that you have had no complaints about these trucks?—A. No complaints.

Q. At what discount are you selling trucks to Canada?—A. Twenty-five per cent discount.

Q. Is that the maximum discount you would allow any person?—A. Yes, sir.

Q. In respect to the trucks you are selling to Canada, are you allowing any commission whatever to any person?—A. Absolutely no.

Q. Are you allowing any sum of money to go to any other person?—A. No, sir.

[Motor Trucks—Geddes.]

Q. Have you promised, either directly or indirectly, in respect of this order, to pay any person any sum of money or commission?—A. No sir.

Sir CHARLES DAVIDSON: Nor with respect to any Government order?

The WITNESS: No, we have not sir. The only thing we have done is to send a couple of men here to take charge of them, one of the men is here yet, and the other has gone to the front, I believe.

By Mr. Thompson:

Q. Was that done at your own expense?—A. That was at our expense, yes. But we did the same thing for other countries; we sent two men to France, and guaranteed to keep two men in France or Belgium, if the trucks were shipped from now until the end of the war. We are doing nothing wrong. That is to take care of our trucks.

Q. Have you allowed the allied powers a discount of twenty-five per cent?—A. Yes, where we sold direct.

Q. In what instance have you not sold direct?—A. We sold direct to the French, we did not sell direct to Belgium, Russia or Great Britain.

Q. Through whom did you sell to Great Britain?—A. Gaston Williams and Wigmore of New York.

Q. Are Gaston Williams and Wigmore well-known automobile agents in New York?—A. Oh yes, they probably sold as many if not more trucks to the warring powers than any company in America.

Q. Have they been in business for some time?—A. No, I believe they started in business just when the war commenced.

Q. Did you know of them as automobile agents before the war commenced?—A. No.

Q. Are you familiar with the principal automobile agents in the various parts of the country?—A. Yes.

Q. Do you know any of these partners personally?—A. Yes.

Q. Which one?—A. I know them all.

Q. What were their occupations before the war?—A. I believe they were in the real estate business.

Q. Do you know anything of the reputations of the members of the firm?—A. They are above reproach.

Q. All of them?—A. I believe so, I never heard anything against them.

Q. Would you be in a position to know whether any other person was interested in their firm other than themselves, three?—A. No, I would not.

Q. Did one of these three partners approach your firm with the view of securing the agency for Great Britain?—A. Yes.

Q. Which one?—A. Mr. Williams.

Q. Did he interview you?—A. Yes.

Q. Did he carry any letter of introduction?—A. No. I will tell you about that. I was recommended to them, and they were recommended to me, by the president of one of the biggest banks in New York.

Q. Who recommended you to them?—A. The President of the Guarantee Trust Company.

Q. Is that a New York company?—A. Yes.

Q. Did you give his name?—A. His name—it has just escaped me for the moment—he was recently elected president of the company.

Q. Who recommended you to Gaston Williams and Wigmore?—A. Well they were large buyers, it was simply because they were large buyers of trucks.

Q. Do you recollect the man who recommended you to them?—A. No, it was just general knowledge.

Q. Was there a separate recommendation with regard to Russia, or was it the same?—A. The same.

Q. It was on that one recommendation, or that mutual recommendation, if you might term it so, that you sold to Gaston Williams and Wigmore for the allied powers?—A. Yes.

Q. Had you any dealings direct with the Allies?—A. Only with France direct.

Q. Did you sell trucks to France?—A. We did, just one order.

Q. Did you sell through the representative of the French Government?—A. Yes, sir.

Q. Do you know who recommended him to you?—A. No. That is a kind of a long story. All the truck manufacturers were asked to go to Bethlehem, Pennsylvania, to show the trucks.

Q. Who made the request?—A. The Bethlehem Steel Company.

Sir CHARLES DAVIDSON: What is the total number of trucks bought from you by Russell?

The WITNESS: Twenty-five.

Sir CHARLES DAVIDSON: At what price?

The WITNESS: At \$2,550, just the same price as we gave them to Canada when we sold direct.

Sir CHARLES DAVIDSON: At \$2,550 each?

Q. Did you sell trucks to France?—A. We did, just one order.

The WITNESS: Yes, that is f.o.b. Springfield; he had to pay freight and duty if there was any. We sold them at Springfield, Ohio.

By Mr. Thompson:

Q. What discount did you allow on that?—A. Twenty-five per cent.

Sir CHARLES DAVIDSON: Including the tires?

The WITNESS: Oh, yes.

Sir CHARLES DAVIDSON: What was the total number of trucks which you sold to Major Thomas?

The WITNESS: One hundred and fifty and then there were four more ordered afterwards, on a rush order, to go to St. John; that would be 154 altogether.

Sir CHARLES DAVIDSON: You sold 154?

The WITNESS: I beg pardon, sir, the trucks we sold to the Russell Motor Car Company had cab tops on and we charged in the neighbourhood of \$40 each for the tops, so that would make it about \$2,590, I should say.

Sir CHARLES DAVIDSON: You sold 154 to Major Thomas?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: At what price?

The WITNESS: At \$2,550.

Sir CHARLES DAVIDSON: What discount?

The WITNESS: That is twenty-five per cent discount.

Sir CHARLES DAVIDSON: Did those trucks which you sold to Major Thomas have the same tops as the other trucks?

The WITNESS: No, they did not. I presume the tops for them were built with the body; I do not know what they put on them when they got them, but I know that we supplied them just with the chassis.

Sir CHARLES DAVIDSON: Then the price at which you sold to Major Thomas was identical with the price at which you sold to Russell?

The WITNESS: Exactly the same, sir.

Sir CHARLES DAVIDSON: Did you include the tires to Major Thomas?

The WITNESS: No, the tires were purchased in Canada. The four trucks that we shipped on quick order to go to St. John, New Brunswick, had tires on. On the 150 the tires were purchased here for them.

Sir CHARLES DAVIDSON: That is what I had in mind.

The WITNESS: Yes, I should have made that distinction. I was wrong there.

[Motor Trucks—Geddes.]

Sir CHARLES DAVIDSON: You must be wrong as to the price; did you make allowance as to the tires?

The WITNESS: Yes, we just made an allowance the same as if we had to supply the tires on them, and I believe they got the tires at the same price in Canada that we would charge.

Sir CHARLES DAVIDSON: You see, your first statement will have to be explained.

The WITNESS: Yes, sir, you are right there; I did not think of that. But the price was to be \$2,550 less the price of the tires, and I understand you paid the same for the tires as we paid for them, so that the trucks must have stood you just the same price.

Sir CHARLES DAVIDSON: What was the allowance per truck?

The WITNESS: I think it was \$247.

Sir CHARLES DAVIDSON: You made no concession for the purchase of so many trucks by Major Thomas, as contrasted with the 25 purchased for the first contingent?

The WITNESS: No, sir; that is our maximum discount we gave.

Sir CHARLES DAVIDSON: And there is no subsidiary discount?

The WITNESS: No, none whatever.

Sir CHARLES DAVIDSON: Have you any idea of what the cost of your trucks was, as laid down here?

The WITNESS: That is including freight and duty?

Sir CHARLES DAVIDSON: Yes.

The WITNESS: No. I should think the freight would be about \$60 or thereabouts, but I am only guessing.

Sir CHARLES DAVIDSON: You say they were bought on the same conditions, ex freight and duty?

The WITNESS: Exactly the same.

Sir CHARLES DAVIDSON: Both the 25 and the 150 were bought f.o.b. at Springfield?

The WITNESS: Yes, sir.

The witness retired.

W. D. MORRIS, of the city of Ottawa, motor truck distributor, sworn:

Examined by Mr. Thompson:

Q. Are you an agent for motor trucks, Mr. Morris?—A. No, sir, I am different a little, I am distributor for the factory, in which I have an interest.

Q. Do you receive a commission on sales?—A. Not exactly in the way of commission, an allowance for expenses.

Q. What motor truck are you interested in?—A. The Indiana.

Q. I asked Major Thomas the other day if he had considered the Indiana motor truck, and he said he had done so, and that he considered that the Indiana was not a satisfactory one for overseas service. I thought I should call you to give you an opportunity to make a statement, if you wished to do so?—A. Well, Major Thomas or no other body connected with the Militia Department, so far as I am aware, ever came to see any trucks, and I have six of them here. Nobody that I am aware of ever came to inquire to see them or to have them demonstrated, or anything of that kind, although I even offered to bring a war specimen truck here at my own expense and have it tested by the Militia Department. I was not afforded an opportunity to do that, as the correspondence will disclose.

Q. What size truck did you have in Ottawa at this time?—A. In Ottawa I had only the regular commercial trucks, the same grade of truck as was offered by the firm to New York exporters at \$1,900 odd dollars.

[Indiana Trucks—Morris.]

Q. Do you remember what the capacity of the truck was that you had here?—

A. The trucks we had here and that we offered, the same class of trucks delivered in New York.

Q. What class of truck did you have here?—A. The Indiana.

Q. What tonnage?—A. From one and a half tons to four tons.

Q. At what date was it you made the offer to the department, do you recollect?

Sir CHARLES DAVIDSON: Was it to the department, or to Major Thomas, or the Purchasing Commission, that you made the offer?

The WITNESS: To the department. I did not know about any trucks being wanted until the first contingent requirements were actually purchased. I had never heard there were even trucks required. But discovering that the first contingent requirements had been closed, I had never been yet asked if I had trucks to sell, or if our company had. And so I ventured to disturb the water myself and I put in a bid unsolicited, without consulting anybody.

By Mr. Thompson:

Q. Where do you manufacture trucks?—A. Marion, Indiana.

Q. Have you any agencies in Canada?—A. I am the sole Canadian distributor.

Q. Did you receive any reply to your inquiries from the Militia Department?—I think I wrote three letters to Major-General the Honourable Sam Hughes and got no reply. I communicated with Lieutenant-Colonel Hurdman, and I got no reply. I then sent a copy of my bid to the Honourable Sir George E. Foster, for his information, and asked that a fair show should be given to me, and I got a reply. I sent also a similar letter to the Right Honourable Sir R. L. Borden, with a copy of the letter to General Sam Hughes, and Sir R. L. Borden replied. The only two gentlemen who replied to me at all were the Prime Minister and Sir George E. Foster, and those letters I have handed to you, Mr. Thompson.

Q. What make of engine is in this Indiana truck?—A. It is an engine manufactured by the people who make the truck, the Harwood-Barley Manufacturing Company really make the engine, because they own the Ruttenberg engine patents.

Q. It is known, is it not, as the Ruttenberg engine?—A. Yes.

Q. Do you know whether there are any trucks with Ruttenberg engines doing service in the war at the front?—A. I do not believe there is a single one; that is in the British Army.

Q. Have the Indiana Company sold any of their trucks with the Ruttenberg engine to the Allies?—A. To Russia.

Q. Do you know that as a fact?—A. I have the correspondence over the signature of the company to show that.

Q. How many have they sold to Russia?—A. I cannot say.

Q. Have they sold any to England?—A. They may have now, but I am not sure. The correspondence does not state the number that was sold to the Russian Government, only the fact that they were just completing an order for the Russian Government and could take an order for the Canadian Government. I quote from the letter of the Harwood-Barley Manufacturing Company, November 21, to W. D. Norris, and dated from Marion, Indiana:—

"I am in receipt of your two telegrams to-day in regard to my coming to Ottawa."

I wanted Mr. Barley, who is really the head of the firm, to come to Ottawa to help me to get this order.

"If there is a chance to close up an order I will be very glad to come up there. There are a great many inquiries for export business and it is exceedingly hard for me to get away especially as we are shipping next week to Russia a large order, and I want to see that that is gotten off-right."

That is the reference to the Russian business; it does not say how many.

[Indiana Trucks—Morris.]

Q. Do you know the size of the diameter of the crank shaft of the Indiana engine?
—A. I cannot say at the moment, but before Colonel Hurdman and Senator Taylor and that Commission, my expert engineer from the factory, the chief engineer from the factory was there, and it was figured out by Colonel Hurdman at the time that the bore had 61 and a fraction on the engine we were going to supply for the war truck.

Q. Did your engineer interview Colonel Hurdman?—A. No. Colonel Hurdman was at the meeting at which my engineer was asked to appear.

Q. Did your engineer appear?—A. He did.

Q. Your engineer had an interview with the committee?—A. He was heard by the committee and asked questions about the engine.

Q. Do you recollect whether Major Thomas was present at the meeting?—A. I cannot say, I do not know Major Thomas.

Q. How do you know that Colonel Hurdman discussed this question with your engineer?—A. He did not discuss it with my engineer, but Colonel Hurdman was present at the meeting at which the matter was discussed with the board.

Q. Do you know who else was present?—A. I think there was Mr. McNaught, I think there was Mr. Eaton, although I do not know that gentleman.

Q. Are you not speaking from your knowledge as to who composed the board?—A. I remember being introduced to Mr. McNaught. Senator Taylor and Mr. McNaught were there and other gentlemen came in.

Q. What you say is, that your engineer explained the features of the Indiana truck to the committee?—A. Yes, he answered all questions put to him.

Q. Can you tell me the size of the diameter of the crank shaft of your engine?—A. I cannot.

Q. Are you familiar with any of the details of the engine?—A. Yes, it is a large crank shaft, it is one of the features of our 61 power Rutenberg engine, it is a very large crank shaft. The Hon. Mr. Hughes was at the meeting, and I remember him asking the engineer particularly what the size of the crank shot was.

Q. Do you know the system of lubrication of the Indiana car?—A. The splash.

Q. Are you sure of that?—A. I think so.

Q. What other systems of lubrication are there?—A. I cannot speak as an expert. My expert has gone to the front with the Canadian contingent. My expert is away serving his country.

Q. Is there any other statement you wish to make?—A. Yes.

Sir CHARLES DAVIDSON: Are you going to put in the letters of which he speaks, addressed to Colonel Hurdman and to the minister?

Mr. THOMPSON: I will put them in as one exhibit, when Mr. Morris is through with his statement.

The WITNESS: In one of my letters to the Major-General I said:—

“If the Government desires the services of a truck expert, we have a young Scotchman in our employ, twenty-nine years of age, who has had five years military service, three years in Scotland and two years in Toronto in the 48th Highlanders, and who would enlist if his services were required by the department.”

We would have been quite glad to let that young man go to look after the trucks if we had sold trucks to the department. He wanted to serve his country but even without our getting an order he offered his services and he is in Shorncliffe now.

Q. What is the price of your trucks stated in your catalogue, the trucks that you wanted to sell to Canada?—A. The price of the truck that I wanted to sell to Canada was \$3,200 f.o.b. Marion.

Q. Were you allowing Canada any discount?—A. The difference between \$3,200 and \$2,450.

Q. What do you mean by the difference between \$3,200 and \$2,450?—A. A reduction from \$3,200 to \$2,450.

Sir CHARLES DAVIDSON: Was your price \$2,450?

The WITNESS: That was our bid to the Government.

By Mr. Thompson:

Q. What was your commission?—A. I would probably get about two per cent, enough to pay the expenses.

Sir CHARLES DAVIDSON: In addition to the \$2,450?

The WITNESS: No, that would come out of the factory end, \$2,450 was the price the Government would have to pay.

Sir CHARLES DAVIDSON: I do not understand why they should charge \$3,200 and then reimburse the difference?

The WITNESS: The Government asked the price they would sell to an agent. All profits were off. It was a direct bid to the Government, without the agent's commission being considered.

Sir CHARLES DAVIDSON: How did the Government come to ask you, if, as you say, they did not answer your letters?

The WITNESS: They did not come to ask us. I had to force my bid on them. It was after I forced my bid on their attention that I was asked to bid and then they began to look at me a little bit, because the price was low.

By Mr. Thompson:

Q. How far is Marion, Indiana, from here?—A. I cannot say, it is pretty nearly 900 or 1,000 miles; it is near Chicago.

Q. Is this truck, which you say sells at \$3,200, one of the standard trucks of your company?—A. No sir, it is special.

Q. You do quote, do you not, a \$3,200 truck?—A. Yes.

Q. And was it your intention to make it a special truck for the purpose of the Government?—A. Yes, putting nickle-steel axles, they stand more jolting.

Q. Have you ever built any of these special trucks?—A. No, I think not.

Q. Have you ever put special steel axles into any of your trucks?—A. Oh yes, for very hard work we do.

Q. Into what style of truck do you put that special steel?—A. Heavy freight trucks that are specially ordered.

Q. On these specially ordered trucks what price do you obtain?—A. The same price, if there is a large quantity wanted. We do that to try to suit the conditions that exist with the customer.

Q. What do you call a large quantity?—A. 25 or 50 trucks.

Q. Have you ever had that to do for 25 trucks?—A. I cannot tell you.

Q. Can you speak of your own knowledge of having put special steel axles in any trucks?—A. No.

Q. So that, as I understand it, it was your intention to build a special truck for war purposes, if they accepted your bid?—A. Yes.

Q. Could you expect them to accept a bid from a company that had never built a truck with the specifications which you were prepared to give?—A. The correspondence, I have a lot of it here, will show that I tried to get permission to bring here a truck just exactly as was specified.

Q. But that is not the point; you had, as I understand it, no truck constructed of the type which you proposed to offer?—A. I cannot positively say that, Mr. Thompson, because I am not familiar with all the details of the factory; I am not there very often.

Q. Did your company state to you the nature of the truck which would be supplied?—A. Oh yes, nickle-steel axles and different other things.

Q. Do you in your catalogue find any trucks with such specifications?—A. No.

Q. Does your catalogue state that these special parts will be supplied, if required?—A. No. In the catalogue, they only deal with the ordinary commercial type.

Sir CHARLES DAVIDSON: Possibly that may be explained in the letters.

[Indiana Trucks—Morris.]

By Mr. Thompson:

Q. Do your letters state that you will put in special parts?—A. I am not quite sure just what it states now, but I think so. We expected some specifications—

Sir CHARLES DAVIDSON: Answer the question in the meantime, and you can dilate afterwards.

The WITNESS: I do not think there is anything in particular mentioned with regard to steel axles in the letter. We expressed our desire in these bids to meet the requirements of the Government for military purposes.

By Mr. Thompson:

Q. Was there any information before any of the officials other than your catalogue which would enable them to judge of the style of truck and composition of the engine and its appurtenances?—A. I think there was a catalogue which explained a great deal about it.

Q. Was there anything apart from the catalogue which would enable the officials to judge of the nature of the engine and its component parts which your company would supply?—A. Yes, there was the evidence of the chief engineer of the factory who appeared before the committee, and they asked him all the questions they needed, I suppose.

Q. Do you know that they did?—A. I was present myself, and I heard him answer quite a number of questions at the time.

(The correspondence with Mr. Morris and the Militia Department and certain other persons was filed as Exhibit No. 55.)

Sir CHARLES DAVIDSON: I understand your complaint to be, in compact form, that you wrote to the Department of Militia and received no acknowledgment; you wrote to Colonel Hurdman and received no acknowledgment; you wrote to Sir George Foster and to the Prime Minister and you received acknowledgments from them?

The WITNESS: From both.

Sir CHARLES DAVIDSON: From both, and that afterwards the Land Transport Committee took the matter of your application up?

The WITNESS: I do not understand what the Land Transport Committee is; it was Senator Taylor's Committee, whatever you call it.

Sir CHARLES DAVIDSON: Well, that is the name of the committee. They took it up, and you and your expert appeared before that committee and the matter was investigated, and there was no result as to orders.

The WITNESS: They never advised us about any results.

Sir CHARLES DAVIDSON: We will make full inquiries into this.

The WITNESS: I wish to absolutely deny that the Ruttenberg engine was tried out in England and failed. There has not been one of them sent to England that I know of, but there have been several continental engines, that I am aware of, that have failed. The Ruttenberg engine never failed.

Sir CHARLES DAVIDSON: Is it manufactured by your company?

The WITNESS: Yes, sir, the Harwood-Barley people make it, they and their relations are the shareholders in the Ruttenberg Company. In our frame there is Crome-Vanidium steel, which is far more costly than ordinary steel. In many ways our truck was superior, and I am afraid our price was rather too low; I am afraid that was the only trouble sir.

The witness retired.

Colonel W. G. HURDMAN, formerly carriage inspector of the Department of Militia sworn :

By Mr. Thompson, K.C.:

Q. Mr. W. D. Morris has made a complaint that he was not only unable to sell a truck of the Indiana Truck Company to Canada, but that he wrote to several officials and received no reply. I think he stated he wrote a letter to you and that he received no reply; do you recollect receiving that letter?—A. Probably he wrote me a letter; there were so many coming in at the time that I do not remember. Possibly I did not reply to this letter, but I forwarded it to the Transport Committee.

Sir CHARLES DAVIDSON: You would not even acknowledge the receipt of it; you transferred it to the Transport Committee.

The WITNESS: I transferred it to the Secretary of the Transport Committee who was to answer it immediately.

Sir CHARLES DAVIDSON: And there was no acknowledgment of the letter sent.

The WITNESS: It was sent to the Secretary of the Commission for him to answer the same day.

Sir CHARLES DAVIDSON: But it was addressed to you, personally.

The WITNESS: Yes.

By Mr. Thompson:

Q. Apparently, on the 25th of November last, Mr. Morris addressed a letter to you with reference to the Indiana truck, and he says he received no reply. That letter reads:

OTTAWA, ONT., November 25, 1914.

Lt.-Col. HURDMAN,

Department of Militia and Defence,

SIR,—Referring to the matter of motor trucks required by your Department for military purposes, desire to say that if I should be favoured with an order I would personally go down to the factory and remain there till the order is completed, and will see to it that the finest fleet of military motor trucks ever produced on this Continent will be delivered to your Department.

Our factory (in which I am a shareholder) have an established reputation for good work and square dealing and these were the principal reasons why I became interested in the plant as a shareholder, and while there is little or no profit on the prices I have put in, I feel that our concern will, in the end, reap indirect profits from the reputation which the performance of our trucks will bring about and more especially when put to severe work under actual heavy service conditions on the field or elsewhere.

I might, perhaps, promise many things which could not possibly be performed within a stated period, and hope to be granted extra time to fill an order, but this my concern will not do. We will only undertake such work as we are sure can be delivered within a specified time. In brief a square deal as between our factory and the Department of Militia and Defence is my view and in this I have the hearty co-operation of my colleagues in the factory in Indiana.

I really believe that our firm is the only one to-day who can deliver to your Department, within 30 days, 50—3-ton trucks of high quality. Other parties may promise to supply (or assemble and supply) a like number in the same time but knowing conditions I do not believe it can or will be done.

In writing you thusly, I feel that I am but performing my duty regardless of whether or not I receive an order, but in war time there must be no delay in filling an order for a military department.

We have just completed a very large order for the Russian Government and we would now like to have one from our own Canadian Government, provided that by the time your Department reach a decision our output has not been con-

[Indiana Trucks—Hurdman.]

tracted for by other Governments. My personal view, however, is that within a very few days mostly every manufacturer of heavy service trucks will be so filled up with orders that it will be impossible to obtain any reasonably early delivery especially on two, three or five ton trucks.

Yours truly,

W. D. MORRIS.

That is the letter which Mr. Morris wrote to you in November, and to which he received no reply?—A. No doubt I received that letter and I forwarded it, as is customary, to the Secretary of the Committee, the same as if any Department letters come to me now, they may be addressed to the Minister, but they are sent to me or the Master-General of the Ordnance to reply, as the case may be. In the course of the regular routine, I would send that letter to the Secretary of the Committee.

Q. Do you recollect being present at the meeting of the Committee when Mr. Morris was there and his expert engineer?—A. Yes.

Q. Did you ask him the price of his trucks?—A. I had no voice in the commission unless I was asked a question.

Q. Did the Commission ask you questions?—A. My impression is that they did.

Sir CHARLES DAVIDSON: Is it only an impression?

The WITNESS: They asked every person who came in. Major Thomas was asking the questions.

By Mr. Thompson:

Q. Do you recollect specifically the attendance of Mr. Morris and his engineer?—A. Yes I do, perfectly.

Q. Do you know of your own knowledge whether his truck was considered by the Commission and its merits and defects discussed?—A. It was considered the same as any other, so far as I know; I had no voice in it.

Q. But you are a member of the Committee?—A. I am not a member of the Committee.

Q. Were you a member of the Committee?—A. No, I was just ordered to be present.

Q. If you were not a member of the Committee why were you ordered to be present?—A. To answer questions on the transport vehicles, particularly, and so on.

Q. If you were not a member of the Committee, and directed to be present, would you be directed to be present as an expert?—A. I expect that was what I was there for.

Q. If that is the case would they not refer questions to you?—A. They did on transport wagons.

Q. Did they not on trucks?—A. No.

Q. Do you recollect whether any question on the Indiana truck was referred to you?—A. I have no recollection of any question as to the Indiana truck being referred to me; I am not an expert on trucks.

Sir CHARLES DAVIDSON: Have you, Mr. Morris, any question you desire to ask the witness?

Mr. MORRIS: Yes.

Sir CHARLES DAVIDSON: What is the question?

Mr. MORRIS: Colonel Hurdman may not recollect, but I remember him being asked to figure out, when the bore was mentioned by the engineer, to state what the horse-power was, and I remember Colonel Hurdman saying 61; that is the only question I would like Colonel Hurdman asked.

Sir CHARLES DAVIDSON: Were you asked, Colonel Hurdman, any question with respect to bore and 61 horse-power?

[Indiana Trucks—Hurdman.]

The WITNESS: I may have been asked a question with respect to the bore, but there were so many questions asked that I would not like to swear positively whether I was or was not.

Mr. MORRIS: I would like to say, my lord, that it comes now to my recollection that I met Colonel Hurdman going to his office, after I sent this letter, a few days after, on Queen street, and I think he said: I got your letter and I sent it to some person in the usual way.

Sir CHARLES DAVIDSON: It is very fair and frank for you to make that statement.

Mr. MORRIS: It just has come to my recollection that I met him on the street and he said he had sent my letter to some other office.

The witness retired.

Lieutenant-Colonel W. OWEN THOMAS already sworn, recalled:

By Mr. Thompson, K.C.:

Q. Did you hear the statement made by Mr. Morris?—A. Yes.

Q. Do you recollect Mr. Morris and his engineer attending any of the meetings of the Land Transport Committee?—A. Yes.

Q. Were you present on the occasion?—A. I was, and questioned him.

Q. Did you, or did other members of the Committee discuss the merits or demerits of the Indiana truck with the engineer?—A. I did, I think I did all the questioning myself.

Q. Did you ask him about the special equipment or special axle that Mr. Morris has referred to?—A. I asked him questions concerning all the details of his trucks, especially in regard to the Indiana engine that I was perfectly familiar with, and that I was not prepared to accept.

Sir CHARLES DAVIDSON: That is the Ruttenberg engine?

The WITNESS: Yes. I was not prepared to accept it, that is for military purposes.

By Mr. Thompson:

Q. Was the engineer intending to construct a special truck, or was he to supply a \$3,200 commercial truck?—A. Originally the bid was that he should supply an ordinary engine, but he was willing to make the changes that I suggested and as he never had built one on that plan we did not think it was a safe proposition.

Q. Were the changes you suggested material changes?—A. The changes we suggested were that the diameter of the crank shaft should be at least one-half the diameter of the cylinder.

Q. Would that necessitate the alteration of other parts of his engine?—A. It would necessitate a new engine.

Q. Would it necessitate the re-designing his piston rod?—A. His connecting rod and his crank case.

Q. It would practically mean the re-designing of the engine?—A. The entire re-designing.

Q. Did you consider that would take some time?—A. Not only would it take some time but I would not accept it without ample time for testing it.

Q. Would it require experimenting on their part, after it was designed?—A. Yes, it would.

Q. Is it usual for companies to experiment with their new designs before they are satisfied with it?—A. Yes, and it is much more so in Europe than it is here.

Q. If they are not now making the \$3,200 special steel axle, which Mr. Morris has referred to, would they have to have that manufactured on special order by some company?—A. They would.

[Indiana Trucks—Thomas.]

Q. Would that have to be experimented with, or are there special axles of this size already made?—A. It would mean they would have to order it from an axle company.

Q. Do you know, as a matter of fact, whether the Indiana truck would take the standard axle; is there such a thing?—A. No, sir. There is no such a thing as a standard axle that will fit every truck.

Q. Would the axle for the Indiana truck have to be manufactured specially for that truck; I am referring now to the special steel axle?—A. Yes. Its spring centres would be different, very probably, although it is an assembled truck, and as an assembled truck it would be easier to fit than a specially manufactured one.

Q. When you say it is an assembled truck, does that refer to the Indiana?—A. It means that it is assembled from units bought outside from other manufacturers.

Q. Would the Ruttenberg Company manufacture the whole engine?—A. Yes, and deliver it finished and tested.

Q. That is the usual practice?—A. Yes.

Q. Did your Committee give serious consideration to the Indiana truck?—A. They allowed Mr. Morris to send for his engineer. There were two men present, I do not know whether Mr. Morris was the other man or not, but there was one man present besides the engineer, and we not only questioned him technically but General Hughes was there and questioned him as to his business capital and other details, and we decided that it was not one to which we could give serious consideration.

Sir CHARLES DAVIDSON: What did you say the system of lubrication was?

The WITNESS: It is splash lubrication, and for Government duty it is necessary to have four-speed lubrication oil delivery to the bearings, under pressure, which it has not.

By Mr. Thompson:

Q. Is that the manner of lubrication of the Kelly truck?—A. Yes, the Kelly, the Packard, the White, the Mercedes, the Panhard, and most of the well-known trucks.

Q. Would that observation apply to touring cars?—A. Yes, sir, it is a detail that was very general last year and this year; before that it was not general in this country but it was very general in Europe.

Sir CHARLES DAVIDSON: What was the date of this meeting of the Land Transport Committee?

The WITNESS: I think it was at their meeting on December 1st, when the different truck owners were given a hearing.

Sir CHARLES DAVIDSON: Have you any questions you would like to put to this witness, Mr. Morris, and if so you can put them through Mr. Thompson?

Mr. MORRIS: There is one question.

By Mr. Thompson:

Q. Did you have any doubt as to the financial standing of this Company?—A. No sir, I did not personally. I did not go into it that closely. I had a doubt as to dealing with the agent of a company, who I knew was getting a separate commission.

The witness retired.

MICHAEL KENNEDY, manager Ontario Motor Car Company of Toronto, sworn:

By Mr. Thompson:

Q. Did you sell any motor trucks through Mr. Russell to the Canadian Government?—A. Four.

Q. What make?—A. Packards.

Q. When?—A. Last August.

Q. Did you allow the Canadian Government a discount?—A. Yes. Our discounts are based on a sliding scale, starting with the second truck up to fifty trucks, varying

[Motor Trucks—Kennedy.]

from a fraction on the first truck to seven and a half per cent on the fifty trucks and over. The discount on four trucks would be negligible.

Q. What was the discount on the four trucks?—A. I cannot tell you offhand; it would be only six or seven dollars apiece.

Q. Would that be between twenty and twenty-four dollars for the four trucks?—A. Yes.

Q. You represent the Packard truck?—A. Yes, sir, in the province of Ontario.

Q. When you rendered your bill to the Canadian Government, did you give them credit for that discount?—A. I believe so; I am sure I did.

Q. You received your remuneration, I understand, through obtaining a discount from the company in the United States?—A. Yes, sir.

Q. Did you allow Mr. Russell any discount?—A. No, except direct to the Government.

Q. Did you allow any other person or company any discount on this sale?—A. None outside of our Ottawa sales agent, who works on a commission basis. He got a commission.

Q. Who is your Ottawa sales agent?—A. F. H. McKay.

Q. Is he connected with the Government in any way?—A. No.

Q. Did you directly or indirectly allow any commission to the Russell Company?—A. No.

Q. Or any promise of any commission?—A. No.

Q. Did you pay any official of the Government any sum of money, either directly or indirectly, with respect to these four trucks?—A. No. The only commission paid was to our salesman here.

Q. Do you know the Model Engine of Peru, Indiana?—A. We have had some correspondence with them.

Q. Did you ever buy any of their engines?—A. No, we have had quotations from them.

Q. What were their quotations?—A. We asked for a quotation on a certain type of engine specified, and they quoted us \$175 apiece.

Q. What type of engine was that?—A. It is a 4-cylinder engine used in a car or truck furnished by the Motor Car Company. We inquired merely, as a matter of information, as to what they were worth, and they wrote quoting us \$175 apiece.

Q. Would that be f.o.b. Peru, Indiana?—A. Yes, sir.

Q. What would that cost laid down in Canada?—A. Freight plus twenty-seven and a half per cent duty at that time.

Q. What will that work out?—A. I think it is twenty-seven and a half per cent on engines; it would work out \$225 plus freight.

Q. Do you know if that engine is being used on any trucks in Canada?—A. It is being used on the eight furnished by the Russell Motor Car Company.

Q. Do you know, as a matter of fact whether these trucks with the model engine in them are used by the Militia Department?—A. Yes, sir, the eight to which I have referred.

Q. I presume that would be the eight which the Russell Motor Car Company assembled, after purchasing the parts from a company in Canada?—A. Yes.

Q. Their price was \$3,750, what is your price for the truck?—A. Two ton, \$2,850 plus freight, less the discount. \$2,850 is the American list price, off of which there would be whatever discount is allowed, plus the freight. We did not pay the duty on them; that was taken care of by the Government. We furnished our certified invoices direct from the Packard Company to the Government for customs purposes.

Q. What was the price in the United States?—A. \$2,850 on the two-ton truck.

Q. What was the price in the United States on the truck which you sold to the Government?—A. Two-ton, \$2,850, that is my recollection. The three-ton truck is \$3,400.

Q. Mr. Russell stated that the price was \$3,050?—A. That is probably after paying the duty. The duty was paid.

[Motor Trucks—Kennedy.]

Q. No, I asked him what would be the cost here and he said \$3,750?—A. I cannot account for that, but the invoices are here. That is the chassis, perhaps, \$2,850, we furnish bodies and some special equipment:

Sir CHARLES DAVIDSON: You ought to be exact about these things, because this statement of yours would have raised quite an embarrassing question as regards Mr. Russell.

The WITNESS: I am sorry about that; I did not know what I was supposed to be asked.

By Mr. Thompson:

Q. Would the statement be correct that the price to Canada was \$3,050?—A. I have no doubt it is correct, after paying for the extras.

Sir CHARLES DAVIDSON: And that was \$150 more than the Gramm?

The WITNESS: I do not know what the price of the Gramm is.

By Mr. Thompson:

Q. Are you now, or were you at any time, an agent of the Jeffrey Company in Canada?—A. Yes.

Q. When were you the agent?—A. We concluded the agency arrangement about the 2nd or the 4th of August.

Q. Are you still agent for the Jeffrey Company?—A. No.

Q. When did you cease to be agent for the Jeffrey Company?—A. We had a dispute with them with regard to cancelling the agency which they gave to the Russell Motor Car Company.

Q. When did they give the agency to the Russell Motor Car Company?—A. I think that was the 17th of August, that is my recollection of it.

Q. Did you receive any notification from the Jeffrey Company to the effect that your agency was terminated?—A. Yes.

Q. Was it a verbal notice or a written notice?—A. We had a written notice but the date was, I should think about ten days after that.

Q. What time would that be?—A. That would be the 27th of August about.

Q. Can you tell me the result of your dispute with the Jeffrey Company, tell me just the net result.

Sir CHARLES DAVIDSON: The cause and the result.

The WITNESS: We had negotiated an agency arrangement along starting in June and concluded about the 4th of August, and we went to the factory and made all arrangements for the agency representing both the trucks and the touring car. The contract for the touring car was prepared and the contract for the truck was being prepared, while in the afternoon, just before the train left, the touring car contract was completed and we signed it. The other was not completed and it was to be forwarded to be signed and sent to us. We left hurriedly in one of their cars for the train and made the connection. We reached Toronto and at once communicated by telephone with our manager here Mr. McKay regarding the sale of trucks to the department, and he took it up with them and they sent a man to the Jeffrey factory to investigate the merits of the Jeffrey truck.

Mr. THOMPSON: Who sent the man?

The WITNESS: The Militia Department.

Mr. THOMPSON: At what date would that be?

The WITNESS: About the 10th of August.

Mr. THOMPSON: Do you know who was sent?

The WITNESS: Mr. MacQuarrie was sent. He, I understand, reported favourably, and we were given to understand, through the department here, through our Ottawa manager, that an order for twenty-five trucks was forthcoming. We at once took it up with the factory and we secured the virtual assurance from the manager here that the order would reach us within a few days. We ordered the first five that were ready

[Motor Trucks—Kennedy.]

to be shipped. We received a wire from the Jeffrey Company on a certain date, stating that five had been shipped. In the meantime, Mr. Russell was appointed purchasing agent for the Government, and it developed afterwards in our discussion with the Jeffrey Company that Mr. Russell arrived at their factory on the same day and that negotiations induced them to agree to cancel their agency with us and give it to him or his company rather, and they at once diverted the trucks to the Russell Motor Car Company. Following that, they later shipped the others, the remainder of the twenty-five. Following that, we launched a writ for a commission on the trucks against the Jeffrey Company bringing an action for commission, and they came over and gave us a cheque for \$8,500 to settle and apologized and said it was their mistake. That closed our dealings with them.

Q. How do you fix the date of the visit of MacQuarrie to the Jeffrey Company?—

A. Only that it was in between the days that our manager called here, immediately following his call upon the department here, the information came from our manager. We could easily furnish you with the exact dates of all these transactions.

Sir CHARLES DAVIDSON: I think it is desirable; it is quite important with respect to Mr. Russell; the witness might give us the exact dates.

By Mr. Thompson:

Q. Is Mr. McKay here?—A. He is in the city and I can get the dates definitely for this afternoon's session of the commission.

Q. Did the Jeffrey Company make any definite statement as to why they were transferring the agency from you?—A. They explained that it was a misunderstanding on the part of the man who handled it; that is the explanation they gave to us, namely, that the truck sales manager, who handled the arrangement, with the motor company, made a mistake in taking our agency as being closed, and assuming that they were open to deal with the Russell Motor Car Company.

Q. Had you sold any trucks to the Dominion of Canada before the order about which there was a dispute?—A. We sold the four for the First Contingent.

Q. Those went to Valcartier?—A. Yes, sir, but nothing since that.

Q. You dealt with Mr. Russell in that case?—A. We had originally quoted the department direct. Mr. Russell was appointed between the date we quoted and the date we received the confirmation of the order.

Q. As a result of these negotiations, did the company bill the trucks to you?—A. Yes, sir.

Q. Did you send them on to Valcartier?—A. Yes, sir.

Q. Did you bill the department?—A. Yes.

Q. Did you receive a cheque from the department?—A. Yes.

Q. You took that, I presume, to be confirmation of your agency?—A. Yes, sir.

Q. If there had been any dispute about it?—A. Yes, sir.

Q. So that after that, when the dispute arose as to whether you were agent or not?—A. Do you mean with regard to the Jeffrey trucks?

Q. Yes?—A. We did not ship any Jeffrey trucks, it was Packards only; we did not furnish any Jeffrey trucks.

Q. Were you requested to furnish any?—A. The instructions we had were verbal, from our local office.

Q. Did Mr. Russell ask you if you could supply any Jeffrey trucks at any time?

—A. No, we communicated with him and notified him we could supply them.

Q. When did you notify him that you could supply them?—A. We notified them some days previous to the shipment, just how many days I cannot say.

Q. What shipment was that?—A. The shipment of the five; I think it was the 17th of August.

Q. The five cars of what make?—A. The Jeffrey Motor Car Company. We also notified him that these five were shipped.

Q. Did he try out the Jeffrey truck in Toronto in your presence?—A. Not at that time.

[Motor Trucks—Kennedy.]

Q. From whom did you receive the order for the five trucks?—A. We did not receive a formal order for five trucks. We were notified that an order for twenty-five trucks was coming through for us, and in order to facilitate getting them within a certain date we took a chance of having them shipped.

Q. Who intimated to you that there was an order for 25 coming?—A. Our local office got the information verbally from some one in the Militia Department, I cannot say just who, but you can easily find out.

Sir CHARLES DAVIDSON: Russell charged no commission on these trucks?

The WITNESS: He received no commission on the Packard trucks.

Mr. THOMPSON: My examination now, sir, is directed towards the Jeffrey trucks.

Sir CHARLES DAVIDSON: He received a commission on the Jeffrey trucks.

Mr. THOMPSON: It was over the transfer of the agency from the Ontario Motor Car Company to the Russell Company that the lawsuit occurred between the Jeffrey Company and the Ontario Motor Car Company?

Sir CHARLES DAVIDSON: Then there were two commissions paid.

Mr. THOMPSON: That I believe was the net result to the Jeffrey Company. They paid twenty-five per cent to the Russell Motor Car Company and commission to the witness as well, and Mr. Kennedy is going to ascertain when MacQuarrie, who was a member of that purchasing commission, went to the Jeffrey Company. We will have some further information also from the manager of that company here.

By Mr. Thompson:

Q. Were you at any time the agent of the Troy trailer?—A. No, sir. We communicated with them regarding furnishing trailers for the department here when the war was declared, and we were informed there were trailers required. We felt we would like to help secure anything we could by furnishing the services of our staff and our facilities, and we asked them for quotations and delivery and they quoted us on twenty, I believe, at \$800 apiece, which is \$200 discount. We communicated that at once to the department here and to Mr. Russell.

Sir CHARLES DAVIDSON: At how much each.

The WITNESS: At \$800 a piece which is \$200 discount off the \$1,000 list price. We at once offered them to the department here at the same figure of \$800.

By Mr. Thompson:

Q. Did you quote that in writing?—A. Yes, by wire and letter.

Q. At what figure were you quoting?—A. \$800 f.o.b. Troy factory.

Q. Did that quotation allow you any profit?—A. None whatever, we did not expect anything, it was not a line we handled regularly.

Q. Do you recollect the date of your quotation?—A. No, but I can furnish you with copies of the correspondence.

Q. Did you notify Mr. Russell?—A. We telegraphed the department and notified Mr. Russell by letter, giving him a copy of the telegram. We first communicated with the Troy Wagon Works factory by telephone and being informed that they had not sold any and could supply this number we communicated with the department and offered to use our purchasing power to help them to get them, if it was any advantage to them.

Q. The evidence is that Canada paid \$1,000 for each of these trucks?—A. That is the regular list price.

Q. It would be important if you could let us know the exact date that you gave that information?—A. I would be glad to furnish that.

Q. When can you let us have that?—A. This afternoon.

The witness retired for the present.

HERBERT ACASON, of Detroit, Michigan, and Walkerville, Ontario, sworn:

By Sir Charles Davidson:

Q. Were you the President of the Gramm Motor Truck Company?—A. I was, I am not now.

Q. When did you cease to be President?—A. In April last.

Q. Where are the headquarters of the Company?—A. In Walkerville, Ontario.

Q. Is that where they make the Gramm truck?—A. Yes.

By Mr. Thompson:

Q. Did you sell any Gramm trucks to the Canadian Government?—A. Yes.

Q. Were those sold through Mr. Russell?—A. Yes.

Q. At what price?—A. I sold two lots. The first quotation we were asked for was on two ton trucks and we quoted \$3,600.

Q. For how many?—A. Four.

Q. Did you allow the Canadian Government any commission on this?—A. No, we did not.

Q. Did you allow Mr. Russell any commission?—A. No, we did not.

Q. Did you allow the Russell Motor Car Company any commission?—A. No, we did not.

Q. Did you pay any commission directly or indirectly to any person?—A. Our Ottawa agents here got their discounts.

Q. Who were your Ottawa agents?—A. The Ottawa Car Company.

Q. Their commission amounted to how much, all told?—A. Twenty-five per cent.

Q. How much in dollars and cents?—A. It would be \$3,750 on that lot.

Q. On what lot?—A. On that four.

Q. Was that the only commission you allowed to any person?—A. Yes.

Q. Did you sell any further trucks to the Government?—A. Yes, we got an order later. The first four were sent to Valcartier, and the second order was for shipment abroad.

Q. Did that second order come through Mr. Russell?—A. Yes.

Q. About what date?—A. It would be about the end of August or the first of September.

Q. At what price did you sell these trucks?—A. The transaction was verbal with Mr. Russell.

Q. What price?—A. I understood from Mr. Russell.

Q. Don't mind what you understood from Mr. Russell, at what price did you sell them?—A. I quoted the price in bond.

Q. To Mr. Russell?—A. Yes, Mr. Russell asked me what our price would be without duty, and being a Canadian company of course our prices here were with duty.

Q. What was the eventual arrangement?—A. They were billed Canadian list price less twenty per cent on the understanding from Mr. Russell that we would get export papers and refund our customs duties to the Customs Department.

Q. How did that work out eventually?—A. It worked out eventually that we did not get our refund papers and could make no claim for customs refund and Mr. Russell, before he left for England, made a correction on our invoices, to effect that.

Q. What did you sell at eventually?—A. Canadian list price less ten per cent.

Q. Was that discount ten per cent to the Canadian Government?—A. Yes.

Q. Do you recollect in dollars and cents what the price would be?—A. \$4,140 for the three and a half ton truck.

Q. Were they all three and a half ton trucks?—A. No, there were four 2-ton trucks which were \$3,600 less ten per cent, which would be \$2,940.

Q. Does the American company allow you a discount?—A. We have no American company, we are a Canadian company.

Q. But I understood that these trucks came in bond from the States?—A. Not ours, ours are made in Canada.

[Motor Trucks—Acason.]

Q. What trucks are you referring to when you say there was some duty?—A. We import a great deal of material from the United States for the manufacture of our trucks.

Q. Did you assemble them in Canada?—A. Yes.

Q. And when you are referring to the refund, you are referring to the refund of duty on the parts?—A. Yes.

Q. I think you said you allowed the Dominion Government a discount of ten per cent?—A. Yes.

Q. You allowed ten per cent on the sale of the twenty-five?—A. The payment finally worked at that: it was fixed up at the time.

Q. Did Mr. Russell receive any discount?—A. No.

Q. Nor any payment?—A. No.

Q. Nor his company?—A. No.

Q. Nor any official of his company?—A. No.

Q. Nor any official of the Government?—A. No.

Q. Did you allow or pay any person any commission or any money with respect to the sales of these trucks?—A. To the Ottawa Car Company which got a discount.

Q. What was their discount?—A. On this war order, of course the four trucks were purchased at list price, and Mr. Russell intimated to Mr. Soper and myself, when we met in Toronto, saying he was buying 150 trucks, and he contemplated a discount of some kind on the list price, and he said that he did not know what it should be, but he thought it should be five or ten per cent.

Sir CHARLES DAVIDSON: Who said that?

The WITNESS: Mr. Russell, and he told us that he contemplated getting all the other suppliers to do the same thing.

By Mr. Thompson:

Q. Did you deduct the discount you allowed the Canadian Government from what you paid the Ottawa Car Company?—A. The Ottawa Car Company had a contract for twenty-five per cent off the list price, and which Mr. Russell indicated that he might ask ten per cent off the list, and Mr. Soper asked our Company to absorb the ten per cent, I said: no, that I did not think we should stand it all but that we would divide it between us, and that he would stand five per cent from his profit and we would stand five per cent from ours.

Q. What did you pay Mr. Soper in commission?—A. We paid him the difference between the list price, less ten per cent of the list price, less—

Sir CHARLES DAVIDSON: You sold 19 trucks and you paid him \$15,209.05?

The WITNESS: It would be \$11,000 on the second order and \$4,000 on the first order.

By Mr. Thomas:

Q. Then you met Mr. Russell in Toronto and he asked the same thing about the trailers?—A. That was the first time that I met him there, about the 3rd or 4th of August.

Q. I think you did not look upon the Troy trailer in a very favourable manner?—A. No, I bought and sold some Troy trailers at our Toronto office.

Q. What trailer did you recommend him to buy?—A. We did not recommend him to buy any trailer, particularly.

Q. What trailer did you suggest to him?—A. We were asked to furnish the trailers.

Q. You were asked to furnish the trailers?—A. Yes.

Q. Are you sure you were asked to furnish the trailers?—A. Yes.

Q. By Mr. Russell?—A. Yes. When the first order was given for the 25 trucks which had to be delivered on very short notice, Mr. Russell informed me that every truck would have to have a trailer.

Sir CHARLES DAVIDSON: That would be 25 trailers.

THE WITNESS: We did not expect to get the entire order because we could not make delivery. Mr. Russell informed me the Government decided to use 2-ton trucks instead of three-ton trucks, but every truck would have to have a trailer.

By Mr. Thompson:

Q. Did you not suggest to Mr. Russell that he try some other Company than the Troy trailer?—A. No, I told Mr. Russell I could get another trailer that I thought could be better than the Troy.

Q. Did you not suggest to Mr. Russell that he should try another trailer; did you not tell him that there was a person in Walkerville through whom he might buy trailers?—A. The idea was that we would buy them.

Q. Did not you tell him that?—A. I told him I would get them in Walkerville.

Q. Are you sure you told him you would get them?—A. Positive.

Q. Did not you tell him he could buy them there?—A. No, it was understood that we would furnish the trailers.

Q. Did you not suggest to Mr. Russell that he should get prices on these trailers from Detroit?—A. No.

Q. Were you the agent of the Detroit trailers at that time?—A. Oh, no.

Q. What did you do after your interview with Mr. Russell?—A. I went back to Walkerville to see what delivery I could get on trailers and I saw Mr. Griggs.

Q. Of what company?—A. Of the Trailer Company.

Q. Of what Trailer Company?—A. The Detroit Trailer Company.

Q. What did you tell him?—A. I told him that we had to supply trailers for our trucks. I left Toronto on Saturday and phoned Mr. Griggs on Sunday morning and asked him what delivery he could make, and he said he would have to find the superintendent and the superintendent was on his summer holidays and he could not find him, and we endeavoured to locate him on the Sunday night to quote me prices on the trailers. I told him I had to go back to Toronto to see Mr. Russell again and requested him to wire me at the King Edward Hotel in Toronto on the Monday what delivery he could make, how many, and how quickly, and I went to Toronto and I waited for Mr. Griggs wire, and finally I got it about three or four o'clock in the afternoon. I phoned Mr. Russell, of the Russell Motor Car Company, telling him what delivery we could make, and quoted him the price.

Q. Did you not phone Griggs in Walkerville and tell him there was going to be some trailer business and that he should go down and see Mr. Russell?—A. Not to my knowledge.

Q. Did not you phone him that in Walkerville?—A. Not to my knowledge.

Q. What price did Griggs quote to you on the chassis?—A. \$780 for the chassis and \$120, total \$900, less fifteen per cent.

SIR CHARLES DAVIDSON: That would be net how much?

THE WITNESS: \$765.

By Mr. Thompson:

Q. When you called Mr. Russell up what did he say to you?—A. He said he thought the price was high.

SIR CHARLES DAVIDSON: What price?

THE WITNESS: \$1,100.

SIR CHARLES DAVIDSON: Then you were proposing to make a profit, represented by the difference between \$765 and \$1,100?

THE WITNESS: Not for ourselves.

SIR CHARLES DAVIDSON: For who else?

THE WITNESS: We had to quote a price consistent with our contract with the Ottawa Car Company.

SIR CHARLES DAVIDSON: What had that to do with the Detroit trailers?

[Motor Trucks—Acason.]

The WITNESS: They have everything to do with everything we might sell.

Sir CHARLES DAVIDSON: Who might sell?

The WITNESS: The Gramm Motor Truck Company. The Gramm Motor Truck Company could not possibly make a quotation without them.

Sir CHARLES DAVIDSON: But Mr. Soper produced his contract with you the other day and it was for the sale of Gramm motor trucks?

The WITNESS: Certainly.

Sir CHARLES DAVIDSON: Why should that cover Detroit trailers, which you are not the agents for?

The WITNESS: Because it is generally understood in the business that anything a manager furnishes or quotes on he should protect his dealer.

By Mr. Thompson:

Q. Did you pay the Ottawa Car Company their commission on these trailers?—

A. No.

Sir CHARLES DAVIDSON: Why not?

The WITNESS: The Gramm Company did not have the money.

Sir CHARLES DAVIDSON: What was the result—the trailers were sold.

The WITNESS: These trailers were sold.

Sir CHARLES DAVIDSON: How many did you sell?

The WITNESS: Two.

By Mr. Thompson:

Q. Did you sell them to Russell or to Griggs, or did Griggs sell them to Russell?

—A. I sold them to Russell, the Gramm Motor Company sold them to Russell; the Gramm Motor Truck Company quoted on them.

Q. Are you sure about that?—A. Absolutely.

Q. Did Mr. Russell, or the Militia Department, pay you \$200 for these trucks?—

A. No, they did not pay the Gramm Motor Truck Company; they paid the Detroit Trailer Company.

Q. So that it must have been the Detroit Trailer Company that sold the trucks?

—A. They finally got the order. A quotation was requested from the Gramm Motor Truck Co. by Mr. Russell and the Gramm Motor Truck Co. had to make its price, which it did, and I followed Mr. Russell to Ottawa here to get the order for the trucks. It was understood that an order for two trailers would be included in the truck order.

Q. Did Griggs pay you the difference between the real selling price and the price you quoted?—A. He paid the difference between the price that he quoted me and the amount received.

C. By you or him?—A. By him.

Q. How much did he give you a cheque for?—A. \$670.

Q. To whom did he make it payable?—A. The Gramm Motor Car Co.

Q. Did the Gramm Motor Car Co. remit to the Ottawa Car Co. the proportionate amount which they were entitled to out of that cheque?—A. No.

Q. What was done with the cheque?—A.——

Sir CHARLES DAVIDSON: How much did you get?—\$675?

The WITNESS: \$670.

Examination resumed by Mr. Thompson, K.C.:

Q. How much of that \$670 did you personally receive?—A. Not a cent.

Q. Did you, or your company, receive \$400?—A. The company received \$670.

Q. Did you not personally receive \$400?—A. I did not.

Q. Are you quite sure?—A. Absolutely.

Q. Did any person in your company receive \$400 in respect to this sale?—A. No.
 Sir CHARLES DAVIDSON: What became of it ultimately?

The WITNESS: The \$670 was handed to the treasurer of the Gramm Motor Truck Company and I told him the greater part of that belonged to the Ottawa Car Company. No cheque was sent to the Ottawa Car Company. The Gramm Motor Truck Company was active in its endeavours to get further business, which it did not get, and shortly after that was not in a position to issue a cheque for \$400.

Sir CHARLES DAVIDSON: Did you acquaint the car company here of this transaction?

The WITNESS: They were aware of the sale of the trailers.

Examination resumed by Mr. Thompson, K.C.:

Q. What was the net profit to you or your company?—A. The Ottawa Car Company should have received 25 per cent on \$1,100.

Q. What was the net result to you or your company of the sale of these two trailers?—A. There would have been a profit.

Q. In dollars and cents—actually what was it?—A. \$60 each is the profit for Gramm Company that I have figured.

Sir CHARLES DAVIDSON: I do not understand that.

Examination resumed by Mr. Thompson, K.C.:

Q. You would make \$60 each. Was all the rest of the commission going to the Ottawa Car Company?—A. The Ottawa Car Company got 25 per cent on \$1,100 which would be \$275 leaving \$825.

Sir CHARLES DAVIDSON: For the trailers?

The WITNESS: Yes, each.

Sir CHARLES DAVIDSON: I do not understand that. I understand you got \$675.

The WITNESS: Yes, my Lord, but the truck business is not like other businesses.

Sir CHARLES DAVIDSON: But money is the same, dollar for dollar.

The WITNESS: When we do not sell anything to the ultimate buyer.

Sir CHARLES DAVIDSON: We have nothing to do with that for the moment. Did you not state a few moments since that your company received a cheque for \$675?

The WITNESS: It did.

Sir CHARLES DAVIDSON: Well—?

Examination resumed by Mr. Thompson, K.C.:

Q. Was the cheque handed to you?—A. Yes.

Q. What did you do with it?—A. I handed it to Mr. Webster, the treasurer of the Company.

Q. What did he do with it?—A. He deposited it.

Q. Was it used for the purposes of the Company?—A. Yes.

Q. Are you sure?—A. Yes.

Sir CHARLES DAVIDSON: There is another question of \$1,100. How does that come in?

The WITNESS: When we are buying an article—

Sir CHARLES DAVIDSON: You were not buying at all; do not attempt to put that contention before us because you were not buying. These goods were billed direct to the Government by the Gramm Company. Is that not true?

The WITNESS: It is absolutely true—

Sir CHARLES DAVIDSON: Why do you still say you were buying them?

The WITNESS: We had to buy these trailers to sell them.

Sir CHARLES DAVIDSON: Why did you not invoice them?

The WITNESS: We did not receive the order; neither have we received the order for any of the trucks we have sold so far. It is not our fault that things were handled in that manner.

[Motor Trucks—Acason.]

Sir CHARLES DAVIDSON: Was there any suggestion made about an increase of price up there to cover the payments to the Gramm Company?

Mr. THOMPSON: There is a difference of \$200. I was endeavouring to find why it was that Mr. Russell was not able to get these things himself instead of going through this man.

Sir CHARLES DAVIDSON: Because he interfered.

Mr. THOMPSON: I want to find out just he interfered. That is why I asked him if he was an agent before Mr. Russell spoke to him.

Sir CHARLES DAVIDSON: He said no.

Mr. THOMPSON: Apparently he took train at once to Walkerville and called up Griggs.

The WITNESS: The selling of trailers is a part of our business; we had sold trailers before.

Examination resumed by Mr. Thompson, K.C.:

Q. Had you sold any Detroit trailers before?—A. No, but we had quoted on them.

Q. You were not the agent, were you?—A. They have no agent at all.

Q. As a result of your interference how much more did it cost Canada to buy these two trailers?—A. I do not know what interference because I simply carried out what we were asked to do.

Q. By whom?—A. Mr. Russell.

Q. Are you sure that Mr. Russell asked you for prices?—A. Absolutely. Each truck had to have a trailer.

Q. That is not the point. Did he ask you for prices for these trailers?—A. Yes.

Q. Did he ask you to get prices?—A. He asked me to quote the trucks and the trailers together. I quoted the only prices I could quote.

Q. For the Detroit trailer?—A. Yes.

Q. But you did not know the price of the Detroit trailer?—A. I got my quotation on Saturday night and I quoted him on Monday by telephone. If he had not asked for prices of trucks and trailers we would have quoted him what he had asked for. If he had asked for trucks only I would have quoted on trucks but he asked for prices of trucks and trailers.

Q. Do you recollect making this statement in reference to your discussion with Mr. Russell:

“I suggested that he try another and told him that there was a man in Walkerville a Mr. F. A. Griggs, who was conducting a brewery business and had a connection and owned a plant in Detroit where they make trailers, etc., called the Detroit Trailer Co. I suggested to Mr. Russell that he get some prices and information of these trailers—”

Did you make that statement or not?—A. I do not think that is quite right. I discussed the two kinds of trailers with Mr. Russell, the one which is made in Walkerville and the one which is made by the Detroit Company. We were asked to quote on these trailers which we did.

Q. Did you tell Mr. Russell what the selling price was in Detroit?—A. I quoted him—

Q. Did you tell him what the selling price was in Detroit?—A. I do not think he asked it; I do not think I told him.

Q. What did he ask you on the telephone as to prices?—A. He asked for prices in Canada and in bond. The price I quoted was \$1,100 in Canada and, I think, \$900 in bond.

Q. Was that your price or Griggs' price?—A. That was the Gramm Motor Company's price.

Q. Did you tell him that that was the Gramm Motor Company's price?—A. Certainly.

Q. Did he ask you what the manufacturer's price was?—A. No.

Q. Did you lead him to infer that the price you were quoting was the seller's price?—A. No.

Q. Are you quite sure he did not ask you whether that was with commission or with discount?—A. Absolutely.

The witness retired.

CHARLES ROBERT NASH, manager, Gramm Motor Truck Company, Toronto, sworn:

Examination by Mr. Thompson, K.C.:

Q. What is your occupation?—A. Manager of the Gramm Motor Truck Company.

Q. How long have you been Manager?—A. Since the 24th of May this year.

Q. Were you connected with the Company before that?—A. Yes.

Q. How long?—A. Since May 1914.

Q. In what capacity were you acting in the Gramm Motor Company last Autumn?—A. Last Autumn, until the 10th of October, I was simply doing what I could around the factory. I was not appointed works' manager until the 10th of October.

Q. Are you familiar with the purchase by the Militia Department of two Detroit trailers?—A. No—further than talking it over in the offices and seeing the talk about it in the newspapers. I was told by Mr. Acason, that he sold them—

Q. Did he have any conversation with you as to these Detroit trailers?—A. Yes.

Q. What was the conversation?—A. That the Government were asking about the \$200.

Q. What \$200?—A. The \$200 that was in the extra commission.

Q. Who was asking him about it?—A. It came up at the investigation.

Q. Is that before the Public Accounts Committee?—A. I suppose so—yes.

Q. What did he say about it?—A. He said that he had to add something there in case the Ottawa Car Company came down on him for the commission they were entitled to under their contract.

Q. After his interview with Mr. Russell and after he apparently went to Walkerville and telephoned to Mr. Griggs about supplying trailers, did Acason have any conversation with you in regard to it?—A. No, we did not have any conversation until the Public Accounts came up.

Q. Has the Gramm Company retained the whole of the commission?—A. Yes.

Q. Have they paid any part of it to Mr. Russell or the Russell Car Company?—A. No—nobody.

Q. Or to any official?—A. Nobody.

Q. You would know whether the Company has paid any commission in respect to the Gramm trucks to Mr. Russell or the Russell Motor Car Company?—A. No, they have not done so.

Q. You can state that positively?—A. I can state that positively; that is to say the books do not show it as far as anybody can tell. Through the action of the Gramm Motor Car Company, by their books or correspondence, there has been no commission paid to Mr. Russell or anybody connected with his firm.

Sir CHARLES DAVIDSON: Or anybody?

The WITNESS: Except the Ottawa Car Company. In regard to the Ottawa Car Company I gave some evidence in court this morning.

Sir CHARLES DAVIDSON: That is not important here at all.

Mr. THOMPSON: It is not of any importance.

The WITNESS: It is rather important according to the figures I have at the present time. If the Ottawa Car Company got 30 per cent off the list price and 10 per cent of that went to the Government, the Ottawa Car Company owe the Gramm Company some \$3,000 to-day.

[Motor Trucks—Nash.]

Examination resumed by Mr. Thompson, K.C.:

Q. Apparently the Gramm Motor Car Company got mulcted a little bit in connection with this transaction as well as the Government of Canada?—A. Very likely, sir. I do not doubt it for a moment. According to the figures we have in the office at the present time the Ottawa Car Company's commission was calculated on the list price less 20 per cent and then the commission was calculated at 30 per cent on \$3,700. The Gramm Company gave the Ottawa Car Company 30 per cent and the Ottawa Car Company gave away 10 per cent.

Q. Mr. Acaon is not connected with your company now?—A. No.

Q. I presume you have been pleased to hear his evidence today?—A. Yes, if I can make the Ottawa Car Company see it in the same light.

Q. Have you any correspondence—?

Sir CHARLES DAVIDSON: I thought that included in the evidence of Mr. Soper was the contract with the Ottawa Car Co.

Mr. THOMPSON: No, sir; it was a long printed agreement and I read into the evidence the material part of it.

(Witness produced copy of an agreement).

Examination resumed by Mr. Thompson, K.C.:

Q. Has the Ottawa Car Company claimed any part of that commission on the Detroit trailers?—A. No, sir.

Q. I presume under this agreement with the Ottawa Car Company you will not pay any commission on the Detroit trailers?—A. The Gramm Company usually paid in so far as I could see by the books if anybody claimed anything.

Sir CHARLES DAVIDSON: Claimed what?

The WITNESS: Anything.

Examination resumed by Mr. Thompson, K.C.:

Q. I am sorry I did not know the Gramm Company before or I would have put in a claim?—A. You would have got it.

Sir CHARLES DAVIDSON: Your contract with the Ottawa Car Company only covers Gramm trucks.

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Is that not true, without explanation?

Mr. THOMPSON: And the spare parts. They got 25 per cent from the current list price f.o.b. Walkerville and on repair parts a discount of 25 per cent. A trailer is not a repair part, is it?

The WITNESS: No, but it is part of the business.

Sir CHARLES DAVIDSON: That is not the question. That is not covered by the contract?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Why did you not say so?

Examination resumed by Mr. Thompson, K.C.:

Q. The Gramm Motor Car Company, or Motor Truck Company, has retained, has it not, the difference between the Griggs' price and the price charged the Government on trailers?—A. Yes.

Q. The Company has kept it in its own bank account?—A. Certainly.

At one o'clock the Commission took recess.

The Commission resumed at two o'clock, after recess.

WILLIAM NORTHAM, of the city of Toronto, sales manager of the Dunlop Tire Company, sworn.

Examined by Mr Thompson, K.C.:

Q. Were you the agent of the Dunlop Company in August or September of last year?—A. Yes.

Q. Do you recollect the Canada Cycle Company purchasing tires for trucks from you?—A. Yes.

Q. Did they tell you for what purpose they required the tires?—A. Yes.

Q. What did they say about that?—A. They said they were for spares for the Government trucks.

Q. Do you recollect how many sets they bought?—A. There were a number of sizes, the total was 166 tires.

Q. Did the Canada Cycle and Motor Company pay you or did the Government pay you for these tires?—A. The Canada Cycle Company paid.

Q. What discount did you allow the Canada Cycle Company at that time?—A. Forty, two 10's and 5.

Q. Did you allow any other person any commission on these tires?—A. No, sir.

Q. Did you pay any official of the Russell Company or Mr. Russell any commission on these tires?—A. Absolutely no.

Q. Did you promise to pay any official of the Russell Company any commission or any money allowance?—A. None whatever.

Q. Nor any official of the Government?—A. None whatever.

Q. At what price did you sell 38 x 5 tire to the Canada Cycle Company at that time?—A. I have not got it exactly, on that one single case, because they bought them of different sizes.

Q. I want to know how much you charged for 38 x 5 tires?—A. The net price?

Q. How much did you receive from the Canada Cycle Company for 38 x 5 tires?—A. With the discount?

Q. What discount did you allow them on that?—A. 40, two 10's and 5.

Q. What would that work out at?—A. \$385 per set of six tires.

Q. I want to know how much for each tire?—A. \$64.18 per tire.

Q. So that you charged the Canada Cycle Company \$64.18 for each 38 x 5 tire?—A. At that time, yes.

Q. Was not the current price at that time \$39.87?—A. Where, in Canada?

Q. In Canada?—A. Not that we know of. I do not know of anybody making any tires in Canada.

Q. Don't you make the tires in Canada?—A. Yes.

Q. Did not you sell at \$39.87 at that time your 38 x 5 tires?—A. No, sir.

Q. What was your price to manufacturers at that time for the 38 x 5 tires?—

A. List price, less discount, 40, two 10's and 5. There is our circular that went out.

Q. And what would that work out in dollars and cents?—A. That is the same figure I gave you.

Q. Are you quoting me the retail or the wholesale price?—A. The wholesale price. I might supplement that by saying in one case we gave a little bigger discount than that.

Q. At that time?—A. Just about that time, yes.

Q. On a special size of tire?—A. There are different sizes but it works out the same as regards the discount.

Q. Why did you give a discount in some cases and not in others?—A. In one case it was for equipment for new trucks and in another case it was simply spares. That is the rule with all companies.

Q. Did you subsequently make a rebate?—A. Yes.

Q. When?—A. March 8th a credit was issued.

[Dunlop Tires—Northam.]

Q. How much rebate?—A. Ten per cent.

Q. Was that calculated on the total purchase?—A. Yes.

Q. How much in dollars and cents did that amount to?—A. \$1,041.44.

Q. Did the Canada Cycle Company suggest it or did you suggest it?—A. They suggested it.

Q. Did they ask you what rebate you would make or did they suggest this, or how did it occur?—A. They came to us and said at that time there was a very great difference on the prices sold in February and March, as against the prices sold on previous orders, and in view of the fact that we received a bigger order from the Government, that helped us to reduce our cost and we gave ten per cent.

Q. Did you make any further rebate?—A. No.

Q. I thought there was a rebate of over \$5,000 to the Government?—A. Here is our credit note here.

Q. Did you not on October 2nd give a credit note of \$5,340.75?—A. No.

Q. Up to February 6th did you allow a rebate of \$5,154.99?—A. No.

Q. What you say then is that the only rebate paid to the Canada Cycle Company or to the Government was?—A. \$1,041.44.

Q. That was the only rebate made?—A. That was a discount of 40, two 10's and 5 and 10 below that. Here are the invoices right here.

Q. I just ask you again, in case there should be any mistake about it: are you quite sure that \$1,041.44 was the only credit passed by the Dunlop Company to the Canada Cycle and Motor Company?—A. Yes, below the 40 and two 10's and 5.

Q. What did you charge in January for tires 38 x 5?—A. The set?

Q. No, per tire?—A. To the Government.

Q. To the wholesale trade?—A. \$47.90.

Q. So that you were charging the wholesale trade less in January than in August?—A. Yes.

Q. In August your charge to the trade was \$64.18?—A. Yes.

Q. And in January it is \$47.90?—A. Yes, that is manufacturers' price, the trade pay more money.

Q. What do you mean by saying that the trade pay more money?—A. The ordinary dealer that is buying a set or two sets, he pays a higher price than the manufacturers, at any stage. There is a manufacturers' price, and a dealers' price, and a consumers' price.

Q. What I want to get at is this: a purchaser, such as the Canada Cycle and Motor Company, would pay \$64.18 per tire in August?—A. Less the ten per cent they got; they got an extra ten.

Q. And what would the Canada Cycle and Motor Company pay in January?—A. \$47.90.

Q. You therefore say there was a drop in the price of tires between August and January?—A. I do, in this country, yes.

Sir CHARLES DAVIDSON: What is the drop?

The WITNESS: About three 10's per cent off the list.

Sir CHARLES DAVIDSON: Did that difference represent a drop in the market?

The WITNESS: A drop in the market and different conditions in manufacturing between this year and last.

Sir CHARLES DAVIDSON: What were the differences in the conditions?

The WITNESS: In the first place, we were dealing with a small order, and in the second place we were dealing with a very large order, and in the third place, the rubber, which enters into the truck tires, was around 75 cents per pound during the first part of the war, when this stuff was bought, and it was \$1.10 or \$1.20 later, and when they bought the next lot it was down to 55 cents. That is a difference of 100 per cent, although of course we bought rubber in the interval that covered that and we did not pay quite so much for it.

By Mr. Thompson:

Q. Is the difference in price accounted for by allowing extra 10s in the way of discount, or is the actual initial price lower?—A. The actual initial price of every kind of tire made is lower.

Q. And do you allow a larger number of ten per cents than you did before?—A. Yes.

Q. Is that in addition to the price being lower?—A. No, the price remains the same.

Q. Is the list price in January the same as the list price in August?—A. Absolutely, there is not a bit of difference, we take care of that by extra discounts.

Q. How many discounts are you allowing the Militia Department at the present time?—A. 40 and seven 10's.

Q. Are you allowing any other persons 40 and seven 10's?—A. No.

Q. When did you begin to allow the Militia Department 40 and seven 10's?—A. When the question came up as to the big order and the allowance that was made by the Kelly Company, it was arranged between Mr. Thomas and our company that the tires should be 40 and seven 10's and we accepted on that basis.

Q. By doing so, you are meeting the American price?—A. That is really what it was. We would not do it under normal conditions, we could not do it.

Q. Apparently you are holding up the price until this occurred?—A. I would not say that because that was our standard price.

Q. Your standard price was higher than the American price?—A. Certainly, but it did not allow of a tire being imported plus the duty.

Q. How does it allow now of a tire being imported plus the duty?—A. We could not do it.

Q. How do you carry on business then?—A. The Government is giving us back a refund of the duties on steel. We are in the same position as the Americans are, except that our facilities for manufacturing are not as great as they have there.

Q. Are you quoting lower prices now to the Militia Department simply because they are rebating the duty?—A. Yes.

Q. Is that why you allow the Militia Department the extra 10's that you do not allow private individuals?—A. Yes because it would be impossible to do it in every case.

Q. If the Government did not rebate the duty would the discounts be the same as they were in August last?—A. No, sir, they would be the same as they were in March this year, 40 and five 10's. That is the figure I gave you just now that worked out \$47.90.

Q. In that event would the cost be the same to a private purchaser as it was in August last?—A. No. The case of a private purchaser would be to the consumer 40 and two 10's, to-day.

Q. Was it not 40 and two 10's in August?—A. No, it was thirty off.

Q. What do you mean by thirty off?—A. Thirty off means thirty off the same list and five for cash.

Q. It was thirty per cent discount then?—A. Yes, to the consumer.

Q. What was the wholesale price in August last?—A. 40 and 5, and to the manufacturer, 40, two 10's and 5. That is the three grades of trade we handle.

Q. The rebate to the Government is not made on the rubber, is it?—A. No, only just the pigments that enter into it.

Q. What would that amount to for a tire?—A. About eleven or eleven and a half cents or something like that.

Q. What does the duty on the steel amount to; it would be \$1.19, would it not?—A. Yes, that is the sum.

Q. On the steel basis it would be about twenty-nine cents?—A. Yes.

Q. That would be \$1.61 would it not?—A. Yes.

Q. There is still a large difference between the price you were charging then and the price you are charging now?—A. No it is in accordance with the market; you go by what you paid for the manufacturing then as compared with now.

[Dunlop Tires—Northam.]

Q. Do you account for the difference in the price paid by the Government then and now by the difference in the price of the material?—A. Absolutely, and the general conditions of manufacture.

Q. Is that the reason why you were able to allow further 10's in the way of discount?—A. Yes.

Sir CHARLES DAVIDSON: There was a rebate made by the Russell Company of \$5,000?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: Am I to understand that the witness only bore about \$1,000 of that?

Mr. THOMPSON: That is all.

Sir CHARLES DAVIDSON: Was the \$5,000 rebate entirely in connection with the Dunlop Company?

Mr. THOMPSON: Yes. I was distinctly under the impression that when Mr. Russell found the Canada Cycle Company had been overcharged by the Dunlop Company he arranged with the Dunlop Company to make a rebate of \$5,000. I asked the question of the witness two or three times to ascertain what the fact was.

The witness retired.

CLAYTON R. BURT, assistant general manager of the Russell Motor Car Company, of Toronto, sworn:

Examined by Mr. Thompson:

Q. Can you tell me the exact date on which your Company was appointed to the agency of the Jeffrey Truck?—A. I do not know anything about that transaction at all.

Q. Do you know anything about the rebate on tires made by the Dunlop Company to the Canada Cycle Company?—A. I had nothing to do with that at all. At that time I was factory manager.

The witness retired.

THOMAS A. RUSSELL, manager of the Russell Motor Car Company, already sworn, recalled:

By Mr. Thompson, K.C.:

Q. Mr. Russell, you told us when you were giving evidence before that your company had purchased parts of motor trucks and had assembled some, I think the parts which went to make up a motor truck?—A. Yes.

Q. Did you tell us from whom you purchased these parts?—A. Yes.

Q. From whom?—A. Mr. E. T. Mussen of Weston, Ontario.

Q. What is his occupation?—A. At the present time he is with the Curtiss Aeroplane Company of Buffalo. At that time he was working for our company.

Q. How did your company come to purchase from a person in the employ of your company parts for motor trucks from a defunct company at Kingston?—A. He stated, when he mentioned the matter to me, that he had been expecting to better his position and by going in charge of this company, and had put some money in it, and in the completion of the company's affairs, that he had, as the result of his investment in it, become the owner of the parts referred to.

Q. What was the nature of his employment in your company?—A. He was in charge of our testing and finishing inspection department.

Q. About what salary would he be receiving?—A. About \$2,000 a year.

Q. Was he a man of any means?—A. I do not know as to that, I would expect he was of modest means, that he had been saving money for a term of years and probably was worth a few thousand dollars.

[Dunlop Tires—Russell.]

Q. Did it appear to you to be rather singular that the superintendent of one of your departments should invest probably a considerable part of his fortune in a rival company?—A. It was not a rival company.

Q. It was not a rival company?—A. No. It was another branch of the motor trade.

Q. Did that not appear to you to be curious, when he spoke to you?—A. Not after his explanation of it.

Q. Did he ever mention to you at any time, prior to the period at which these negotiations were opened, that he had these parts?—A. No.

Q. When did you become aware first that he had an option on these parts or that he was interested in the other company?—A. I would say approximately, because I have not any memorandum on the subject, that it would be somewhere about the 8th or the 10th of August.

Q. Did he mention the matter to you?—A. Yes.

Q. Did he ask your company to buy them?—A. He asked whether we would consider buying them. He drew attention to the question of the embargo, and he said they were good trucks and that he would demonstrate one to any one who wanted it, and he thought that using our factory we could make up the parts that were necessary and do the work and make a good job.

Q. Did he ever mention his connection with the defunct company before that date?—A. Not to me.

Q. Did you know he was connected with the defunct company before that date?—A. I do not know. I did not know he had any interest in it.

Q. Did he state specially that he had purchased these parts from the defunct company?—A. He gave me the impression that he owned them or was part owner with perhaps some others who were interested in it. I cannot say whether he said he owned them all.

Q. I would like to know what he said to you, if you can recollect the conversation?—A. He said he thought he was not getting along fast enough with our company; he thought he had an opportunity in this truck business, had invested some money in it and expected probably to go with it, and he spoke very highly of certain units that they had decided to make; in fact, I think he said the units were expensive and that is why they had not gone on, and that the upshot of the thing was that it did not succeed and that he, and perhaps he said others, one or two others with him, he did not say definitely as to that, had these parts which were in complete shape.

Q. Did he say that it was because he wanted to better himself that he had some time previously invested his money in the truck company?—A. He did not use these words, but that is the impression he gave me.

Q. Did he give you the impression that he wanted to buy these parts in order to better his position?—A. No.

Q. Have you got the invoices from your superintendent, showing what your company paid for these parts?—A. I presume so.

Q. Were the invoices from him to your company?—A. I cannot say; I expect so.

Q. I think we ought to know that, Mr. Russell; when can you ascertain that?—A. I can find that out on my return to-night and let you know to-morrow.

Q. I wish you would?—A. I never had occasion to refer to the transaction afterwards.

Q. Because we may require to call him if the parts were invoiced from the defunct company, or from the receiver of the defunct company, instead of from your superintendent to you?—A. I do not know as to that.

Q. Did you tell us the other day what the cost of assembling these parts was?—A. The total cost that was given me was approximately, without the general overhead expense of ten per cent, \$2,500 when they were completed.

Q. Did that include the cost of assembling as well as the cost of purchasing?—A. That would be the complete charge except as to the ten per cent overhead on the selling price.

[Dunlop Tires—Russell.]

Q. The engine is quite an expensive portion of the truck, is it not?—A. It is not as big a proportion in the truck as it is in the touring car.

Q. In proportion to the total cost of the car it bears a high proportion, does it not?—A. Yes, it is one of the important units.

Q. Did you hear the evidence this morning that the engine which was installed in this truck, which your company assembled, cost, laid down in Canada, new, a little over \$230?—A. I did not hear it. I was not here this morning. I have no knowledge as to what the cost was.

Q. An engine that would cost about \$230 for a motor truck, duty paid, would be a rather cheap engine—A. Yes, that is a little below the ordinary price for an engine. I had occasion to buy some recently, and I think the price was a little over \$200 without duty. I do not know how the size compared, but it may have been a little larger motor.

Q. In your opinion there is no startling difference in the price?—A. That would be a low price, but it is not startling.

Q. In your evidence the other day, you stated that the Dunlop Company passed an additional credit note to the Canada Cycle Company and the Canada Cycle Company passed a complete credit note, bringing it to this basis on which they had been charged to the Government, and you were referring to a credit note to the Government amounting to \$5,465.19?—A. Yes, and there was another one, I think, of \$138.

Q. The agent of the Dunlop Company states emphatically that there was only one credit, namely, of \$1,041.44?—A. Yes, I thought I made that clear the other day.

Q. No?—A. It was clear to me.

Q. If that is the case, the Canada Cycle Company, in the first instance, was charging the Government a pretty high rate for the tires?—A. I explained all that, I thought I can cover it readily again. I bought the tires. When I bought the tires, I asked Mr. Northam what the price was, and he stated thirty per cent off list. I asked what the price was to our Company as manufacturers or jobbers, and he said he did not know. The tires were then charged by our Company as thirty per cent off list price, and the charges were put through on that basis. I did not know what our Company paid for them. I O K'd the invoices for the Government, as a result of that conversation. I then mentioned when I was in England, that I was joined by our purchasing agent, Mr. Pringle, who had handled the matter.

Sir CHARLES DAVIDSON: You stated all that.

The WITNESS: And that he told me he thought our prices were all wrong on these tires, and that I should go into it.

Sir CHARLES DAVIDSON: We have heard all that.

The WITNESS: When I came back I found that the Dunlop Company charged these tires to us at 40, two 10's and 5, and that our Company had charged them at thirty per cent off.

Sir CHARLES DAVIDSON: If you would only answer Mr. Thompson's question; he wants you to explain the difference between the \$1,000 rebate and the \$5,000.

The WITNESS: I went thoroughly into the tire question and found what were the prevailing prices and raised the question with the Dunlop Company as to whether 40, two 10's and 5 was correct or not. They stated that 40 and four 10's was the lowest price they had made to anybody up to the time I purchased, and they thought they were entitled to a little better price by reason of the work they had done and I allowed them five per cent more than that, which made a basis of 40 three 10's and 5, and so they passed a credit note for the Canada Cycle Company for the extra ten per cent, namely, about \$1,000. That is the difference between the 40, two 10's and 5 and the 40, three 10's and 5. The Canada Cycle Company passed a credit note for the difference between 30 off, at which they had been originally charged, and 40, three 10's and five, at which they were finally charged.

Q. The Canada Cycle and Motor Company charged the Government too much?—A. I think so, and when I finished with it, it was 40, three 10's and 5. They charged the Government \$5,219.65 too much, less \$1,041.44.

[Dunlop Tires—Russell.]

Q. Which they got back from the Dunlop Company?—A. Exactly.

Sir CHARLES DAVIDSON: You could have said all that in two words.

The WITNESS: Perhaps so.

By Mr. Thompson:

In other words, you got a rebate from the Canada Cycle Company and a rebate from the Dunlop Company?—A. Yes.

Q. You said your manager brought it up?—A. Yes.

Q. And you stated you thought it was not a matter of conscience with him; how did it first come to his attention?—A. He did the buying for our company and was the one man in our organization who would know the basis on which they were bought and sold. I did not know what they were bought at before I left.

Q. About when did he bring it to your attention?—A. In November, when he came over to England and I was there.

Q. When did you take the matter up with the Canada Cycle Company?—A. When I returned, about the first part of January.

Q. Because Mr. Brown wrote to you on the 23rd of January, do you recollect that?—A. Yes.

Q. Mr. Brown writes on the 23rd of January, 1915, as follows:

January 23, 1915.

DEAR MR. RUSSELL,—General Fiset has been informed today as follows: "The spare tires for the motor trucks of the 1st Contingent were Dunlop's; but they were not supplied by the Dunlop Company direct, but through the Canada Cycle and Motor Company which is the same as the Russell Company. About 40 sets were supplied during September, 1914, ten sets being for Kelly trucks. The cost of these tires on the invoices is \$682.75 per set; while the cost of the same tires purchased now from the Dunlop Company is \$347 per set. It looks almost as if there might be a mistake in the price."

Have you any comments to make upon this statement for General Fiset's information.

Yours faithfully,

Sgd. H. W. BROWN,
Director of Contracts.

T. A. RUSSELL, Esq.,
Russell Motor Company,
Toronto.

The WITNESS: I had been in Ottawa the day before getting information on this tire matter, and had asked Major Thomas for the basis of charge for the Second Contingent and had just stirred the matter up the day previously.

Q. And you are quite sure it was in December that your manager spoke to you about it?—A. No, I am not sure of its being earlier than the 10th of December, because I left England on the 16th of December. I know it was in the last week. He arrived in England in November and it would be in the interval between the middle of November and the first week in December.

The WITNESS: Have you any other matters you wish to call my attention to?

Mr. THOMPSON: That is all, unless there is some matter you would like to refer to.

The WITNESS: I came down on other matters today, and if any questions come up with regard to anything while I am here I would be glad to be present.

Sir CHARLES DAVIDSON: It is not time yet. You had better wait because you had better peruse Major Thomas' evidence; there are some striking statements there. We may need you tomorrow and perhaps you, yourself, having read the evidence, would desire to make an explanation; some of it needs to be illuminated.

[Dunlop Tires—Russell.]

MILITIA SUPPLIES GENERALLY.

General D. A. MACDONALD, Quartermaster-General of the Canadian Militia, sworn :

By Mr. Thompson, K.C.:

Q. What is your position on the Force?—A. I am Quartermaster-General.

Q. And as such what are your duties?—A. In general terms, the equipment of the Canadian militia, which embraces housing, feeding of the men and horses, and transport.

Q. Generally speaking, you are what a railway would call, the purchasing department?—A. The purchasing department, well no we are not the purchasing department. I do not purchase. I purchase nothing. I indent upon the purchasing department for my requirements. That is all I do. What I ask for, indents, passes to the Director of Contracts. I am not speaking of the departmental system. The Director of Contracts calls for tenders, lets the tenders, inspects the supplies, and then they are passed over me, ready to issue to the militia.

Q. What branches are under you, General?—A. There are three branches, there is the clothing and equipment, and there are the stores, which embrace vehicles, picks, spades, axes, and all sorts of material outside of textiles. Then the Transport department has all transport, providing for the feeding, and care, and the housing of men on active service when they are in barracks and for the militia under canvas, and the contracts for the feeding. There are a great many other things taken in in this branch; there is the water supply, and the lighting supply, and the fuel. These are all contracted for on identically the same principle as the clothing; they are put up to tender and the lowest tender, I think, as a rule, is accepted.

Q. Is the Medical department under you?—A. No, we attend to the personnel of the medical department, but their technical stores are purchased by themselves.

Q. Are they not purchased through Mr. Brown?—A. They may be purchased through Mr. Brown, I would not say about that, but their requisitions go from them to him.

Q. Who is head of the clothing branch?—A. Colonel James Fraser MacDonald.

Q. Will he be able to give us information as to the quality of the clothing?—A. He might, but the quality of the clothing is all settled before it reaches us at all. The cloth is first inspected by one of the Director of Contracts' inspectors, as to the quality, the texture of the clothing and all that sort of thing. It undergoes certain tests in the way of strength for both warp and weft, and all that before it is manufactured into clothing.

Q. If there was anything obviously wrong with the clothing or equipment which came within his department would he be in a position to have knowledge of it?—A. Oh, yes. I have a perfect right, if it is brought to my notice, that materials are handed over to us that are noticeably inferior, to the sealed pattern, to deal with it. There are sealed patterns for all these things, and they are compared with the sealed pattern and inspected.

Q. That is what I want to get at; would Colonel MacDonald have knowledge of these facts or would it only be the inspectors?—A. The moment they are turned over to us, every article that comes into store is supposed to be a sealed pattern, because it is supposed to be equal in every part to the sealed pattern, and under the old maxim; things which are equal to the same thing are equal to one another, that clothing should be able to be taken out and handed out as a sealed pattern.

Q. Would it be part of Colonel MacDonald's duties to ascertain whether the various items which come under his control correspond with the patterns?—A. Yes.

Q. You have a general superintendence over that?—A. The only way in which he could have any knowledge of that would be from the Ordnance officer of the stores to which these things were sent, to notice the difference, and then it would be his duty to draw the attention of the Inspector of Clothing to it, because he is under him.

[Militia Supplies—Macdonald.]

Q. You would say that Colonel MacDonald simply exercises a general supervision over his department?—A. He does more than that, he administers the department. He makes out all the requisitions and he gives instructions for the issue of everything that goes out of store as well as that coming in, but as to quality it would have to be something out of the ordinary that would have to be brought to his notice.

Q. Let us take something at random, as an example; if your department was charged for a thousand razors of a certain pattern, and only 500 were delivered of any pattern, would that come under his notice?—A. Well I think very likely it would, that opens up another question. For instance there may be a difference in the colour of the handle and one razor was white and the other black, but equally good, and I do not think that would be a question which really one would want to cavil at.

Q. Perhaps I may shorten the examination by stating that I want to ascertain which officer of your branch would be able to give me information as to whether contracts were lived up to in every respect?—A. The Director of Contracts is responsible for that. He has his staff of inspectors. As I said a few minutes ago if anything was brought to my notice that was really of a lower grade than the sealed pattern, what I would do would be to at once send a report to the Ordnance officer and draw attention of the Director of Contracts to this.

Q. Are the Inspectors under the Director of Contracts?—A. Yes, they are under the Director of Contracts.

Q. So that your officers could not give us very much assistance in this respect?—A. I do not think they could.

Q. That is what I wanted to ascertain, as to whether any of your staff could give us the information?—A. I do not think so.

Q. There is just one question I wish to ask you further, General Macdonald, and that is with regard to the trucks that are now being assembled in Ottawa; there are 155 trucks now for the mechanical transport?—A. Yes.

Q. Should these have gone over with the Second Expedition?—A. Well, it was intended that it should, but I do not think any harm has been done by its not going. If the second division were leaving almost on its arrival there or very shortly after, it would have been important to have had these trucks there.

Q. Are the War Office authorities not calling for this transport?—A. I do not think so, especially. I am speaking perhaps of the first lot that went over with the First Contingent. When they went across to the front they of course remained in Salisbury for a very long time, and there is no doubt there was a great deal of wear and tear given to the trucks, some of it fair and some of it unfair, I should imagine. But before the Second Division went to the front, I understand—

Sir CHARLES DAVIDSON: The Second Division?

The WITNESS: The First Division, rather, sir. I understand that they overhauled a majority of the trucks that were sent over and put them in an efficient condition.

By Mr. Thompson:

Q. Of course, they had been in use for six months?—A. They had been in use for a long time.

Sir CHARLES DAVIDSON: Have they gone over to France?

The WITNESS: I think 60 or 70 of them.

Sir CHARLES DAVIDSON: We were told they were not transferred to France, but that they were left in England.

Major THOMAS: I said some only went.

The WITNESS: They had all to be gone over and put in a state of efficiency.

By Mr. Thompson:

Q. They had done a good deal of service?—A. Yes.

Q. And the weather was pretty bad in the winter and the roads were pretty bad?—A. There is no doubt about that.

[Militia Supplies—Macdonald.]

Q. But of course that would leave a shortage if only part of them went over?—A. I have no doubt that whatever shortages there were were provided for by the War Office. It was their duty to see that the division had what we could not possibly give through no fault of ours.

Q. Can you state positively that the War Office has not called for the Second Contingent?—A. They called for a division.

Sir CHARLES DAVIDSON: That is not the question, General.

By Mr. Thompson:

Q. Do you know whether the War Office have been calling for additional transport?—A. We know this, that we were bound to provide what is called for by the War Office regulations called for and equip a division, and the very moment that the division was authorized, we called for the trucks.

Q. And the trucks did not go over with the division, have the War Office made comments on that by asking when the transport will be sent?—A. I would not like to swear as to that; that may have come and possibly did come to me, but I do not remember it at the moment. It may have come to me, but I do not know that there was very much said nor would there naturally be, until after the division had left.

Q. Had left where?—A. Had left here.

Sir CHARLES DAVIDSON: What do you call this, a division or a contingent?

The WITNESS: It is a division, Sir Charles; a division is made up of a certain number of complete units.

Sir CHARLES DAVIDSON: Would it be a tragedy to call it a Second Contingent?

The WITNESS: It would not, sir. The only difference between a contingent and a division is perhaps this: that a contingent may be reinforcements, while a division is of complete units. The department speak of what we are sending now as a second contingent, and a third contingent, and so on.

By Mr. Thompson:

Q. Is it a complete division?—A. It is a complete division less—

Mr. THOMPSON: Less the Kelly trucks.

The WITNESS: Less some artillery equipment in the way of guns.

The witness retired.

MICHAEL KENNEDY, of the city of Toronto, manager of the Ontario Motor Car Company, recalled:

By Mr. Thompson, K.C.:

Q. I asked you to get some information, Mr. Kennedy?—A. Yes, Mr. Thompson. In looking up the date of the offer we received from the Troy Trailer Company, we find that our offer was made on August 17.

Q. Through whom?—A. It was made to the department and also to Mr. Russell. I have copies of the correspondence here that will show that.

Q. What would they show?—A. It was an offer of Troy trailers at \$800 and we made the offer of these trailers to the department at \$800, in order to facilitate matters as best we could.

Q. What was the quotation to you by the Company?—A. \$800.

Q. What price were you quoting to the Government?—A. \$800, exactly what they were costing us; that is about \$200 less than was paid.

Q. Would you read the telegram you referred to?—A. The telegram reads as follows:

TORONTO, August 17, 1915.

Hon. Col. SAM HUGHES,
Minister of Militia,
Ottawa, Ont.

We have now in Canada a considerable number of Packard two and three ton trucks with bodies ready for immediate delivery and can ship twenty-five at once also five Jeffrey military trucks similar to those in use in the United States Army. Can also deliver twenty standard Troy trailers at cost to us eight hundred dollars a piece plus freight from Troy, Ohio. Maximum discounts on Packard trucks in question is seven and half per cent and Packard Branch in Paris can furnish all parts required on Continent. We have been in touch for some days with Messrs. MacQuarrie and Russell and as time for delivery at Valcartier by twenty-eighth requires immediate decision and Messrs. MacQuarrie and Russell are reported out of town today we thought best to wire you direct as we wish to co-operate in every way possible.

M. A. KENNEDY.

Representing Packard and Jeffrey Motor Car Cos.

I have here a copy of a letter sent to Mr. Russell, with a copy of that telegram which I have just read, attached. The letter is as follows:

TORONTO, August 18, 1914.

T. A. Russell,
100 Richmond West, City.

Dear Sir,—We tried to get in touch with you last night as arranged, but were unable to do so, and again this morning, but found that you had left town, and later in the day learned that you had gone to Ottawa, and meantime believing that the information that we now had trucks available at Windsor would be of interest to yourself and the Militia Department, and that we were through direct inquiry by our salesman who is in Detroit offered shipment by Friday of this week of 20 Troy trailers, we wired the department as per enclosed copy of telegram, which we trust was in proper furtherance of the best interests of all concerned and your own wishes in the matter, and if any further Packard trucks are required, we shall of course be very glad to furnish them, and whether they are, or not equally so, to do anything we can to further the country's best interests.

As stated in our letter of yesterday there will be five Quad trucks ready for shipment Wednesday if required, and as they have quite a few orders on hand at this time and are giving these to us because of the fact that only immediate delivery will be of any value, we would appreciate as early a decision as possible as to whether you will require them or not, so we can advise the factory accordingly.

The four two-ton trucks with special equipment which we have already on order for you, will be here by the end of the week, and can easily be in Valcartier if required by Tuesday next, or earlier if necessary.

Yours very truly,

THE ONTARIO MOTOR CAR COMPANY LIMITED.
Manager.

The reference in that letter to Quad trucks, means the Jeffrey trucks. On August 4th, we wrote to our Ottawa office, I read the first paragraph of the letter:

“DEAR SIR,—The writer returned to-day from Kenosha, Wis., where we made arrangements with the Jeffrey Motor Car Company to handle their line [Motor Truck Trailers—Kennedy.]

in conjunction with the Packards, and as one of the lines they manufacture is a special four wheel drive truck built to the United States Army specifications, and being used largely by them, it occurs to us that possibly this might be an opportune time to approach the Canadian Government regarding the purchase of trucks, and especially one of the type shown in literature mailed you under separate cover."

On September 3rd, we wrote to our Ottawa agent:—

"TORONTO, September 3, 1914.

"S. H. McKAY, Esq.,

"The Ontario Motor Car Co., Ltd.,

"41 Queen Street, Ottawa, Ont.

"DEAR SIR,—We were notified to-day by the Jeffrey Company that their arrangement with us regarding trucks has been cancelled, as they have made an arrangement with the Russell Motor Car Company to manufacture Quad trucks in Canada.

"We have no further particulars than this to give you at the present time, but it is evidently useless to continue pushing the sale of Jeffrey Quad trucks.

"The writer has just returned from a trip to Valcartier to size up the situation there and find out how the different trucks are doing, and the result, so far as the comparative merits of the Packard and other trucks running there is concerned, is very much in favour of Packards, and we are hopeful of some further Packard business, particularly on trucks of larger sizes than now in use, about which also more later.

"Yours very truly,

THE ONTARIO MOTOR CAR COMPANY, LIMITED.

Sgd. M. A. KENNEDY,

"Manager."

You asked me to find out what date Mr. MacQuarrie was at the factory, and we have been unable to establish that date except that it was between August 8th and August 17th, but the Auditor General's account, no doubt, for his expenses, will be able to furnish the exact date.

The witness retired.

Surgeon-General Fiset, Deputy Minister of Militia, Ottawa, sworn:

Examined by Mr. Thompson:

Q. Mr. W. D. Morris this morning stated that he had written to you to the effect that he was offering Indiana motor trucks to the department and that he received no answer from you; do you recollect such a letter?—A. I am sorry to say I do not recollect receiving any letter, but if I did receive it I would pass it on to the Committee which was appointed by the minister to deal with the trucks. All correspondence of that character was passed to that Committee.

Q. That would be your routine?—A. Yes.

Q. Without acknowledging it?—A. We were extremely busy and no doubt it would be sent to the Committee to answer the letter.

Q. That would be your usual course?—A. Yes.

Q. I presume, therefore, you did not discriminate against the Indiana motor truck?—A. Oh, no.

Q. Do you know anything about it?—A. Nothing whatever.

Q. Would the motor truck matter come specially under your department?—A. No. If this letter was addressed to the Minister of Militia or to me, it would be

[Indiana Trucks—Fiset.]

passed over, in the ordinary course, to the Master-General of Ordnance, or the Quartermaster-General, under whose direction this Committee was purchasing the trucks. Even if the letter were addressed to the minister it would pass through the same routine.

Q. That is the usual procedure?—A. Yes, sir.

The witness retired.

T. A. RUSSELL, Manager of the Russell Motor Car Company, recalled:

Examined by Mr. Thompson:

Sir CHARLES DAVIDSON: You have heard the evidence of Mr. Kennedy, a moment since, that he offered the Troy trailers at \$800 and quoted the telegram which he enclosed to you in his letter of the 18th of August.

The WITNESS: Owing to absence from the city, I did not receive that letter until the 24th of August. I had, on the 17th of August, one week previously, purchased them at a price \$200 apiece higher.

Sir CHARLES DAVIDSON: That is you, yourself?

The WITNESS: Well, that is the fact, and our company took them on that basis, in order to get them into Canada and be in Valcartier on the 28th. I looked into the matter on the 24th.

Sir CHARLES DAVIDSON: When did your order through the Russell Company reach Troy?

The WITNESS: On the 17th. I was sorry to have that transaction come up. I thought there was a mistake afterwards, but they were bought in good faith on the 17th.

Sir CHARLES DAVIDSON: Why did you not cancel it?

The WITNESS: Because they were in the country at that time and paid for. When I received that letter on the 28th, I felt the embarrassment of it. The goods were brought in and paid for by the Russell Motor Car Company. The whole explanation of that transaction was that when we discussed the purchase of the seventeen trucks and the trailers, the question of the United States embargo was in the air.

Sir CHARLES DAVIDSON: You explained all that.

The WITNESS: That is the only reason of buying from a Canadian company instead of buying from the United States.

Sir CHARLES DAVIDSON: You see the trouble with you is that the Canadian company was able to offer you these trucks at \$800 for the Government.

The WITNESS: Yes, but I did not receive it until a week later, on the 24th of August.

By Mr. Thompson:

Q. What about this Jeffery truck; what was the exact date of the appointment of the Russell Motor Company as agent of these Jeffery trucks?—A. August 28th.

Q. Did you know that the Ontario Motor Car Company had been agents for that truck?—A. I believed that they were for Ontario. I went to Kenosha, I had finished purchasing for the first lot required. I went to Kenosha anxious to make a manufacturing and assembling arrangement, particularly with regard to export trade and expecting that if I got the agency on the arrangement that it would have to be subject to the Ontario Motor Car Company contract which I expected they would have. When I arrived at Kenosha I told the general manager what I had come for, and he said: all right. I said: I understand you have a contract with the Ontario Motor Car Company, and he said: no, that has never been completed. I said: are you sure of that, because they offered me trucks on your behalf. He said that there was negotiations, but they

[Trailers—Russell.]

were never completed. He went out of his office and came back and stated the contract was never completed. They were to have paid for a certain number of trucks and they never did it, and we are free to deal with you in Canada, as well as the right to export. Then and there I entered into an arrangement with him to buy through him in good faith with the right to Canada and to sell them abroad as the Jeffery or the Russell Jeffery, or the Russell, if we made all of them.

Q. What date was that?—A. August the 28th.

Q. Do you not recollect receiving a letter or telegram from the Ontario Motor Car Company, dated August 19, 1914, and addressed T. A. Russell, Chateau Laurier, as follows:—

Four Packards left Windsor yesterday, five Jeffery Quads leaving Kenosha this morning, delivery guaranteed. We have twelve additional Packards in cars at Windsor awaiting shipment instructions.

THE ONTARIO MOTOR CAR CO., LTD.

A. As I say, I expected that the Ontario Motor Car Company had a contract for the province of Ontario, and our company, if we got an arrangement, would have to accept any business for the province of Ontario. I was surprised to be told by the manager of the Kenosha Company that such was not the case.

Q. Although you knew that the Ontario Motor Car Company had been—A. Offering me trucks.

Q. Don't you know that it was actually selling Jeffery trucks in Canada?—A. No, they have not been selling Jeffery trucks. I believe it had been a matter which had just been recent, just a matter of days or weeks.

Q. What date was it again?—A. I was there on the 20th of August.

Q. This telegram is dated the 19th of August, and is from the Ontario Motor Car Company, addressed to you, and it shows that five Jeffery Quads were leaving?—A. I guess they never left. I do not know about that.

Sir CHARLES DAVIDSON: Why did you interfere in this matter, Mr. Russell?

The WITNESS: I had finished my commission with the Government, as I understood it, and returned to our company.

Sir CHARLES DAVIDSON: Finished with them at this date?

The WITNESS: Yes, as far as I expected, at that time.

Mr. THOMPSON: The Valcartier orders had been completed and he said that the second commission for the purchase of one hundred and thirty, or one hundred and forty trucks, had not been given.

The WITNESS: And I do not think any one contemplated it.

By Mr. Thompson:

Q. You were appointed on the 2nd September?—A. Yes.

Q. When did you complete the first purchases?—A. On the 18th of August I reported, and my business was finished in Ottawa.

Q. There were fourteen or fifteen days during which you were away?—A. I was back with our company and had no thought of any further purchases. As to the arrangement between the Ontario Motor Car Company and the Jeffery Company, I do not know.

Sir CHARLES DAVIDSON: Are you aware now that the Jeffery Company was compelled to pay over \$8,000 to the Ontario Motor Car Company?—A. I was not aware until very recently when the Manager of the Jeffery Company told me some particulars about it.

Mr. THOMPSON: The mere fact that the Jeffery Company were willing to pay eight thousand odd dollars to the Ontario Motor Car Company is pretty good evidence that they had really a contract with that company.

The WITNESS: The Manager of the Jeffrey Company will give you his view of that. I would be only repeating what he said and it would not be discreditable to our company.

By Mr. Thompson:

Q. Were you here this morning when Acason was giving his testimony?—A. No.

Q. He stated that you requested him to see about the purchase of the Detroit trailers, is that correct?—A. It is difficult to reconstruct the conversation that took place on the subject. My recollection is that on Saturday the 15th of August, he approached the question of trailers, with me.

Q. I thought that from your testimony, speaking from recollection, that you were rather at sea about the trailers?—A. I was.

Q. And you asked him if he knew anything about them?—A. That might be the case.

Q. And that he did not recommend the agent of the Detroit trailer very highly and that he thought there was a man at Walkerville, named Griggs, who could supply them?—A. Substantially that, that the Detroit trailer made in Detroit was, in his estimation, a better trailer, and I think he said there had been a Canadian company made to assemble them in Canada. I think I asked him to get information for me and send it to me so that I could take it up on Monday, because I had to act on the following Monday.

Q. I read from your evidence at page 637:

"Q. Do you know what the Detroit price was for that trailer?—A. I do not remember what it was.

"Q. Have you got the quotation from the company itself?—A. I have not it here. My impression is that I have not got it here, because it was written on another letter-head from Walkerville, than that of the Detroit Trailer Company.

Q. As a matter of fact, was not that transaction something as follows.... the Detroit Company after Mr. Acason's activities had been stirred up a little, the Detroit Company sold to Webster, Secretary Treasurer of the Gramm Company, and then sold them to the Government through you?—A. I have not any knowledge of any transaction except the purchase of the machines.

Q. I am referring to the two machines, was not that the history of that transaction?—A. It would be all news to me if there was any passing of it from one to another.

Q. Did you have any correspondence or conversation with Webster of the Gramm Company?—A. No.

Q. Did you buy from the Detroit Company, or from the Canadian branch of the Detroit Company?—A. From the Detroit Trailer Company of Canada.

Q. Who is the manager or president?—A. I cannot say offhand.

Q. Would it be a man named Griggs?—A. I believe so.

Q. And was it Griggs who quoted this price?—A. I think it was Griggs who quoted the price, I think that is the man I had correspondence with.

Q. Was he a manufacturer, or was he the agent of the Detroit Company?—A. I understand they were proposing to assemble these machines in Canada and had a Canadian Company to handle them here. I did not know very much about the concern, in fact I never heard about them before.

Q. Who were you depending on for your information about them?—A. My information came from two sources on these two machines. I think one from Mr. Acason, of the Gramm Company, who mentioned it. I do not know whether he stated he had an interest in the controlling company or not. The other source of information was from letters which, as I recall, were quite emphatic that they were in this business in a serious way, and were going to have a Canadian Company or had a Canadian Company.

[Jeffrey Trucks—Russell.]

Q. Did you write to the American Company and ask them what their prices were on trailers?—A. I do not think I did because this thing was all handled on the two days, the 15th and the 17th.

Q. You evidently trusted in Acason?—A. I trusted in that information. I had from him, I think so.

Q. Would you be surprised to know that Acason, between his benevolent activity and interference, pocketed \$400?—A. I would.

Q. Have you heard or have you any reason to suppose that he did so?—A. I have no reason to suppose that he had any interest in the transaction at all.

Q. So that you stated here that Acason had no interest in the transaction; what would be the nature of your discussion with him when the trailer question came up?—A. My recollection was not very clear on the subject when it was raised the other day and I looked up my record since and I find I was given a small catalogue of the Detroit trailers.

Q. By whom?—A. By Mr. Acason. And there were prices marked on the back in his handwriting, and it was on these prices that I issued the instructions for the order to go forward to the Detroit Trailer Company.

Sir CHARLES DAVIDSON: What price?

The WITNESS: \$1,100 each I think complete with bodies.

Sir CHARLES DAVIDSON: That was not their list price?

The WITNESS: I have no knowledge of any company having any interest in it and I expect that the money went to the Detroit Trailer Company of Canada and that that was the transaction. Whether I had an idea that Mr. Acason was a shareholder in the company or not, I cannot say. But so far as I know, it was a straight transaction with the Detroit Trailer Company of Canada, to buy two trailers.

By Mr. Thompson:

Q. Did you have their price list?—A. I had their United States catalogue, as I recollect it, which did not have prices in it, but the United States and Canadian prices were written on it.

Q. Did Acason send the account to you or to the Trailer Company?—A. The Trailer Company sent the account to Valcartier where the goods were received. I did not O.K. account, it was handled by the officers at Valcartier.

Q. Did you understand that you were dealing direct with the Detroit Trailer Company?—A. The Detroit Trailer Company of Canada, yes.

Q. Did you know them as such?—A. No, they were a new concern, in fact I did not know the Detroit Trailer Company, itself.

Q. Is there a Detroit Trailer Company of Canada?—A. I presume so.

Q. Is there?—A. I think so.

Q. Where?—A. In Walkerville.

Q. Were not these invoices from Detroit?—A. No, it was duly paid in Canada, f.o.b. Walkerville.

Q. Was the invoice a Canadian invoice?—A. I never saw it, but the copy of the order was one issued for two Detroit trailers, at \$1,100 each, f.o.b. Walkerville.

Q. Would not the letter-head show it?—A. No.

Sir CHARLES DAVIDSON: I do not think there is any Detroit Trailer Company of Canada.

The WITNESS: I understood there was.

Mr. THOMPSON: It is the Gramm Company.

The witness retired.

JOHN FRASER, I.S.O., Auditor General of Canada, already sworn, recalled:

By Mr. Thompson:

Q. You said the other day, Mr. Fraser, that you thought the purchase of oats from James Macdonnell of Montreal was rather at an excessive price?—A. Yes.

Q. I think you said the Government paid 70 cents a bushel for them?—A. Yes.

Q. Do you know what the market price was at the time the requisition was sent out to the contractors?—A. No, I only judged of the market price by the price that the Government had paid for the oats that they got from Port Arthur.

Q. These were the oats that were commandeered by the Government?—A. Yes.

Q. I think the price they were commandeered at was 47½ cents?—A. I think so; I think I stated here it was 52 cents but I think that included the bagging.

Q. At what date were these oats commandeered?—A. It was immediately after the outbreak of war.

Q. And these calls for tenders were sent out towards the end of August, were they not?—A. The 24th of August.

Q. The price of oats was fluctuating?—A. So I understand since.

Q. And the price on Monday would be no guide to the price on Tuesday, at that time?—A. Not necessarily.

Q. Have you anything specifically to say with regard to the Macdonnell contract?—

A. I noticed that his were sold at 70 cents while Sparks' oats were sold at 67 cents on the same call for tenders.

The witness was not further examined.

JAMES MACDONNELL, merchant, of Montreal, sworn:

Examined by Mr. Thompson:

Q. What is your occupation, Mr. Macdonnell?—A. Hay and grain merchant.

Q. Of what city?—A. Montreal.

Q. Do you remember receiving a request from the Militia Department to tender on oats on the 24th of August last year?—A. Yes.

Q. How much did you tender for?—A. I think the tender called for 32,000 bushels. I was awarded 11,000 of the 32,000 bushels.

Q. At what price?—A. I quoted 70 cents, bags included, delivery at the docks.

Q. That is what the telegram called for?—A. Yes. I quoted on No. 2, Canadian Western.

Q. That is in accordance with the requirements of the telegram?—A. Yes, and I delivered No. 2 Canadian Western.

Q. Did you deliver that grade?—A. I delivered the grade of oats I was awarded the contract for.

Q. Were they inspected?—A. They were inspected.

Q. At Montreal?—A. Montreal.

Q. Had you these oats in the warehouse at the time or did you have to buy them?—A. I had them in the harbour elevator.

Q. Had you them there for some time?—A. Yes, there were some carrying charges on them and the oats on the market were 67 cents in store at the time, so I took a small profit on the market price, ruling at the time of delivering.

Q. What was your margin of profit?—A. Over the market price, ruling at the time I took, about three cents. I had a few more cents, I took the risk of carrying the oats. The market was changing all the time, there was insurance, interest and storage charges on the oats while in the elevators.

Q. Would that bring the price to you a little above the prevailing market price?—A. No, there would be about three cents a bushel charges and the bags would cost three and a half cents each, bagging the oats, one and a quarter cents, delivery to the wharf one and a quarter cents, so that taking all the charges the profit was very light.

[Oats—Macdonnell.]

Q. Were No. 2 Western oats plentiful at that time?—A. No. No. 2 were scarce. On account of the big demand and fluctuation for war purposes they were scarce.

Q. Were No. 2 Canadian Western oats at that time worth more than Ontario oats?—A. Yes, they would be worth four or five cents a bushel more.

Q. Were they worth more than Quebec oats?—A. Yes.

Q. Are Quebec oats and Ontario oats about the same quality?—A. About the same. Ontario oats are worth a little more than Quebec oats.

Q. Why is that?—A. Quebec oats have been poor in quality for the last few years, but the Canadian western oats are the standard; they ask for No. 2 Canadian western oats for milling purposes.

Sir CHARLES DAVIDSON: Do you consider the profit you made on the transaction reasonable?

The WITNESS: Oh, very reasonable.

Mr. THOMPSON: Was the market a fluctuating one?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Within what range?

The WITNESS: The oat market jumped generally speaking about 10 cents a bushel, of course that is different grades.

By Mr. Thompson:

Q. Did oats ever go higher than 70 cents a bushel?—A. Yes.

Q. How high?—A. The Canadian western oats went to 72 cents and 73 cents in bulk and stored in Montreal.

Q. What would that have brought the price delivered to the ship at the docks?—A. It would cost about 80 cents a bushel.

Q. Would that be shortly after your delivery of the oats?—A. It was during the winter, probably a month or six weeks after.

Sir CHARLES DAVIDSON: And between the early days of August and the last week of August how did the market stand for oats?

The WITNESS: During the month of August there was a jump of about from 15 to 20 cents a bushel; it was high the last of August.

By Mr. Thompson:

Q. Did you pay any commission to anybody in respect of the sale of these oats?—A. None whatever. I have no connection whatever with anybody. I got the call for tenders and I sold the oats but I would not know the Director of Contracts, never saw him.

Q. Did anybody pass your oats?—A. Colonel Sadler was the man appointed by the Militia Department in Montreal to inspect the oats and he made us deliver cleaned No. 2 Canadian Western.

The Witness retired.

The Commission adjourned until half past ten tomorrow morning. (Thursday).

OTTAWA, THURSDAY, July 15, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

Lieutenant-Colonel W. OWENS THOMAS, of the Militia Department, already sworn, recalled:

By Mr. Thompson, K.C.:

Q. I asked you the other day as to the cost of the Kelly-Springfield chassis laid down in Ottawa, without tires, with the freight added?—A. The cost of the chassis inclusive of tires, at Springfield, Ohio, was \$2,550. Without tires, it would be \$247 less, which makes \$2,303. To this must be added the cost of the freight which averages \$42 per chassis, which, with the freight added, would make the chassis \$2,345.

Q. Does the consignor pay the freight and then charge the department?—A. No, sir, the freight is paid by the department.

Q. And when the department pays the freight it includes cartage to the stores in Ottawa?—A. In this case it does not include cartage, because the carload lots are delivered to our own building, where they are unloaded inside of the building from the freight car.

Q. Would there be any cartage in this instance of the shipment of the Kelly trucks?—A. None whatever.

Q. There would, therefore, be no rebate?—A. None.

Q. What is the date of this carload?—A. This particular carload I have reference to was shipped on February 6 from Springfield, Ohio.

Q. Were there several shipments of trucks?—A. Yes.

Q. Would the same observation apply to all the shipments?—A. Yes.

Q. Were they shipped direct to the Dominion Bridge Company's premises here?—A. Yes, two in a car.

Q. So that in no event would there be any rebate to be claimed from the Railway Company?—A. No, sir.

Sir CHARLES DAVIDSON: Did the freight include the cartage?

The WITNESS: There was no cartage. It included the switching charges, the car was placed inside the building by the railroad company.

By Mr. Thompson:

Q. Does that same observation apply to spare parts?—A. Yes, in carload lots.

Q. How much did not come in carload lots?—A. The parts are not yet delivered.

Q. Were there any other items that were carted by the railway company to the premises?—A. The first tires that came were carted by the railroad company free. The next tires that came were delivered in carload lots in the premises.

[Motor Trucks—Thomas.]

Q. What do you mean by carted free?—A. Carted from down town rather than switch them; they had the option of switching the car or delivering the actual goods in the building.

Q. Do they not add an extra charge for the carriage of the supplies to the building, instead of switching?—A. The contract called for delivery. There is a charge of three cents per hundred pounds for cartage, but that was paid by the contractor.

Q. And charged, was it not, against the Department?—A. No, sir.

Q. Was not the freight in all cases charged against the Department?—A. Yes, the freight is charged against the Department.

Q. Is the cartage charge not part of the freight?—A. I may be wrong in that. The cartage was charged for the freight, and naturally in the end the Department had to pay it.

Q. When the parts arrived there will apparently be cartage dues; what will these cartage dues amount to, including the dues on the tires which have to be carted?—A. To the Bridge plant?

Q. I do not know where it is going to?—A. Everything now, after the first few days, has come in carload lots and delivered by the railway companies on the side track and unloaded in the building.

Q. Will the parts be delivered in that way?—A. Yes, sir, just exactly the same.

Q. What would the cartage amount to on the tires, would it be any considerable sum?—A. I think only two wagon loads were carted, it was a very small shipment.

Q. It would not amount to very much?—A. It would not.

Sir CHARLES DAVIDSON: There was a claim put forward by you, as a matter of contrast with the first contingent supplies, that you saved a large amount on cartage?

The WITNESS: No, sir, there is nothing in the claim for cartage. That is an entirely separate thing. I claimed that in another department I am taking care of all of the cartage with the same trucks.

Sir CHARLES DAVIDSON: But it has not any relation to any railroad traffic?

The WITNESS: No.

Sir CHARLES DAVIDSON: The first contingent supplies did not pay cartage?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: I understood you to make that a point.

The WITNESS: The point was, that the trucks were in storage and they were charging the storage of the trucks against the cost of the trucks, which I claimed should be charged to the cartage that the trucks were doing and saving the cost of haulage.

By Mr. Thompson:

Q. I asked you the other day as to what the rentals amounted to for the premises where the trucks were being set up or where they were being stored. I want to arrive at the cost of the Kelly truck preparation, as well as the cost of purchase, and I think you told me that the Department had rented the Dominion Bridge Company premises and Victoria garage; are you not occupying, for the purpose of these trucks or appurtenances, the Ottawa Storage and Cartage Company premises?—A. No, sir. I have charge of that building, but it is for the Inspection Department.

Q. What is inspected there?—A. Everything outside of textiles and leather goods.

Q. Would that include materials or equipment other than the trucks and tires?—A. There is no equipment for trucks or tires, or for the motor transport, that has ever been inside of that building. What is there includes tents, and tent-pegs, and everything of the equipment and different matters altogether from the trucks.

Q. Are not the premises of the International Marine Signal Company used?—A. Yes, that is used for the storage of trucks; I do not know what the rental of that building is.

Q. Would it be \$500 a month?—A. No, sir; it would not be worth more than \$100 a month.

[Motor Trucks—Thomas.]

Q. Do you know anything about the rental of that?—A. No.

Q. Since how long has it been used by the department?—A. I think it was used about the middle of March. Only a small portion of that is used. It is a very large building and only one end of it is used.

Q. Are you not paying the rental for the whole of it?—A. I do not know.

Q. Do you know how much was paid out for employees in connection with Kelly trucks and incidental work on the trucks, putting on bodies, and so forth?—A. Yes. I have figures on that compiled, and including the paint and the putting on of the permanent body and the putting on of the tires, and drilling wheels, and everything; it will be inside of \$20 a truck; that is including two coats of paint.

Q. Would this list be approximately correct, do you think—paid employees 15th to 26th February, \$521?—A. Employed for what?

Q. The employees connected with the Kelly trucks?—A. It is very difficult to say how much of that should be charged to the development of the trucks, because all of that work is really producing the haulage in town. When I put one of the old bodies on to a truck and take it off again we would not need to put it on if we were not using these for hauling the freight in town.

Q. How many have you got hauling freight in town?—A. Every one of them is being used consecutively during the test period.

Q. How many daily?—A. We have now 15; we had as many as 40; next week we will have 40, and then we move the stores from machinery hall.

Q. Were there not three or four trucks previously doing that duty?—A. No, sir; that duty was being done partly by the railway teaming companies and partly by teams hired by the day or by the month by the department.

Q. I understand that the pay of employees in connection with motor trucks and cartage, 15th February to July, amounted to \$16,000 or \$17,000; I want to ascertain what portion of it should be chargeable against the Kelly trucks?—A. It is all on the Kelly trucks, so far as handling the trucks are concerned, but it is mostly incidental to the actual work we are doing for the department. For instance, we do not now have to pay fifteen drivers and fifteen helpers, to store Kelly trucks, for each one of these trucks is making from ten to thirty loads per day; you can see them on the streets.

Q. How were these services performed before the Kelly trucks were running?—A. By the department hiring teams and by the railroad companies hiring teams and charging them to the department. At present not one cent is paid for cartage of any kind by the department, even from here to the new ranges, 15 miles away, or to Rockcliffe, or anywhere in the neighbourhood of Ottawa, including the moving of artillery to the proving range. Besides that, the figures you gave include the personnel of driving the headquarters cars, of repairing headquarters cars, and all incidental expenses of motor transport of every character in Ottawa, which is done by us and which previously was in a separate department, chargeable to Colonel Biggar, Director of Transport and Supplies. May I add still further to that, that it also includes the repairing of all cars shipped into Ottawa from all points in Canada, which hitherto were repaired locally. Is that plain, Mr. Thompson?

Q. You were asked before the Public Accounts Committee, page 534 bound volume (unbound volume page 484) a number of questions to show a comparison between your purchases and those made by Mr. Russell, and you said:

The saving made on the second purchase was not possible on the first. I could specifically have bought, if I had been here at the time, Peerless and Kelly trucks for the same price as I did buy them—in fact I gave General Hughes those prices in New York—but otherwise I could not have bought anything cheaper at the time than Mr. Russell bought.

A. In Canada.

Q. That was your statement, is that substantially correct?—A. Yes.

Sir CHARLES DAVIDSON: That conflicts with the testimony given here about the Kelly truck.

[Motor Trucks—Thomas.]

Mr. THOMPSON: Then the following occurred at the Public Accounts Committee:

Q. Very well then, you have answered part of the question. Now what saving would have been made on the Peerless and Kelly trucks?—A. Peerless and Kelly trucks I happened to have special prices on which Mr. Russell did not at that time.

The WITNESS: Yes, I will admit there is a conflict there. I know now that Mr. Russell did have the twenty-five per cent, but I did not know it at that time.

Sir CHARLES DAVIDSON: Yesterday, the President of the Kelly Truck Company specifically stated that the prices he sold to Russell at were exactly the same as he sold to you at, and the difference was that the Russell Company absorbed fifteen per cent of the twenty-five per cent; is not that it, Mr. Thompson?

Mr. THOMPSON: That is it.

Sir CHARLES DAVIDSON: The main fact at the moment is, that the prices you, Colonel Thomas, secured, are exactly the same as those secured by Russell from the vendors, and there seems to be some error in your statement.

The WITNESS: At the time I was not fully aware of the price that Mr. Russell did secure. I am, of course, now aware of it. I have learned from the files what the prices were that Mr. Russell secured.

Sir CHARLES DAVIDSON: And they were the same as yours?

The WITNESS: Exactly the same.

Sir CHARLES DAVIDSON: And in regard to the Peerless too?

The WITNESS: No, they were not the same, as far as the charges to the Government were concerned.

Sir CHARLES DAVIDSON: I am now speaking of the prices paid to the vendors.

The WITNESS: That I have no means of knowing in the case of the Peerless, because I have not compared them.

Sir CHARLES DAVIDSON: You have the means of knowing, but you have not compared them.

The WITNESS: I have not compared them. I meant I had no means of knowing of the transaction between Mr. Russell and the Peerless.

By Mr. Thompson:

Q. Then there were a few more questions asked you, showing how much was saved on a truck, and the conclusion was that the saving would make a total of \$19,200. I quote from the evidence before the Public Accounts Committee:

Q. That would make a total of \$19,200?—A. No, \$19,500.

A. I have dealt with that in my tabulated statement from which that was taken, I have a copy of it here.

Sir CHARLES DAVIDSON: And then there is apparently another discrepancy. I quote from the evidence of the Public Accounts Committee:

“Q. You are right, it is \$19,500?—A. We could only have done that because we had at the time special prices for the British War Office on those trucks.”

The WITNESS: The answer to that is, that Mr. Russell also had special prices.

Sir CHARLES DAVIDSON: Is that quite correct, because Mr. Geddes yesterday said he was selling to automobile agents in New York at the same price, namely, twenty-five per cent discount?

The WITNESS: Yes, I should qualify that by saying it is a special price as far as dealing without the agent is concerned. It is admitted by the Kelly Company, and given in evidence by Mr. Geddes, that that is the price to the agent, and only in special cases has he granted that price to a buyer who was not an agent.

[Motor Trucks—Thomas.]

Mr. THOMPSON: I asked him whether he had sold trucks to an individual purchaser in Canada at twenty-five per cent discount and he said: no.

The WITNESS: He admitted he sold one.

Mr. THOMPSON: But that was to an agent.

Sir CHARLES DAVIDSON: I am very much struck with your statement, that you have made these enormous savings, and I put the conclusion to you that unless there was some explanation the expenditures on the part of the first contingent had been almost profligate, and now I understand you to concede that the first contingent bought at exactly the same prices as you did.

The WITNESS: Mr. Russell did, but not the Government.

Sir CHARLES DAVIDSON: We will deal with that later. Take the question as put—they bought at the same prices as you did.

The WITNESS: Do you mean the first contingent?

Sir CHARLES DAVIDSON: Yes.

The WITNESS: Not the Government.

Sir CHARLES DAVIDSON: Russell did.

The WITNESS: Russell did, yes.

Sir CHARLES DAVIDSON: I will deal with that later, as to his having absorbed fifteen per cent of the twenty-five per cent.

The WITNESS: I claim to have done nothing wonderful. I have simply put it on to the wholesale basis that it should have been on in the first place.

Sir CHARLES DAVIDSON: I cannot see that, because you got the same prices as Russell did.

Mr. THOMPSON: In other words, Colonel Thomas, the vendors did not receive more from the Government, under your administration, than they received from Russell?

The WITNESS: They received exactly the same. My statement was as to the saving to the Government.

Sir CHARLES DAVIDSON: Your statement is printed here to the effect:

“I could only have done that because I had at the time a special price for the British War Office on that truck.”

The WITNESS: Yes, sir, we have the same as the agency prices, and we are not agents, and not being agents I considered that getting the agency price was a special price.

Sir CHARLES DAVIDSON: But that does not affect your statement.

The WITNESS: I do not quite see your point yet, sir. My original statement was as to the actual saving per truck to the department.

Mr. THOMPSON: It is a very admirable thing that the Government should purchase more cheaply, but the point is to ascertain whether there was an extravagant price paid by the Department for the first purchases.

Sir CHARLES DAVIDSON: And you say in this evidence before the Public Accounts Committee that on the Peerless and Kelly trucks you had special prices, which Mr. Russell had not at that time, and later you say: I could only have done that because we had special prices for the War Office.

The WITNESS: If you will let me make one explanation of that—Mr. Russell, as the purchaser of the Government, did not purchase from the Russell Company at the same price that I purchased from the Kelly Company. Mr. Russell happened to be at the same time the purchaser for the Russell Company, from the Kelly Company, and as such he did purchase at the same price as I did.

Sir CHARLES DAVIDSON: That does not appear in your evidence before the Public Accounts Committee.

[Motor Trucks—Thomas.]

The WITNESS: No, but that was the intention. I am comparing the cost to the Government in the two cases, and not comparing my position with Mr. Russell as President of the Russell Company, rather than as the purchaser of the Government.

Mr. THOMPSON: Now, at page 414 of the unbound volume of the Public Accounts evidence, and it appears at page 455, 459 and 460 of the bound volume, you have tabulated the savings on the second purchase, and I find under the headings of replacements:

By these figures the saving between the old prices and the present prices on the first two months active service of one division transport is as follows:

and then you go on to say:

10 sets of Replacement Units, at saving of \$1,807.24 per set. . . . \$18,072.40

10 sets of Replacement Parts, at saving of \$1,807.24 per set. . . . 18,072.40

95 sets of Replacement Tires, at saving of \$90.72 per set. . . . 8,618.40

These savings you estimate to be \$44,000, which you saved in the purchase of parts. Now, if you were to save \$44,000 over and above the amount expended by Russell, it would be necessary, would it not, for you to—

The WITNESS: That is not the statement, etc.

Mr. THOMPSON: Just wait until I finish—it would be necessary, would it not, for you to have purchased some \$100,000 worth of parts?

The WITNESS: Yes, figuring on that basis.

Mr. THOMPSON: Did you say that my statement is not correct?

The WITNESS: The statement I made there is very definite and is based on the report of March 29.

Mr. THOMPSON: Never mind that, let us take your testimony here. You say:

By these figures, the saving between the old prices and the present prices on the first two months active service of one Division transport is as follows:

and then you repeat the savings which I have read, and which make altogether about \$44,000. Now, if you are going to save that amount of money, would it not be necessary for him to purchase about \$100,000 worth of parts; you are comparing your purchases with Russell's purchases.

The WITNESS: No, sir, I am not. In that case, if you will allow me to read the actual report.

Mr. THOMPSON: Excuse me; you say: that by these figures the saving between the old prices and the present prices on the first two months active service of one Division transport would be—

The WITNESS: No, sir, that is not my statement.

Mr. THOMPSON: Is not that in a letter written by you, W. Owen Thomas, on the 29th of March, to the Honourable Major-General Sam Hughes? Do you say that these figures set down there are not correctly printed?

The WITNESS: I do not, but I say they do not refer to a comparison of my purchases with those of Mr. Russell.

Mr. THOMPSON: Are these words correct:

“By these figures the saving between the old prices and the present prices on the first two months active service of one Division transport is as follows.”

The WITNESS: Yes, on the first two months' establishment and if you read what goes above it is plainly stated:

“As against the same equipment priced according to the cost of the same chassis purchased for the first contingent and the price for replacement units parts and tires for the same contingent.”

That is a definite comparison.

By Mr. Thompson:

Q. Now, Colonel Thomas, you are showing that you are saving the Department \$196,000?—A. Yes, sir, I am.

Q. We want to see what you are saving over and above what Russell actually purchased?—A. Russell did not purchase adequate supplies for the first contingent, I purchased them since.

Q. That is not the point; the point is, what did you save over and above Russell's actual purchases? What were Russell's actual purchases under these three heads?—A. I do not know, there is no record in the Department of it.

Q. Does it not amount to \$2,000?—A. There is no record. Mr. Russell sent a few parts with the cars and he sent no adequate repairs with the cars until afterwards.

Q. Therefore, if he only sent a few spare parts a couple of thousand dollars would cover it?—A. That I have no knowledge of.

Q. What would a few spare parts amount to?—A. It depends on the quantity.

Q. But you say that he only sent a few?—A. He did. His method of ordering—

Q. Never mind his method of ordering, what would a few spare parts amount to?—A. I have no knowledge of what spare parts he sent, except from his invoices which I only roughly examined.

Q. What would you say as to that as a result of this rough examination which you made?—A. It would be merely a case, I would say, of his spending \$2,000 or \$3,000 for spare parts.

Q. That agrees with his statement. On the expenditure by Russell of \$2,000, what would you save?—A. \$1,000.

Q. It would appear from this statement before the Public Accounts Committee, you may not have intended it to be so—but it would appear to a casual reader or even to a careful reader, that you were saving \$44,000 on the amount actually expended by Russell on these parts?—A. It is not intended in that way at all. I gave a definite list of parts, and I saved the difference between the cost of these parts, that the cost of these parts under present prices which are given and the prices Russell paid, which are also given, that based on this amount which is specified definitely by the War Office to be shipped with that division, the saving is so much money.

Q. Therefore your statement here is only a relative comparison, and is not an actual comparison, between the amount actually expended by Russell and the amount which you intended to spend?—A. It is solely dealing with my own business, and it does not mention Mr. Russell at all, only the prices which Mr. Russell paid.

Q. Excuse me, you say that by these figures the saving between the old prices and the present prices, on the first two months active service of one Division, would be the amount I have stated, would be so much?—A. Yes, on that amount.

Q. Therefore, I take it, that you would have saved \$44,000 if Russell had bought the same amount that you have specified here in this statement before the Public Accounts Committee?—A. I am saving it by buying now. If I bought what I am buying now at the prices Russell paid, I would have to pay that much more for them.

Q. But if Russell did not make the outlay, you cannot be saving on his expenditure?—A. I did not say I was saving on the first contingent at all. I am talking about the second contingent and comparing prices, and comparing purchases at my own prices, with the prices for the same amount of purchases bought by Mr. Russell.

Sir CHARLES DAVIDSON: What relation have the prices, which you paid to the manufacturers, to the prices which Russell paid to the manufacturers, as to the parts?

The WITNESS: They are stated very definitely here, with regard to one definite order, namely, the last order that was placed on the old basis, and afterwards changed to my basis.

Sir CHARLES DAVIDSON: Yes, but give me an answer to my question and do not become involved in these collateral statements.

The WITNESS: The Kelly engine cost Mr. Russell \$1,250. It cost me \$620.78.

Sir CHARLES DAVIDSON: Is that the price paid to the manufacturer?

[Motor Trucks—Thomas.]

The WITNESS: That is the definite price paid to the Kelly Company, paid by the department.

Sir CHARLES DAVIDSON: No, what I want to get at is the price paid to the manufacturer.

The WITNESS: By the department. I know nothing of the actual profit that Mr. Russell had.

Sir CHARLES DAVIDSON: As to these parts that you referred to, did you get a better price from the manufacturer than Russell did?

The WITNESS: Yes, sir, that is the department got a better price.

Sir CHARLES DAVIDSON: You are continually harping back to the department; we will deal with Mr. Russell later, as to that.

The WITNESS: I have no knowledge of Mr. Russell's business; I only know what the department invoice was.

Sir CHARLES DAVIDSON: But these invoices were from the Russell Company.

The WITNESS: I think, in the case of the Kelly parts, some of them were purchased direct from the Kelly Company. I know that in this particular order Mr. Russell had nothing to do with it.

Sir CHARLES DAVIDSON: I still would like to have that clearly put before me—what relation had the price you paid the manufacturer to the price which Russell paid, in relation to these parts?

The WITNESS: These are the actual figures, and all I can give is the price the department paid. The price that Mr. Russell paid I do not know, but I could ascertain.

Sir CHARLES DAVIDSON: Well do, if you please.

The WITNESS: I will wire to the Kelly Company.

Sir CHARLES DAVIDSON: Can you not find it out here?

The WITNESS: No, sir. The department invoices only show the prices that were paid by the department.

Sir CHARLES DAVIDSON: Does Mr. Russell's evidence show what profit he made on these parts, if any?

The WITNESS: These parts are bought under an entirely new system that I think should be investigated. You will plainly see the difference if you read my report of March 29 on repair parts.

By Mr. Thompson:

Q. Is that the statement from which I have been reading?—A. No sir, it is not. It is another one on repairs which I have got here, and it is very plain.

Q. But what I want to get clearly on the notes is a proper understanding of this saving of \$195,000 odd dollars. That would only be absolutely correct, would it not, if Russell had purchased all the items set out in the tabulated list?—A. Yes.

Q. And if you had then come afterwards and bought these same items, at your reduced prices?—A. Yes, and it states that.

Q. And as a matter of fact, as Russell did not make purchases, to that amount, the actual saving is not \$196,000?—A. Not as concerns Russell. But we have spent over \$100,000 in England on the same apparatus, and that is all included in the statement.

Q. I cannot see that, and that is not the point, and you do not state that in your evidence before the Public Accounts Committee?—A. It is all included in the cost of maintaining the first contingent trucks.

Q. The same applies to the 95 sets of replacement tires, on which you show a saving of \$8,618. To effect that saving, would Russell not be obliged to buy the 95 sets?—A. Yes sir.

Q. And Russell, as a matter of fact, did not buy 95 sets?—A. No, he only bought 40 sets.

Q. Therefore, the same observation would apply to that \$8,618, would it not, that that would only be the actual saving, if Russell had, as a matter of fact, bought 95 sets of tires?—A. Yes, if he had spent the amount specified by the War Office.

Q. Never mind the War Office specifying anything; would the saving only apply if Russell had, as a matter of fact, bought 95 sets?—A. Yes.

Q. Do you know whether, as a matter of fact, replacement parts or replacement units were sent forward by the department to the expedition in England or in France, to supplement broken parts or broken units?—A. Yes, they were.

Q. Can you tell me the extent of these purchases?—A. I cannot tell you the exact extent of that, but I can tell you the prices that were paid for each of the tires.

Q. Do you mean by that, that you could give me relative prices paid by the Government now, compared with the prices paid by the Government at the time?—A. Yes.

Q. If you can do so, shortly, I would like to have it?—A. Then I will read the three following telegrams; and letters.

H.Q. 38-72-52.

The Kelly-Springfield Motor Truck Co., Springfield, Ohio.

December 17, 1914.

General Sam HUGHES,

Minister of Militia and Defence,

Dominion of Canada,

Ottawa, Ontario.

Honourable Sir,—I am advised that an officer in your department wired our factory for prices on Motor and other units, as extras for the Motor Truck equipment now at Salisbury Plains, and that the factory quoted full list price without discount. On learning of this, I immediately wired to give unit prices as submitted to Mr. Thomas at Ottawa. You will, therefore, have a corrected telegram with prices which while our proposition did not cover the first order, we will on this carry out the spirit of the proposal submitted.

Yours very truly,

JAS. L. GEDDES,

President.

The second is a telegram referring to giving the prices for units before I started in:

SPRINGFIELD, Ohio, Dec. 16, 1914.

2.38 p.m.

DEPARTMENT OF MILITIA AND DEFENCE,

Ottawa, Ont.

Engine complete with cone clutch, twelve hundred fifty dollars, fan complete thirty dollars, radiator, one hundred seventy-five each, transmission two hundred thirty-five each. Jack shaft three hundred sixteen each, driving chain eighteen dollars each. Do not understand the exact magneto coupling required also advise definitely regarding the five double chains and gears state particular part of truck they are used on, can ship from our factory twenty-four hours after order is received.

Kelly-Springfield Motor Truck Co.

Telegram, correcting that, received on December 16:

DECEMBER, 16, 1914.

Department of Militia & Defence,

Ottawa, Ont.

Telegram just sent was for list price. This wire is correction of parts at cost plus twenty per cent in accordance with figures quoted by this Company [Motor Trucks—Thomas.]

to Militia Department. Motor complete with clutch, six hundred twenty dollars, seventy-eight cents each. Fan complete eleven dollars and forty-four cents each. Radiator one hundred and two dollars and eighty-one cents each. Transmission one hundred twenty-six dollars each. Jack shaft one hundred eighty dollars and fourteen cents each. Chains ten dollars and twenty-five cents each. Wire more definitely remaining parts wanted. Can make shipment quoted in previous wire.

Kelly-Springfield Motor Truck Co.

The comparison of the prices in these two are: engine, in first telegram, \$1,250; in second telegram, \$620.78; fan, in first telegram, \$30, in last telegram, \$11.44; radiator, in first telegram, \$175, in last telegram, \$102.81; transmission \$235 in first telegram, in last telegram \$126; jack-shaft, in first telegram, \$316; in last telegram, \$180; driving-chain in first telegram \$18, in last telegram \$10.25; the total, in the first telegram is \$2,024, and the total of the second telegram is \$1,051.42. And that is the changing over point from the old purchasing at list prices of parts, to the prices that we now are purchasing at.

Q. Do you know, as a matter of fact, whether any replacement parts or units went forward to Salisbury?—A. Yes sir, the parts mentioned in this telegram were purchased and sent.

Q. What are you purchasing bicycles at for what we call the Second Division?—A. The bicycles for the Second Division are being purchased at \$55 apiece from two companies.

Q. Which two companies?—A. The Canada Cycle and Motor Company, which is affiliated with the Russell Company, and the Planet Bicycle Company of Toronto.

Q. Does that price include the military equipment?—A. Yes, sir, it does.

Q. Do you know what the prices paid for the bicycles of the first expedition amounted to?—A. The first of the bicycles were bought at \$62.50, I think.

Q. Did that include equipment?—A. Yes. And the price was voluntarily dropped by the Canada Cycle Company to the present price of \$55. The first report of the Land Transport Committee recommends the purchase of these bicycles as special military bicycles.

Q. Are they special military bicycles?—A. No, they are not, other than that they are fitted with a carrier and rifle clip.

Q. What does this bicycle cost in a retail shop without military fittings?—A. It costs, on list price, retail, \$45.

Q. Does that mean that I can buy it over the counter at \$45?—A. Yes, sir.

Q. Can you tell me at what price I can buy the equipment over the counter?—A. I have bids for the equipment in quantities, but not individually.

Q. What could you buy the equipment for in quantities?—A. \$8.20.

Sir CHARLES DAVIDSON: Could they all be bought, or would at least some of them have to be specially manufactured?

The WITNESS: On the file you will find bids from manufacturing companies for all of the parts.

By Mr. Thompson:

Q. That would bring the bicycle and the equipment up to \$53.20?—A. Yes, it would, considering the retail price for the bicycle, and the wholesale price for the added parts.

Q. Is there a wholesale price on the bicycles?—A. Yes, sir.

Q. What could these bicycles be purchased for wholesale?—A. A bicycle agent can purchase these as low as one for \$32.

Sir CHARLES DAVIDSON: The Cleveland bicycle?

The WITNESS: Yes.

By Mr. Thompson:

Q. In Canada?—A. Yes. The department has on file a receipt for \$32 and another receipt for \$36 for a bicycle which has been dissected and found to be exactly the same as the one we are purchasing.

Q. Was the dissected bicycle a Cleveland?—A. Yes, sir.

Q. Would it not be possible, then, for the Government to purchase these bicycles at \$32?—A. If it bought them at wholesale prices it should purchase them at very close to that. It was possible for them to purchase similar bicycles at that.

Q. What do you mean by similar bicycles?—A. Similar makes.

Q. Do you mean a similar quality?—A. Yes.

Q. But that might be a question of controversy as to whether the quality was up to the Cleveland bicycle?—A. I cannot say what the Government could purchase them at; I have never asked for the price.

Q. That would depend upon whether the Canada Cycle Company were willing to sell to the Government at wholesale prices?—A. Entirely so, so far as the Cleveland is concerned.

Q. You say that the lowest price the Government has been able to buy at is \$55?—A. The lowest price it has bought at is \$55.

Q. From the Canada Cycle Company?—A. Yes, and from the Planet.

Q. Who makes the Planet bicycle?—A. I have always known it as the Planet; I think it is the Planet Company in Toronto.

Q. Do you know, as a matter of fact, that bicycle agents can and do purchase the Cleveland bicycle of the make you are referring to at \$32?—A. Yes, sir; the department has on file a receipt to that effect, for one that was actually purchased and submitted to them.

Sir CHARLES DAVIDSON: Could you produce that?

The WITNESS: Yes.

By Mr. Thompson:

Q. For a bicycle that was actually purchased by whom?—A. I have forgotten the man's name.

Q. Was it purchased by the department or by an agent?—A. It was purchased by a bicycle manufacturer from the Canada Cycle Company and submitted with the receipt to the department as evidence that it could be purchased at that price and that the prices we were paying for bicycles were too high for the quality we were getting.

Sir CHARLES DAVIDSON: Had it a steel or a wooden rim?

The WITNESS: It had a wooden rim, but the difference between steel and wooden rims is only a matter of a few cents. It could be purchased just the same as the wooden rims, that is optional.

Sir CHARLES DAVIDSON: Was it nickel-plated?

The WITNESS: It was nickel-plated and finished.

Mr. THOMPSON: Is nickel-plated more expensive?

The WITNESS: The other has to be finished in service green all over, I would say it was about even.

Sir CHARLES DAVIDSON: You see they had to un-nickel the bicycles, which is part of the expense Russell claims they were put to.

Mr. THOMPSON: That is, because, as I understand it, the bicycles were already manufactured. That is because the bicycles were completed, and I think he made the statement that if they were starting to manufacture bicycles it would not cost that much.

The WITNESS: Some of the parts were not plated on the bicycles that were being delivered. That might have been the case with some bicycles, but it was not the case on the one I saw.

[Bicycles—Thomas.]

Sir CHARLES DAVIDSON: He claims that there is twenty-five cents difference between steel and wooden rims.

The WITNESS: I have bids under which we can get a rebate for steel rims, but the prices are virtually the same.

Mr. THOMPSON: So that even if the un-nickelling cost some small sum, there is still what would appear to me to be a very large difference between the agency price, namely, \$32, and the sale price to the Government of \$55.

Sir CHARLES DAVIDSON: You have to compare the two bicycles. I see, according to the evidence, he also speaks of a tire being placed on, instead of the regular commercial tire, have you taken that into consideration?

The WITNESS: Yes, the difference for that amounts to fifty cents.

Sir CHARLES DAVIDSON: He puts it at seventy-five cents.

The WITNESS: It is from the Dunlop Company, who make the difference fifty cents.

Sir CHARLES DAVIDSON: What about the special pedals. The table of extra cost, given by Russell, is to be found at page 710 of the evidence.

By Mr. Thompson:

Q. What have you got to say as to the extra equipment? Have you got a report or a statement on that?—A. I have a report made to the Secretary of the Militia Council on June 27th, on the subject of bicycles. I read from that report:

H.Q. 683-44-4.

June 22, 1915.

Secretary of Militia Council,
Ottawa.

Bicycles.

With reference to the subject marginally noted, I submit herewith the essential parts of two dissected bicycles. One of these bicycles, No. 903360, was bought by the department on C.D. 1188-14/15, H.Q. file 466-21-93, inspection report No. 4138 dated May 21, 1915, and cost the department \$55.00 including certain attachments as rifle clip, luggage carrier, etc., which were added to render it a military model. The other bicycle, No. 904115, is referred to in letter from Hyslop Brothers, dated June 15, hereto attached along with receipt for the purchase of this bicycle, showing its cost in Toronto as \$36.90. A further bicycle, No. 904338 is also in this office. It was purchased from the Canada Cycle & Motor Co., Toronto, and receipt for it for \$32.00 is also hereto attached.

These bicycles were all manufactured by the Canada Cycle & Motor Co., and their essential parts are all identical excepting as follows:

Bicycle No. 904338 purchased from the Canada Cycle & Mortor Co. costing \$32.00 needs the following extras and allowances to bring it to the standard of the Military bicycle No. 903360.

Extras.

Traction tires.	\$ 0.50
Tool bag straps.	0.05
Stevens Pedals.	0.15
I bell, wholesale price.	0.65
1 Neverout lamp price.	2.35
1 front carrier, price.	0.55
1 rear carrier, price.	1.75
1 pr. rifle clips, price.	2.75
1 cone & tire wrench combined wholesale price . .	0.03
1 small repair outfit for tires, wholesale price. . .	0.12

\$8.90

Less

Allowance for steel rims.	\$	0.10	
Allowance for straight spokes.		0.05	
Allowance for Brooks No. 18 saddle in place of Hercules No. 39 saddle.		0.15	\$0.30
			<hr/>
			\$8.60

making a total cost of \$40.60 for a single bicycle, as against \$55.00 for the department bicycle.

As bicycle No. 904115 cost \$36.00 equipped with traction tires, all of the above added to it with the exception of the allowance for traction tires would make its cost \$36.90 plus \$8.10 or \$45.00 for a single bicycle.

The only difference not accounted for in the above calculations is that the military bicycle is painted service green, and an examination of the chain wheel, cranks, handle bars, and other parts will show that the plating and polishing have been saved on the military bicycle, and that these parts have been painted green on the rough surface.

The frame of the bicycle in the one case is black baked-on enamel, while in the military bicycle the under coat is black baked-on enamel and the service green outer coat is easily washed off with paint remover. Apart from the special work in passing these through the factory painted a special colour, there should be a slight saving on the finishing of the green military bicycle.

The hubs, coaster brakes, tires, and all essential parts except the steel and wood rims and the wheel spokes mentioned above will be found on examination to be absolutely identical and of the same factory model.

The joints of the frame have been carefully sectionalized to show that there is no difference in the construction.

Q. You give the total wholesale cost of the single bicycle at \$40.60?—A. Yes.

Sir CHARLES DAVIDSON: Instead of the ordinary bicycle at \$32?

The WITNESS: Yes sir.

By Mr. Thompson:

Q. Have you calculated the cost of attaching the equipment, have you made an allowance for that?—A. No, sir, I have not.

Q. Something should be allowed for that, should there not?—A. I have stated that I have not allowed anything for that, and I have not allowed anything for the difference in colour.

Q. Would the green be more expensive?—A. Not if it was originally finished in green, but it would, if it had to be put on afterwards.

Q. What would the allowance be for attaching the equipment?—A. Fifty cents.

Q. No more than that?—A. No, sir, I took it off in five minutes.

Sir CHARLES DAVIDSON: Mr. Russell puts the factory cost of the regular bicycle, up to 5,000 and more, at \$21.95.

The WITNESS: That I would say was about right.

By Mr. Thompson:

Q. At page 712 Mr. Russell says that \$46.63 was their cost of the first lot of bicycles. He was then referring to bicycles which were in stock and which had to be changed from wooden rims to steel rims and so on?—A. I say in this report that the frame of the bicycle, in one case, is black enamel baked-on, while in the military bicycle the service green coat is easily washed off with paint remover; it is not enamelled; that is, it is not baked-on.

Q. Was the paint baked-on the bicycle supplied by the Canada Cycle Company?—A. On the black one it was, and the under coat of black was baked-on in the military bicycle, but the service green was not baked-on.

[Bicycles—Thomas.]

Sir CHARLES DAVIDSON: With respect to these parts on which you claim you have made a saving; did you buy on the list price or less?

The WITNESS: I bought on the factory cost.

Sir CHARLES DAVIDSON: Do they have list prices for these parts?

The WITNESS: Yes, sir, they have.

Sir CHARLES DAVIDSON: Did you buy on the list discounts?

The WITNESS: I bought them on the basis of cost, plus twenty per cent.

Sir CHARLES DAVIDSON: Just answer my question.

The WITNESS: I have to figure that out to tell you.

Sir CHARLES DAVIDSON: Just tell me, did you buy on list prices less discount?

The WITNESS: Yes, sir, although it was on the basis...

Sir CHARLES DAVIDSON: Now, please, answer the question. What discount did you get?

The WITNESS: That is what I have to figure out.

Sir CHARLES DAVIDSON: Work it out as you like, but give the answer, so that I can get it on the evidence. Did you buy at list prices less discounts?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: What discounts did you get?

The WITNESS: Over fifty-two per cent discount.

Sir CHARLES DAVIDSON: Mr. Russell in his tabulated statement at page 747 of the evidence, says he got twenty per cent?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: And that he charged nothing, either through his company or himself, in the way of commissions or otherwise.

The WITNESS: As to that I do not know.

Sir CHARLES DAVIDSON: But on the parts you received fifty-two per cent discount?

The WITNESS: Over fifty-two per cent discount.

Sir CHARLES DAVIDSON: On the list price?

The WITNESS: From the Kelly Company.

Sir CHARLES DAVIDSON: And he received twenty per cent on the list price?

The WITNESS: Yes, I made a mistake there. My cost is over \$52. The discount would be over forty-seven per cent. I figured it and I have taken the cost, and I gave you the discount instead of the cost. The cost is \$52 so that the discount will be \$47.

Sir CHARLES DAVIDSON: Do you now refer to the White, Gramm and Peerless parts?

The WITNESS: No, sir, I refer to the Kelly parts, which are all that I am buying.

Sir CHARLES DAVIDSON: I got the impression that your figures, as they appear in the report of the Public Accounts Committee, are not quite fair to the First Contingent purchases, and I think that perhaps in view of later evidence you ought to be prepared to qualify them, because it is a pretty bitter attack.

The WITNESS: It is not made as an attack at all. If you compare the dates you will see that the Privy Council asked me for a statement of the difference in the price I was paying on the same apparatus priced on the old conditions, but the Public Accounts Committee got hold of that report and read it into this evidence, and it was not stated that way at all; it was not stated as referring to Mr. Russell.

Sir CHARLES DAVIDSON: Yes, but that would have to be qualified, because of the difference in price. As regards the tires, for example, Mr. Northam stated there had been a drop of 100 per cent.

The WITNESS: Yes, but that is not true.

Sir CHARLES DAVIDSON: I suggest that to you so that you may be able to answer it at another meeting of the commission.

The WITNESS: I have the information right here on that.

Sir CHARLES DAVIDSON: I am just preparing you, by mentioning it as a possible subject on which I may question you on some other occasion.

The WITNESS: I have all the figures for that actually here.

The witness retired.

WILLIAM T. MERRICK, of Blackwater, Ontario, sworn:

By Mr. Thompson:

What is your occupation, Mr. Merrick?—A. My occupation is farming and buying horses.

Q. Do you recollect selling some horses to the Militia Department?—A. I do, I sold to Mr. McLean for the Militia Department.

Q. What Mr. McLean?—A. Mr. Bert McLean.

Sir CHARLES DAVIDSON: I thought this witness was appointed to buy horses?

Mr. THOMPSON: No, sir, he is a vendor; he is a horse dealer.

By Mr. Thompson:

Q. You say that you sold to Mr. Bert McLean a number of horses for the Government?—A. Yes.

Q. How many did you sell to McLean altogether?—A. Eighty, I think.

Q. Did you sell them all at one time or at different intervals?—A. I sold them at different intervals.

Q. Do you recollect the total price you received for the horses?—A. Yes.

Q. How much?—A. I do not just recollect it in my mind, but I have the statement right here in a book. According to the entries in my bank-book, they amounted to \$12,645.

Q. Were you paid for all these by cheques?—A. I received the cheques.

Q. All the payments were made by cheque?—A. All payments were by cheque.

Q. Will you look at your bank book, did you deposit in your account a cheque for \$700?—A. Yes, sir.

Q. On what date?—A. The date I think is August 20th.

Q. What was the next date?—A. On the 21st.

Q. How much did you deposit?—A. \$765.

Q. What was the next date?—A. The 24th of August.

Q. How much did you deposit?—A. \$1,340.

Q. What was the next one?—A. August 21st they have here. That would be \$3,105. I had two cheques that day. I had horses in two different places and all loaded at the same place.

Q. How much did you deposit on August 21st?—A. \$760 and \$1,340.

Q. When did you make a deposit of a further sum of \$700 or \$3,175?—A. There is one of those cheques that is not made out in my name.

Q. In whose name is it made?—A. E. T. Williams.

Q. You were purchasing them for him supposing he bought them?—A. I was purchasing these horses for McLean.

Q. You were not purchasing horses for McLean?—A. I was, supposing he bought them.

Q. You were purchasing them for him supposing he bought them?—A. I was buying horses and reselling them to McLean.

Q. Was McLean there at the same time?—A. When?

Q. Was McLean present when you were buying horses to sell to him?—A. No.

Q. Well then how did you have a cheque from McLean made payable to some other person?—A. It did not make any difference who it was to; it was all the same thing. Williams and I were in partnership.

[Horses—Merrick.]

Q. And were all the other cheques made payable to Williams?—A. There were no cheques made payable to him except the one.

Q. Why was that made payable to Williams instead of to you?—A. I have no reason for that except it made no difference which one got the cheque.

Q. There were a number of cheques?—A. Yes.

Q. Was this the only exception?—A. That is the only time I remember a cheque being made out that way.

Q. Did you receive a cheque for \$2,475 around the 27th of August? What did you receive on August 26th or 27th?—A. I have no cheque down here of that date.

Sir CHARLES DAVIDSON: Have you only one bank account?

The WITNESS: Just the one. That is in that particular line of business. This was a business that we had to transact with this other man; he was not in with me at any other time only when buying those horses.

By Mr. Thompson:

Q. Which other man?—A. E. T. Williams.

Q. What is your bank?—A. Standard bank, Sunderland.

Q. You receive a cheque dated 26th of August from McLean for \$2,475 which was put in the Standard bank. Is that not indicated there on the 26th or on the 27th? What did you deposit on the 26th or 27th?—A. I have not got that deposit at all, I have not got that date.

Q. It was paid by the Standard bank, Toronto on August 27th so you must have put it in your bank account on the 26th or 27th?—A. Well it is not in here.

Q. What have you got on the 27th?—A. I have the cheques.

Q. What have you deposited in your account on the 26th?—A. I have nothing deposited here on that date.

Q. What have you on the 25th?—A. The closest I have to that is the 24th and they were 21 here twice. How does that correspond to your?

Q. The cheque is dated August 26th and therefore would not be paid before the 26th?—A. I have not got it here; it is not marked on that date.

Q. What did you do with the cheque thus endorsed; it is endorsed by you?—A. Yes.

Q. What did you do with it?—A. Those cheques were not all given in the same place.

Q. It does not matter where they were given; this is dated at Sunderland, August 26, and endorsed by you and paid by the Standard bank on August 27, the following day?—A. The following day?

Q. Yes?—A. Well, it is not stated in here at all.

Q. What did you do with it?—A. I deposited every cheque I received right in the bank wherever I sold the horses. Wherever the horses were delivered, I deposited the cheque in the bank and it was forwarded on to the Standard bank in Sunderland.

Q. Is that your endorsement?—A. Yes.

Q. On the back of the cheque?—A. Yes, that is my endorsement.

Q. Read the deposits made by you in your bank account, in the Standard bank at Sunderland, in respect of moneys received from Bert McLean for horses, and the date of the deposit?—A. \$700 is the first one, on August 20, \$760 on August 23; \$1,350 on August 24; \$3,105 on August the 21st. I have not the date, the next dates I have are September. I do not know exactly what dates they are, the dates are not mentioned there at all. There is one there I am not sure whether it would be in August or September. It is \$3,200. Then in September again there is \$3,540. The total was \$12,645.

Q. How many horses did you sell altogether to McLean?—A. They are all right here, eighty horses.

Sir CHARLES DAVIDSON: You have a list of the prices?

The WITNESS: I have the prices and what I received for them.

Sir CHARLES DAVIDSON: In your book?

The WITNESS: In my book. The amount of every cheque I paid out is marked in here and the moneys deposited is in here the same to balance up the account.

[Horses—Merrick.]

By Mr. Thompson:

Q. What was the average price you received from McLean?—A. As near as I can estimate around \$155. I think that is pretty close to it. I would not be too exact on that just at the present moment.

Sir CHARLES DAVIDSON: What was the average you received?

The WITNESS: Around \$155.

Sir CHARLES DAVIDSON: What is the average you paid?

The WITNESS: Well, I would have to go over the whole book and add it all up and find that out.

Sir CHARLES DAVIDSON: Have you the total you paid for the horses?

The WITNESS: I have the total amount that is paid for the horses.

By Mr. Thompson:

Q. That you paid?—A. That I paid. Every horse that I bought is in here.

Q. You received from McLean \$12,645, so that your estimate of \$155 per horse would be about right?—A. This last cheque, I am not sure whether that is the exact amount that went to the bank. I deposited in Lindsay the last cheque and I lifted some money and I do not know exactly the amount I raised. The difference between the money I raised there and the amount of the cheque would be what it was. I am not sure whether it was \$40 or \$60.

Q. Can you not account for that \$2,475 cheque on the 26th of August which was placed in the Standard bank?

Sir CHARLES DAVIDSON: These are all signed by Bert McLean?

Mr. THOMPSON: Bert McLean and R. M. Mason.

The WITNESS: Some of them are and some are not. They are all signed by Bert McLean but not all by the one veterinary.

Sir CHARLES DAVIDSON: They are all signed by McLean?

The WITNESS: All signed by McLean but not all by one veterinary.

Sir CHARLES DAVIDSON: But they are all signed by some veterinary?

The WITNESS: Yes.

By Mr. Thompson:

Q. Some are signed by Gilpin?—A. I think they are only two cheques signed by Gilpin or probably three, I would not state it for sure.

Q. Have you no other account in the Standard bank?—A. I have no other account in the Standard bank. This money I was using at this time I was borrowing this money on purpose for this business to keep us straight between the other man and me. How many cheques have you got?

Q. If that is put in here it brings the total amount you received up to a great deal more than you say you received?—A. That is what I would like to know. It would mean a great deal to me to know.

Sir CHARLES DAVIDSON: Did you keep any book except this little book about your horses?

The WITNESS: I just have a small book that I kept an account of the horses I bought and of the money I paid out.

Sir CHARLES DAVIDSON: Where is that book?

The WITNESS: I did not keep any other account of what was paid in only just that.

Sir CHARLES DAVIDSON: Have you another book except the one in your hand?

The WITNESS: I have a book here with the prices of the horses just as I bought them.

Sir CHARLES DAVIDSON: But your payments?

The WITNESS: The other book I have not got here, it is at home. I did not bring it.

[Horses—Merrick.]

Sir CHARLES DAVIDSON: Why did you not bring it? You were told to bring all your books connected with this matter. Perhaps that other book would show the payment of the cheque to somebody.

The WITNESS: There seems to be something wrong. They must have mixed the other business up with this. I did not figure it out in this way. There was other business, shipping to Toronto. You see I had the two books. The book at home is with reference to another matter of business entirely, it is the business of shipping horses direct to Toronto. Unless they have made a mistake and entered it in that other book, put it to my credit to the other book. I had quite a time sifting it out to get straight with the other man.

The Commission took recess.

The Commission resumed at two o'clock after the Recess for luncheon.

Examination of W. T. MERRICK resumed.

By Mr. Thompson:

Q. Before adjournment we were speaking of the absence of your other book?—A. About those other books, if Mr. Williams is being summoned by telephone or telegraph it will be possible to have him bring that book and all cheques and everything. You can get him to bring the other book, every cheque given for horses and the whole transaction and business because he is only about four miles from my home and all he has to do is to telephone my place and I will tell him to bring my books.

Q. Does this bank book of the Standard bank opened in your name show the transaction in horses purchased by you and sold to McLean for the Government only?—A. No.

Q. Does it show other transactions?—A. It shows other transactions, my other horse business.

Q. Will you pick out among the cheques issued by you all those which do not refer to horses purchased for the purpose of being sold to McLean?—A. There is only that \$100 in cash.

Q. The witness points out that there is one item of \$100 opposite which is marked cash. Were there any other items?—A. And this cheque here, that does not belong—

Q. A cheque deposited on the 31st of August 1914 for \$70.30. Any others?—A. And this cheque here for \$50.

Q. A cheque for \$50 payable to W. Merrick?—A. The value of that horse was \$150.

Q. Was that in connection with horses sold to McLean?—A. In connection with horses sold to McLean.

Q. I am not asking that question. I am asking what items in this bank book do not refer to transactions with McLean. You have given me two. What others are there?—A. There is one right there.

Q. Witness points to a cheque for \$15 payable to A. C. Church. Are there any others?—A. There is one here.

Q. Witness also points to a cheque for \$10 payable to D. Wood. Any others?—A. There is another.

Q. He also points to a cheque for \$16.72 payable to G. T. Ry. Are there any others?—A. There is another one.

Q. Witness also points to a cheque for \$7 payable to W. Hickey. Any others?—A. That is one.

Q. Witness also points to a cheque for \$25 payable to A. L. Church. You have pointed out a number of items which you consider do not apply to the sale of horses to McLean. You now change your opinion on reconsideration?—A. I do.

Q. And what items do you now point out as being the only exceptions?—A. \$19.10 to Tockey and \$7 to Hickey. I have every cheque at home and every date.

[Horses—Merrick.]

Q. Does your other bank book contain any items relating to the sale of horses to McLean or the purchase of horses for sale to McLean?—A. Not that I know of.

Q. Can you get the other bank book?—A. Yes.

Q. And your cheques?—A. And my cheques.

Q. You will do so?—A. If you require it.

Q. In what bank was the other account kept?—A. They are all in the same bank.

Q. The other bank book refers to the same bank does it?—A. The same bank.

Q. In the same locality?—A. And in the same locality.

Q. The same branch in fact?—A. The same branch.

Q. Now let us take these deposits in the bank book before us. Do these deposits correspond with the cheques that were issued to you by McLean?—A. Do these deposits correspond with the cheques issued to me by McLean? The deposit has nothing at all to do with McLean.

Q. That is not the question. I asked you whether the deposits which appear in this bank book correspond and are identical with the cheques issued by McLean?—A. As near as I can tell.

Q. McLean on the 20th of August issued a cheque for \$920 to E. T. Williams. Who was Williams?—A. A veterinary surgeon.

Q. Was he interested with you in these horse transactions?—A. He was.

Q. Were you equal sharers in the profit?—A. Yes.

Q. The cheque is dated at Uxbridge on the 20th of August and was deposited in the Dominion bank at Uxbridge. Did you or did he draw the cash?—A. I placed the cheque in the bank and it was forwarded to the Standard bank, what was left over of the cheque issued on that bank, the cheque that I issued—I think there was only one cheque issued that was paid by the Dominion bank—and after the horses were sold and I received my cheque from Mr. McLean and Mr. Gilpin, I deposited the cheque which you hold in your hand in the Dominion bank and they took off the cheque that was paid and forwarded the rest of the money to the Standard bank to my credit.

Q. I am afraid I do not understand. Did you deposit the cheque issued to Williams for \$920 in the Dominion bank at Uxbridge?—A. I did.

Q. Have you got an account there?—A. No, sir.

Q. Did you have an account there?—A. No, sir.

Q. Did you not open an account when you deposited the cheque?—A. I just naturally went in and asked Mr. Hepburn, the manager of the Dominion bank there, with whom I had done business before and who knew me well, and asked him if he would cash my cheque at par, and he said he would.

Q. And did you issue cheques against this cheque of \$920?—A. And I issued cheque for—I just forget I think it was six horses, five or six horses in Uxbridge. There was only one cheque that I remember of now at all that was cashed in Uxbridge because the rest were cashed in Sunderland.

Q. Did that leave you any balance in the bank at Uxbridge?—A. It would leave a balance to be forwarded to the Standard bank.

Q. You requested him to honour your cheques and then if there was a balance to forward it to the Standard bank in Sunderland?—A. They do business at par with one another.

Q. Did he forward the balance to the Standard Bank, Sunderland?—A. He did.

Q. Where does it appear in the bank book that it was cashed?

The witness pointed to an item on August 21st, a deposit of \$760.25.

Q. How many cheques did you issue against this deposit of \$920 which was in the Dominion bank at Uxbridge?—A. I issued all the cheques there.

Q. How many, what would they total?—A. I think there were six.

Q. What would the largest cheque be?—A. I do not think the largest cheque was over \$150. I have got the names of the men right there that I issued them to.

Q. Where have you got the names?—A. Right here.

Q. Can you tell me the amount?—A. There is one of them, \$159, to John Bott, N. Graham, \$129, and \$50 to Wesley Merrick, and \$125 to Philip Shier. There is

[Horses—Merrick.]

another cheque belonging to Heron, and I think that is the cheque that was knocked down.

Q. Now, Mr. Merrick, there must be some mistake about this, because you gave the Manager of the Dominion Bank at Uxbridge \$920 and you issued cheques to at least the extent of \$454?—A. Yes.

Q. You therefore had a balance in the Uxbridge bank of \$466 and the deposit which you have pointed to in the Standard bank, on the 21st of August is \$760.25?—A. I beg your pardon, that is this horse here (indicating); the price of that horse was \$150.

Q. That does not make any difference?—A. It makes all the difference in the world.

Q. If it was \$150 it makes your balance all the less in the Uxbridge bank?—A. Well, that is all right.

Q. Therefore, the Uxbridge manager would have still less cash to send on to Sunderland?—A. He sent on to Sunderland \$760.25.

Q. How could he send that to Sunderland, when you had already drawn against the amount?—A. But I beg your pardon, I did not draw that.

Q. But you say there was only one cheque cashed in?—A. I did not say anything of the kind, I said they issued a cheque and it was not cashed.

Q. Were these cheques which were issued against the Uxbridge account, cashed at Uxbridge?—A. No.

Q. How many were cashed at Uxbridge?—A. One.

Q. What was the extent of that cheque?—A. I think the cheque on that is the one that is not here at all, and I think it is \$150, or \$135, or \$140, I am not sure just what the exact amount is, but I know the man that I bought the horse from.

Q. Would it be over \$150?—A. No, I think as near as I can tell, to be candid, it is \$140.

Q. Will not that cheque appear in your Standard bank?—A. It does not appear in the Standard Bank at all, because it was never sent to the Standard bank.

Q. But it would be charged up against your Standard bank account eventually, would it not?—A. It would not be charged there when it never came out of there.

Q. Where would it be charged, would it be against the Uxbridge account?—A. It would be charged against the Uxbridge account.

Q. Would it be more than \$150?—A. No. There is the highest horse was in it, right there (indicating).

Q. If the cheque was for \$140 your statement would apparently be correct?—A. That is what I want it to be.

Q. Did you leave \$760 to be transferred by the Uxbridge Manager to Sunderland?—A. Yes.

Q. Now we have accounted for the cheque issued to Williams—where was the cheque for \$700 which you deposited on August 20—I presume the cheque would be dated about the same time?—A. That horse we sold in Beaverton.

Q. There is a cheque here signed by McLean, dated at Beaverton, August 19, in favour of William Merrick for \$700, and endorsed W. T. Merrick, Sunderland; is that the cheque?—A. That is the cheque.

Q. That accounts for two. Now, there is a deposit on the 24th of August of \$1,340; is that the item that corresponds with the cheque issued by McLean at Lindsay, on the 22nd of August, payable to William Merrick?—A. Yes, for the third bunch of horses.

Q. And endorsed "William T. Merrick"?—A. Yes.

The Commission adjourned until to-morrow, Friday, morning, at half-past ten o'clock.

OTTAWA, Friday, July 16, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

W. G. MERRICK, of Blackwater, Ontario, already sworn:

Examination resumed by Mr. Thompson:

Q. Yesterday we discussed the deposits in your bank book and we accounted for a deposit of \$1,340. The next deposit is \$3,105. I do not find any cheque for \$3,105. How is that amount made up?—A. The amount is made up by one shipment of horses—

Q. What did you deposit in the bank to make the amount \$3,105?—A. One cheque given in Sunderland, and another cheque given in Blackwater, although it is mentioned in the same place in both cases.

Q. What was the amount of the Sunderland cheque?—A. \$2,475.

Q. What was the amount of the other cheque?—A. \$630.

Q. Did you deposit both those cheques in your bank?—A. I deposited one cheque in the bank, and I handed the other cheque to the manager of the bank at Blackwater, where I sold the horses.

Q. Was that deposit transferred to the Sunderland branch?—A. It was transferred to the Sunderland branch, the same bank in all cases.

Q. That would account for the item of \$3,105, would it not?—A. I think so.

Q. The next deposit is \$70.30, what was that item?—A. That item does not belong to this matter at all.

Q. Was it deposited there in error?—A. It is an error.

Q. The next item is \$3,200; do you account for that by this cheque of McLean's dated 31st August for \$3,200?—A. Yes.

Q. The last item, the only remaining one, is \$3,540 on the 2nd of September?—A. That is the cheque given for horses in Lindsay.

Q. Given by whom?—A. By Mr. McLean for the last lot of horses.

Q. I find a cheque given by McLean on the 3rd of September for \$3,550, dated at Lindsay, would that be the cheque?—A. That would be the cheque.

Q. You evidently drew ten dollars in cash then?—A. Well, I deposited the cheque in the Standard Bank at Lindsay, to be forwarded to my credit at the Standard Bank at Sunderland, and at the same time drew ten dollars on the cheque.

Q. That accounts for all of your deposits, and now let us take the withdrawals. I find in your bank book, opposite withdrawals, the names of a number of men in red ink; are those the persons from whom you purchased horses?—A. They are.

Q. How many horses did you purchase, according to this book?—A. There is something over 80 horses, I am not certain of just the amount of horses purchased.

Q. Will not your book show?—A. No, there is one horse I know that is not on the book at all; one horse that was taken out of my own stable. That is not on the book,

[Horses—Merrick.]

and one horse that I bought that never was deposited in this book, because the cheque never went into that bank.

Q. What bank did it go to?—A. To the Dominion Bank at Uxbridge. As I stated yesterday, I deposited a cheque there, and asked him if he would honour my cheques and cash them if there were any cheques came in, and whatever cheques did not come in, to send the rest of the money to the Standard Bank at Sunderland.

Q. You accounted for that horse yesterday; according to this book, you apparently purchased 81 horses.

Sir CHARLES DAVIDSON: 84 horses and four that were rejected.

By Mr. Thompson:

Q. You purchased 81 horses according to this book?—A. By going over the account this morning, that is set out.

Q. Don't you think that is correct?—A. It is correct, as far as the correctness of the book is concerned, and the horses I bought are all there; that is a report of the horses that I bought.

Q. In addition, you bought a horse which you have accounted for, and in respect to which you gave a cheque on the bank at Uxbridge?—A. Yes.

Q. That would make 82 horses?—A. That would make 82.

Q. You say you took a horse from your own stable?—A. Yes.

Q. That would make 83?—A. Yes.

Q. How many horses were rejected by McLean?—A. I am not just certain about that at the present moment, although I think it was either three or four.

Q. Do not you know?—A. I know there was one four-year old horse rejected.

Q. Don't you know how many were rejected?—A. I know the horses, yes.

Q. How many were there?—A. Four.

Q. What became of these four horses?—A. One horse went home to my own place, and three horses went to Williams.

Q. What do you mean by saying they went to Williams?—A. They were in his possession in his stable and why I said that these horses were in his stable was that while we were on the road buying horses sometimes farmers would kick about keeping their horses for any length of time and probably we would get five or six horses together, and Mr. McLean might be shipping in Lindsay, and we would bring them across there, and, therefore, I had them delivered to Williams' stable, and that is how these horses have come to be in Dr. Williams' stable because I could not be bothered sending them home, and of course he was in the thing just as much as I was, and when we were totalling up expenses we divided the keep of the horses between us, that is, we averaged it up at a certain rate per day.

Q. Did you dispose of these rejected horses?—A. I did not dispose of the horses, he did.

Q. Did he account to you for them?—A. He accounted to me for the horses, in place of getting money.

Q. As I understand what you mean is that he took these rejected horses in payment of the amount due to him in respect to profit?—A. Yes.

Q. According to your statement, therefore, you had 83 horses on hand, of which four were rejected, which would leave 79, and yet you say you sold 80 to McLean?—A. I am not just certain whether I sold 80 to McLean or not; I am not certain to the exact horse. Is that correct Mr. McLean?

Mr. McLEAN: I think there was one more rejected. I am satisfied that 80 was the number bought, but I am speaking from memory.

Sir CHARLES DAVIDSON: You have your books.

Mr. McLEAN: That book is being searched for now. It is in one of the departments, or it should be, and they are searching for it.

By Mr. Thompson:

Q. According to this statement there would be 79 horses which you were able to deliver to Mr. McLean, and which you have accounted for, where did you get the other horse to make the 80?—A. Where did I get the other to make the 80 to McLean?

Q. Yes.—A. Well, I am not just certain. I am not going to swear positively as to that but I know that, I sold him 80 horses. Now, his book will tell you better than mine, because I did not keep track of everything.

Q. That is not the point, I will come to Mr. McLean afterwards, but you are a horseman and have a good recollection as to horse dealings?—A. I have a fuller detail than this at home of every horse and everything. I have every cheque that was issued for every horse.

Q. Were any of the cheques issued on the Standard bank?—A. Yes.

Q. So that unless the teller has made an error. . . A. The cheques were all issued on the one bank.

Q. But not all paid in the one bank?—A. Yes, that is right.

Q. Was there any other exception to that, other than the cheque at Uxbridge?—A. I am not positive; there were cheques paid in Pepperlaw.

Q. But always on the Standard bank?—A. Yes, always drawn on the Standard bank.

Q. Would these items not show in the bank book which you now have here?—A. Outside of another which may be down in the bank, they should be in that book there.

Q. When you were making up your estimate of profits, how many horses were you estimating on as having been sold to McLean?—A. I rather think it was somewhere about 80 horses.

Q. Now, Mr. Merrick, don't you know, as a matter of fact, that you sold 80 horses to McLean?—A. No, to tell you candidly, I cannot say at the present moment; I would not say so.

Q. When did you first begin to have a doubt as to the exact number you sold to McLean?—A. I never had any particular doubts, because I always felt just the same as I do at the present time. My doubts are just like this, that I never want to be too certain about anything, because we are all liable to error; there is none of us infallible.

Q. Unless you can account for another horse, you only delivered, according to your statement, 79 to McLean. Do you think it was 79, or did you procure another horse from some place?—A. I did not deliver these horses to McLean.

Q. You sold them to McLean?—A. I sold them to McLean and he came and took them.

Q. That is just a matter of words; I do not want to catch you, and as to whether you sold them to him or whether he came and fetched them is not important; he paid you for them?—A. When the horses were sold to McLean I had nothing more to do with them; I never touched them afterwards.

Q. That is not what I am asking—I am asking you whether you think now you sold 79 horses to McLean, and if you did not sell 79, but you sold 80, where did you get the other horse from?—A. I would not be certain that I sold 79 or that I sold 80. I say around in that neighbourhood, as far as we made it up we sold in the neighbourhood of between 79 and 80 horses.

Q. Have you any means of ascertaining exactly to one horse how many you sold to McLean?—A. If I had my cheques I could show you every horse I ever sold.

Q. Well, we will ascertain that to the exact horse; I want that definitely and correctly; we will have to get at it somehow, no matter how long it takes?—A. I will not speak with any certainty as to that, until I receive the cheques.

Q. Are these the cheques you telephoned for last night?—A. Yes.

Q. Where did you direct them to be sent?—A. I directed them to be sent to the Royal Commission at the House of Commons. I do not think it would be possible for these cheques to be here this morning, because the train goes out of Toronto for Ottawa before the other train arrives.

[Horses—Merrick.]

Q. Well, we can get a little further to-day with the witness, and we will come back to that point later—I notice that the last page of the bank book that contains the entries there are pencil notes in the margin as follows:—

Orillia	\$140
Sonley	150
Horse	129
Chestnut mare	152
Total	\$571

What four horses are those referred to in pencil marks in the margin of this book?—
A. That means that the four-year-old horse of Sonley's was rejected.

Q. Had Williams that horse or did he have that horse when you divided the profits?—A. He had that horse and sold him.

Q. The next item is "horse, \$129"; what does that mean?—A. That is another horse that was rejected.

Q. Who has it?—A. Williams.

Q. The next item is "chestnut mare \$152"; what horse was that?—A. That is another mare that was rejected.

Q. Has Williams that?—A. Yes.

Q. The item at the top is "Orillia, \$140"?—A. That is a horse that was bought in Orillia that was not delivered to me in time, and he got the horse.

Q. Did Williams get that horse?—A. He had it and sold it again.

Q. Did it enter into his estimate of profits that you divided up?—A. Yes.

Q. Do these four horses appear in the bank book and were the cheques issued on this account in the Standard bank to pay for these four horses?—A. There was no cheque issued for the horse marked "Orillia."

Q. Were there cheques issued for the three other horses?—A. Yes.

Q. Are you sure?—A. Yes.

Q. How was the Orillia horse paid for?—A. The Orillia horse is a horse that was bought in Orillia that was to be delivered.

Q. How was he to be paid for?—A. Mr. Williams paid for him himself.

Q. Do you know whether it was by cash?—A. I do not know anything at all about how he paid for it.

Q. Was it out of his own money?—A. It was out of his own money.

Q. If it was out of his own money why should the money in respect to that horse be taken into account when you were dividing your profits?—A. That horse was delivered in Orillia after I had gone away with the horses, and when the horse was delivered to him he paid for it and turned around and sold it to another party that was buying horses for another man and then he divided the profit he got over and above what it cost.

Q. You speak about paying a deposit on the Orillia horse, did you pay a deposit on all of them?—A. No, because some of the horses were paid for direct cash at the time they were bought. I gave the man a cheque right at the place the horse was bought.

Q. In each case did you not give \$2 as a deposit?—A. I would have to go over the book to find that. I can tell you, anything you find with odd figures will be horses no deposit paid on. I refer to odd figures such as 49, or 29, or 34.

Q. But 34 is an even figure?—A. I mean a horse that would be bought for \$135, there would probably be a dollar deposit on that horse.

Q. Was the deposit always the same?—A. Not always.

Q. How would you decide what the deposit would be?—A. Sometimes I paid the deposit myself and sometimes William paid.

Q. Did you always pay two dollars?—A. When he paid the deposit he kept track of what he paid, and when I paid the deposit myself I usually paid two dollars.

[Horses—Merrick.]

Q. Did you always pay two dollars?—A. Outside of that I paid a cheque.

Q. That was not a deposit: when you paid a deposit did you always pay two dollars?—A. As a rule I did.

Q. Did you always do so?—A. I would not say for certain that I did.

Q. Mr. Merrick, you are a horse-dealer, and you know what you did in respect to these horses, you can tell us whether you always paid the deposit or whether you did not?—A. I know I paid the deposit on most of the horses, as they were bought.

Q. When you say on most of the horses as they were bought, you mean to say, I suppose, on most of the horses when you did not give a cheque for the full purchase price?—A. Yes.

Q. If you gave a cheque for the purchase money did you give a deposit of two dollars?—A. I did not give any deposit in that case.

Sir CHARLES DAVIDSON: I suppose on some occasions he took the horse away instantly and on other occasions he left the horses there for a few days until he gathered them up.

By Mr. Thompson:

Q. When you issued a cheque for a horse, provided no deposit had been given before, did you take the horse away with you?—A. No, sir.

Q. Did you leave him with the vendor?—A. Yes, sir.

Q. When you gave the two dollar deposit would you take the horse away?—A. No, sir.

Q. Would he remain in the vendor's possession in the case in which you followed that deposit with a cheque?—A. When I gave a man a deposit of two dollars, that horse remained in his possession until he delivered the horse to some place where I told him, where he was supposed to be delivered. Say I bought a horse out in the country, my town is central—

Sir CHARLES DAVIDSON: For how much?

The WITNESS: Well, we will say \$150. I might probably give the man two dollars, or I might just give him one dollar. When I am buying horses, as a rule, for shipping purposes to ship to the city of Toronto, I usually pay one dollar deposit. The man delivers the horse, and when he delivers the horse, if the horse comes in as he should come in and as I bought him, I pay him his cheque or the cash.

Sir CHARLES DAVIDSON: For how much?

The WITNESS: For the amount, less the deposit.

Sir CHARLES DAVIDSON: Is that the practice with you?

The WITNESS: That is the common practice.

Sir CHARLES DAVIDSON: That is the practice outside of the purchase of these Government horses?

The WITNESS: Yes, outside of the Government horses, in our usual business.

By Mr. Thompson:

Q. When you buy a horse and take him at once, you do not leave a deposit, but if you leave the horse and do not pay you make a deposit?—A. Yes. I might explain it more fully. The only reason we have for paying a deposit on anything is to make the man feel that he has sold and he is bound to deliver the article. Otherwise, in a great many cases where we don't pay deposit, we probably would never receive the horse unless we paid for it right at the time.

Q. Let us take a cheque at random—here is a cheque here for \$129 to N. Graham, did you give a cheque to Mr. Graham on the spot when you bought that horse?—A. No, sir.

Q. Did you give him a deposit?—A. I did.

Q. What was the deposit to Mr. Graham?—A. One dollar.

Q. So that you actually paid for that horse \$120?—A. Yes.

[Horses—Merrick.]

Q. Did you buy any of these horses from the vendors until after they have been passed by McLean?—A. They were all bought before McLean ever saw them.

Q. Did you take the chances of whether they would be accepted or not?—A. Yes, sir.

Q. Did you tell the vendors who would be passing the horses?—A. No, sir, I told them nothing of the kind.

Q. Did you have any conversation with them as to the Government agent who would be passing the horses?—A. I did not.

Sir CHARLES DAVIDSON: Or that they were being bought for the Government?

The WITNESS: We did not have to tell any person they were being bought for the Government. They all suspected it, because we were not buying horses at the time they started to buy horses for the Government. Everything was quiet, and there was no market for a horse. I was not buying horses at that time, just the same as I am not buying horses today. There is nothing doing in horses now, there is nothing outside of Government work that makes it any use to buy horses, because the Government are paying more for their horses than they could get elsewhere.

By Mr. Thompson:

Q. Did you have any understanding with any of the vendors that the two dollar deposit or the one dollar deposit was to go to McLean?—A. No, sir.

Q. You had no understanding of that sort whatever?—A. No sort of an understanding of that kind whatever.

Q. Did you cause to be delivered to McLean a horse or horses for which you were not paid by McLean?—A. No, sir.

Q. Have you sold McLean personally any horse or horses?—A. No, sir.

Q. At any time?—A. No, sir.

Q. How long have you known McLean?—A. It was just a few days before this first cheque was issued by him.

Q. Have you had any dealings with him whatever, other than the filling of the 79 or 80 horses to him for Government purposes?—A. No, I did not know McLean until the morning I met him. He was a stranger to me until that morning before that cheque was issued, so that he was as much a stranger to me up to that time as any one of you, gentlemen.

Q. Did McLean say anything to you or hint to you that he required two dollars or any sum of money for passing any horse?—A. No, sir.

Q. Who shared in the profits of this horse transaction?—A. E. T. Williams, veterinary surgeon of Sunderland.

Q. Did you share any part of your profits in this transaction with any other persons than Williams?—A. No.

Q. Neither directly nor indirectly?—A. Neither direct nor indirect.

Q. Nor promise to pay any person any sum of money in connection with it?—A. Nor promise any person any sum of money.

Q. Do you know whether Williams has paid any money to any official or to any person with respect to this?—A. Not that I know of. If he has, he has done it outside of me knowing anything at all about it. There is nothing between Williams and me to that effect.

Q. What was the total profit on the transaction?—A. The total profit was something between nine hundred dollars and a thousand dollars.

Q. Was your profit in cash?—A. My profit was in cash.

Q. Was Williams' profit in rejected horses?—A. We valued the horses at the price they cost us, and he took the horses and did as he liked; he is a livery man as well as a veterinary.

Q. Did he take the rejected horses as his part of the profits?—A. Yes.

Mr. THOMPSON: I would say, Mr. Commissioner, that I am quite satisfied about the cheques which were deposited in Merrick's account. There appeared to be a little confusion yesterday, but that has been quite explained.

[Horses—Merrick.]

Sir CHARLES DAVIDSON: Has it been explained on the record?

Mr. THOMPSON: Yes, sir, the witness explained it this morning by showing that while the \$2,475 does not appear in the bank book as a deposit, it really was deposited, and at the same time the cheque for \$630 was deposited, and these two items appear in his bank book as a deposit of \$3,105.

The WITNESS: Can I make a statement? ,

Mr. THOMPSON: Yes.

The WITNESS: Just one statement, as far as Mr. McLean and me are concerned, about my knowing Mr. McLean and how I got in with him. You asked that question from me, Mr. Thompson, and I want to explain it.

Sir CHARLES DAVIDSON: You can make any statement you wish.

The WITNESS: I just wish to refer to that. Show me that little book you have there, Mr. Thompson, I will explain it. I would like to make this thing as clear as possible. No, the first time that I met Mr. McLean was when I found out he was going to purchase horses for the military department and that he would be in Lindsay on a certain day. My station agent was the man that informed me that he was going to buy these horses, and he was acquainted with Mr. McLean and he said to me: Billy, why don't you go and try and do some business and sell Mr. McLean some horses, and I said: I am not acquainted with Mr. McLean. He said: I will send a letter down with you. I will give you a recommend to Mr. McLean. He did that and I just handed it over to Mr. McLean and I stood and watched Mr. McLean buy his horses for the first afternoon. I asked Mr. McLean that night if he would be kind enough to just give me an estimate of the horses bought, and I asked him if he would buy the horses from me provided that I went through the country and had them delivered to certain points where he was shipping. He said: any horses that are satisfactory to me and to Mr. Gilpin, who was his veterinarian at that time, I will try and buy all that is suitable, otherwise I won't buy a horse from no man that I think is not right. That was all there was between Mr. McLean and me. He was as much a stranger to me that day as any of you gentlemen in this room.

The witness retired.

B. L. McLEAN, Lindsay, Ontario, sworn:

By Mr. Thompson:

Q. What is your business, Mr. McLean?—A. I am in the insurance business, and when I say that insurance is my business that is my business primarily, but I handle a great many horses on my own account each year. I will try to put an estimate on the number, in the last five years perhaps a hundred horses a year have been handled by me on my own account, and that number is well within the mark. That is independent of any purchases made by me for the Government.

Sir CHARLES DAVIDSON: Are you a judge of a horse?

The WITNESS: Well, in telling you that I handle, at least, on an average, one hundred horses a year, and that for the last five years, with my own money, I do not want to say that I am a judge, but I am satisfied with my judgment far enough to invest my own money in it for speculative purposes.

Sir CHARLES DAVIDSON: And on your own examination of a horse?

The WITNESS: Absolutely.

Mr. THOMPSON: And the proof is that I suppose you have made a profit in the business?—A. Yes, and I will explain that when I get my papers.

By Mr. Thompson:

Q. Who appointed you?—A. You asked me a question as to my appointment.

Q. Yes, who appointed you?—A. I was appointed by Major-General Hughes, then Colonel Hughes, in January 1914. My appointment dates from January, 1914.

[Merrick Horses—McLean.]

Q. War had not commenced then?—A. No, sir.

Q. Were you subsequently appointed to purchase horses for military purposes?—

A. Yes, in January, 1914, I forget the exact date.

Q. Did you have any further appointment with regard to purchasing horses for overseas service?—A. Yes, a special appointment.

Q. Was that from General Hughes?—A. I was wired by General Hughes to come to Ottawa, I should say two weeks before the buying commenced, and I was held here for about a week assisting in forming plans for the purchase of horses in a general way.

Q. When did the buying of horses start?—A. On Monday, the 17th of August.

Q. Will you outline, please, your general scheme of campaign for purchasing horses?—A. The general plan laid down at that particular time was that the commanding officer—you will observe by the appointment I held before that I was appointed purchasing agent for the Province of Ontario, in time of peace, when there was no war anticipated. When it was known that horses had to be bought for the war, it was immediately seen that my appointment would have to be foregone in that respect or else that I would have simply absolute control of the buying for all the Province of Ontario, which would be an unreasonable thing from both standpoints, for I could not accomplish the work, and it would not be fair for anyone to supply all the horses and have whatever remuneration there would be in it. As a matter of fact, if my previous contract had become operative, I would be furnishing horses to the Government at a price I might name, because that is the way my contract reads for the purchase of horses in time of peace. Then when it was decided that the commanding officer of each battalion who would use horses was to be the purchasing agent for the purpose of purchasing his own horses, I was appointed on the same basis as they were.

Q. By whom?—A. By General Hughes and by Colonel Neill.

Q. Was the appointment in writing?—A. I do not think it was.

Q. It will appear in other cases that Colonel Neill really had the purchasing of all horses under his control, and I presume that he would write you a letter inviting you to buy a certain number of horses in a certain district?—A. I expect that likely that formality was gone through in most cases, but my case was a little different. I was here and consulting with these officials as to methods, and I assisted even in getting out the bills of description of the horses required, and when that work was through with they simply handed me my cheque book and description book, and I knew before I left here that I was billed to be at a certain point on a certain day to buy, there was no more talk about it, and in my case probably it was not considered that a letter was necessary.

Q. Did you send out advertisements that you were preparing to buy horses?—

A. Yes, sir.

Q. How?—A. By poster and by newspaper announcement.

Q. I notice that the person who signed that cheque is R. M. Mason?—A. Yes, sir.

Q. Did you call him in to assist you or was he appointed to assist you?—A. Major Gilpin, veterinary surgeon, Ottawa, was appointed to come with me on my first week's buying. It was not known how long he was to stay with me, nor was he told how long to stay, but at the end of that week he asked to be relieved; he told me that he was not feeling well and he asked me to wire to Ottawa, I think he would rather be nearer home than up through that country, and he asked me to communicate with Ottawa, and asked to be relieved, as he wished to return.

Q. Did you do so?—A. I did. I wired I think suggesting Mason, and I think I named some one else, and they wired me back immediately telling me of Dr. Mason's appointment and telling me to communicate with him and make my own arrangements.

Q. Is Mason a veterinary surgeon?—A. Yes.

Q. Where does he reside?—A. In Fenelon Falls.

Q. Is he a capable man?—A. I should say yes. I would be very well satisfied with his judgment with regard to my own horses.

Q. Did you chose him because of his ability?—A. Absolutely.

Q. Describe your procedure in buying horses; after your advertisements were out would you meet the sellers with Mason?—A. Oh, yes.

Q. I would like to get a general idea as to how you proceeded?—A. For instance, we would advertise that we would be buying in Lindsay on a certain day, and the invitation was extended to any farmers or others who had horses to sell to show their horses that day for inspection, and if found suitable and the prices right they would be bought.

Q. Then what would happen?—A. They would appear and I would examine the horses. I would be the first to go over them or Dr. Mason might be the first, and after consultation we would decide whether the horse was suitable to buy for the purpose, and then if we could agree on a price with the vendor the horse was purchased.

Q. Did you both examine the horse?—A. Yes, very thoroughly.

Q. No horse escaped with one inspection?—A. No, the examination was as rigid as we could make it. In fact, we were very very severely criticised for too rigid examination.

Q. Did you put the horses through their paces?—A. Every pace that I knew of.

Q. And after you had a conference with Mason, and afterwards with the vendor, and then if you were satisfied as to the price would you issue a cheque to the vendor?—A. At once.

Q. I understand that the department issues a small book, like a cheque book, with a stub upon which you would make entries, showing the description of horse, the approximate age of the horse, and the price and so on?—A. I know there is such a form but I have never seen it. It never was made use of in my buying or buying by any one else that I know of.

Q. Did you have some book with you in which you would make some entries?—A. I see a book in your hand which is probably the book I had. I have been trying ever since I came here to get that book, and I think that is the one now in your hand.

Q. At all events, you were furnished with some book?—A. Yes, I think that is the book that you have in your hand.

Q. This book which I have here comes from the Militia Department and is indexed on the inside "Descriptive roll of horses and mules, B. L. McLean"?—A. Yes.

Q. Did you purchase any mules?—A. No, sir.

Q. Let us take this book, this shows that you were purchasing horses at Lindsay on August 17, 1914?—A. Yes, sir, and the horses are numbered there from No. 1 on.

Q. Does that show the number of horses?—A. Each horse that is bought is numbered simply for a matter of account.

Q. And you know the colour, and the sex, and the age, and the height of the animal?—A. Yes.

Q. I see that according to your records you did not get any old horses?—A. I did not get any, no. You will notice there that there in an entry for any particular marks on the face of the animal or on the body.

Q. I see you have entered them all except one, with their marks and description?—A. That means that that horse is plain and has no marks; he is a plain-coloured horse straight through.

Q. I notice that in one other case you say here "face marked as with a star and no marks on the body"?—A. Yes.

Q. And under the heading of "price" you have entered the price paid, the date of the purchase, and from whom purchased?—A. Yes.

Q. And you have also filled in here the names of a number of towns and villages?—A. Those are the post office addresses of the vendors.

Q. Did you fill this record up right there and then when you bought a horse?—A. That was filled up immediately as the horse was bought.

Q. You had this book with you in each case?—A. Yes, sir, always.

Sir CHARLES DAVIDSON: Did you keep a list of the horses rejected?

The WITNESS: No, sir, the list of horses rejected would become so enormous that it would be very unwieldy; it would be a bigger job looking after that than looking after the horses purchased.

[Merrick Horses—McLean.]

Sir CHARLES DAVIDSON: What would be the proportion of rejected horses?

The WITNESS: I should say one horse out of five was bought, that is, taking it throughout the entire buying.

By Mr. Thompson:

Q. Is there any chance that if you rejected a horse it was brought out one stable door and brought in another stable door to try if they could get you to buy it?—A. No, but that has been tried.

Q. Did they try that?—A. I do not mean that it has been tried in my case, but I know that that kind of thing has been tried. I have heard it talked about but I am absolutely satisfied that every horse I bought was the actual horse delivered.

Q. After you paid for a horse what did you do with that horse?—A. The horses were grouped under a caretaker.

Q. Would they stay grouped under a caretaker or would they be let loose in a field?—A. No, sir, they would be tied into a stable, whatever accommodation could be procured at the place where we were buying.

Q. The horses were tied in a stable under a caretaker appointed by you?—A. Yes.

Q. Would there be other horses in that stable?—A. In some cases, yes.

Q. Other horses which did not belong to you?—A. That might easily be so.

Q. How long would your horses remain in that stable?—A. The horses would remain there until they were shipped.

Q. About how long would that be?—A. It might be over night in some cases, I suppose, but very seldom; they were mostly taken right out the same day.

Q. Would any of them be there two days?—A. I should not think so. There is this explanation to that—at Lindsay, where I might buy a few horses to-day, they would be held there until a sufficient number could be added to ship them; I made that a central point until a sufficient number could be added to make a shipment.

Q. In some instances they would be under the care of your caretaker over night?—A. They might be.

Q. When you bought a horse did you brand it?—A. Not in connection with the buying for the first contingent.

Q. Did you mark them in any way?—A. No marking.

Q. Might there not be a chance for substitution of a horse bought by you when they were overnight in a stable?—A. Absolutely no.

Q. Was your caretaker on guard all night?—A. What I mean is that there would be no chance of a substitution of a horse, for no horse that was substituted could get away. I personally superintended the loading of the horses.

Q. When the horses were loaded from the stable or wherever it was, did you check each horse off as he entered the car?—A. Yes.

Q. You checked each horse with the list you have just referred to?—A. With the list, and I will tell you about that. It may seem hard for you and I can understand why it would seem hard for you to realize that it would be impossible to change a horse on me.

Q. I might have thought that at the beginning of your examination, but I do not think so now?—A. I mention this merely to show that the department was protected, and I say it is a matter that is absolutely beyond my conception to think that a man could change a horse on me and get away with it if I looked at the horses before they left.

Q. I suppose you know that that is a dodge which is sometimes attempted?—A. I have heard of things like that being done, but I have never known of it being worked off on a good buyer.

Q. Not in Lindsay?—A. It is liable to be done anywhere.

Q. The point is, did you check over the horses which were loaded?—A. Absolutely, yes.

Q. And you found them to correspond with your book in every case?—A. In every case.

Q. And you consider that the horses passed by Mason, or Gilpin, or yourself are satisfactory and correspond with all the requirements of the service,—A. Yes, sir.

Sir CHARLES DAVIDSON: He has not stated how many horses he purchased altogether.

The WITNESS: I think I purchased 433. That book there in Mr. Thompson's hands contains a summary and the balances; it is all a balanced account throughout.

By Mr. Thompson:

Q. Can you tell me how many horses you purchased from Merrick?—A. If I were speaking offhand I should say it was 80; I have always had the figure of 80 in my mind, and I think the book will prove that.

Q. Did you buy from him at different times?—A. At different times and at different points. I feel that I would not be going outside of what is correct if I should swear that the number is 80. It would have to be 80 to balance out the account of the receivers' records here. I came to Ottawa as soon as I made the last shipment, and the receiving clerk's record corresponded absolutely with my own, and the number and everything was absolutely correct, and I had no explanation to make of any kind. I know the number was 80, but I can check it if it is necessary.

Sir CHARLES DAVIDSON: It is not necessary.

The WITNESS: May I make this explanation in Mr. Merrick's behalf. While I was listening to him, it occurred to me that when he named his number of rejections as four, and the number passed as 80, it would make a total of 84, that that does not balance out. Had the number rejected been 5, and the number purchased 80, would that alter the case, Mr. Thompson?

Mr. THOMPSON: No, that would be still more an error. If you had been lenient, and had only rejected one or two, I would not have any trouble with his bank book.

The WITNESS: I am satisfied that will clear itself anyway; it is only a matter of accounting.

Sir CHARLES DAVIDSON: You say you selected one horse in five, in ordinary cases, but in relation to the purchases from Merrick you only rejected one horse in twenty.

The WITNESS: Yes, sir, and I knew that would raise a point when I mentioned it, and I am glad the point has been raised because probably this will be a clearance of the situation for the Commission.

Mr. THOMPSON: Did Mason sign this roll?

The WITNESS: Yes, his declaration is there. His declaration was placed in the book after I completed the buying, just at the close of the business. It is addressed to Colonel Neill, remount officer, Ottawa, and it says:

This is to certify that I have personally examined and passed all horses listed in this record, from No. 117 to No. 433 inclusive.

That is signed by Mr. Mason.

By Mr. Thompson:

Q. The other 117 were examined by Major Gilpin?—A. Yes.

Q. How was it Gilpin did not sign?—A. I believe that is an oversight. This certificate is a thing that is never asked for at all, but it occurred to me it would be a good thing to have it.

Q. There is a note in this book here which says that Major Gilpin's inspection ceased at No. 116?—A. I do not think his declaration is there, because he had left at the time. I suppose I could have got it afterwards, but I did not, and I know that he will acknowledge that to-day.

Sir CHARLES DAVIDSON: Where is he?

The WITNESS: He is in Toronto at present.

Sir CHARLES DAVIDSON: Proceed with your explanation as to why you made the statement that generally you selected one horse in five, but when it came to Merrick you rejected only one in twenty?

[Merrick Horses—McLean.]

The WITNESS: I would feel safe in making the statement that only one horse in five submitted was purchased, I am dealing, of course, in round figures. About one horse in every five was acceptable or was procurable at what I considered the right price. The reason is this: advertisements would be sent out, and if the farmer had read these advertisements closely and been guided by them he would not probably submit the class of horse that in many cases were submitted, but farmers just got the notification that horses were being bought on a certain day at a certain point and they would come in with all shapes, forms, sizes, classes, sound, unsound, old, and young, so that I could not expect to buy a greater proportion than perhaps one in five. In Mr. Merrick's case it was simply this: Mr. Merrick studied my movements for one day or two and he saw me reject a considerable number of the total horses which were submitted to me. He saw why they were rejected, he knew the class of horses that were needed, and he tried to buy these horses with the hope of selling to the Department.

By Mr. Thompson:

Q. After observing your movements for a couple of days, Mr. Merrick had a whole-some respect for your judgment in horses?—A. I would not say so, but he would have a general idea of what he could hope to sell to the department through me.

Mr. MERRICK: May I say a word here. I may be able to explain that more fully than Mr. McLean. I want you to understand that naturally when a farmer brings out a horse to sell, he brings out the horse he wants to sell and not the horse he wants to keep. When I purchased a horse you will understand I went to the farmer's barnyard and I bought the horse that I wanted to buy, and bought him for military purposes, and the farmer did not try to bring out a horse that he wanted to sell, whether I wanted to buy it or not. That is where the difference is.

Sir CHARLES DAVIDSON: That seems reasonable.

By Mr. Thompson:

Q. Mr. McLean, you were paid by the department, were you not, for your services?—A. Yes, sir.

Q. Your remuneration was so much per day?—A. So much per day.

Q. Is that the only remuneration you received, namely, the remuneration per diem?—A. Absolutely.

Q. What was that remuneration?—A. \$15 a day was the rate in connection with the first buying, but in connection with the buying for the second contingent it was \$10 per day.

Sir CHARLES DAVIDSON: How far would that interfere with your regular business?

The WITNESS: It took absolutely all my time.

By Mr. Thompson:

Q. Did you receive any remuneration or consideration, either directly or indirectly, from any of the vendors?—A. No, sir.

Sir CHARLES DAVIDSON: Or demand any?

Mr. THOMPSON: Or did you ask any?

The WITNESS: No.

Sir CHARLES DAVIDSON: Or did he suggest any?

Mr. THOMPSON: Or did you suggest any?

The WITNESS: No, sir, no such thing was ever suggested by me.

By Mr. Thompson:

Q. Did you suggest that the vendors of the horses should pay you anything?—A. No, sir.

Q. Did you buy any horse or horses from Merrick other than the horses which appear in the departmental book?—A. Never in my life.

Q. Did he give you a horse for your own personal use?—A. No.

[Merrick Horses—McLean.]

Q. Or did he give a horse to any of your family?—A. No, sir, nothing of the kind, in no way, shape, or form, directly or indirectly, did he give a horse or its equivalent in any way, shape, or form. I received absolutely nothing.

Q. From Merrick?—A. From Merrick or any other person either from Merrick or through Merrick or on his behalf, in no way, shape, or form, did I receive anything; I received absolutely nothing.

Q. Did you sell any of your own horses?—A. To whom?

Q. To the government?—A. I do not think there was one horse of mine in the first contingent at all, not that I can recollect. It would be recorded there if there was. I could not be a seller and a buyer as well.

Q. Would you do it under another name?—A. The only way it could be done or might be done would be for me, for instance, to give a horse to someone else and have that horse turned in from me, but no such thing was ever done. That is the only way it could be done, and it never was done.

Q. Did you do it in the case under investigation?—A. No, sir.

Q. You are quite sure on that point?—A. Absolutely.

Q. Did you sell any horse to the government for the second contingent or at a later time?—A. No, sir.

Q. I thought you seemed to be in doubt when you were giving your answer a moment ago?—A. The point was this, that in thinking over the horses for the first contingent, I had to stop and consider for a moment, because it is a big bunch of horses. I handled 853 horses all told.

Q. You were subsequently removed from that district, were you not?—A. The district was extended.

Q. Did your jurisdiction extend over the Lindsay, Blackwater district, and so on?—A. Not Blackwater.

Q. Mr. Merrick comes from Blackwater, and I thought your jurisdiction extended there?—A. It did in the first instance, but in the second district it was not included.

Q. Was your district curtailed?—A. No, it was added to.

Q. How was that?—A. In the first buying, I had two counties.

Q. Which counties were they?—A. Victoria and North Ontario.

Q. What happened after the change?—A. The change came about in buying for the Second Contingent through Mr. Tisdale's appointment at Beaverton.

Q. Was your territory curtailed?—A. No, it was extended. I had five counties added on.

Q. Which way was it extended?—A. East.

Q. What part was curtailed?—A. North Ontario, for the reason that was Mr. Tisdale's home county.

Q. And he was appointed?—A. He was appointed on my recommendation, probably.

Q. What Tisdale is that?—A. Bud Tisdale of Beaverton.

Q. That is in the county of North Ontario?—A. Yes, sir, just a little piece north of where Mr. Merrick resides.

Sir CHARLES DAVIDSON: Do I understand you to say that Tisdale's appointment was on your recommendation?

The WITNESS: I would not want that to go in as evidence scarcely, but in a measure it is correct. Mr. Tisdale was called here at the same time as I was when the buying opened for the Second Contingent, and I was naturally asked at that time what I knew about Mr. Tisdale, and I spoke in the highest terms of him, and I could not speak in any other terms of him. The result was that he went to buy. I would not say that it was my recommendation, but he had my recommendation, if that counts for anything.

Q. Did the farmers who brought in the halt and the blind and the lame horses make any complaints when you rejected them?—A. A great many.

Q. A great many?—A. Yes, so many that I would be a great deal better doing something else than buying horses for the Government. It has made me more bad friends than I should expect, through the fact that I would not buy horses. Influences

[Merrick Horses—McLean.]

were brought to bear by people who knew me well; they were brought to bear on me to buy their horses or to buy somebody else's horses and so on, but I bought no such horses for the Government. I have letters here commending my purchases, and when the proper time comes I would like to present them. These are letters I have received from commanding officers, to whom I have supplied large numbers of horses. I have evidence here, and I hope you will take it as evidence, that will establish the fact beyond doubt that my buying was conducted in the most careful manner.

Mr. THOMPSON: There is no suggestion that it was otherwise.

The WITNESS: And in order to do it in such a manner you must turn down daily the best friends you have got, because their horses do not happen to fill the bill. If you do not do it that way, then you are buying in a loose manner.

By Mr. Thompson:

Q. I thought the department issued a small receipt book of some sort in which you would keep the receipt from the vendor in addition to the cheque?—A. I heard of some such form, but I have never seen it and it never was submitted to me for use.

Q. That is a matter of interest in other investigations?—A. I am glad you mentioned it but I cannot throw any light upon it more than that I have heard of such a thing.

Q. Did you look upon the cheque as a receipt?—A. It would be absolutely; it was the only check I would have.

Sir CHARLES DAVIDSON: We will get the stubs.

The WITNESS: Yes, sir, the veterinarian's signature upon the cheque is virtually his certificate, because when he signs that cheque he virtually becomes a party to the purchase of the horses and gives his guarantee that they are suitable for the work.

Sir CHARLES DAVIDSON: Did Gilpin look over the 116 horses that you purchased before Mason arrived?

The WITNESS: Yes, sir, very thoroughly.

Sir CHARLES DAVIDSON: And did Mason do the like when he arrived?

The WITNESS: Absolutely, in every case.

By Mr. Thompson:

Q. Did Merrick or anybody on his behalf turn in to you a horse worth \$200, apart from the horses you purchased for your own use?—A. No, sir, for no use whatever in any shape, way, or form. Now that you have asked that question I will tell you what I think may have given rise to your suggestion. That question which you put sets my mind working and it reveals this to me: when Merrick shipped his last carload of horses from Orillia to Lindsay he shipped a docked chestnut mare in that shipment and I told him at once: Mr. Merrick, this mare can never go. I said I would not consider buying this mare because she is docked. He said: well now, I wish you would keep her for a day or so and you may get a chance to sell her for me. She is a very fashionable mare and as the fairs are coming on, he asked me if I would keep her there with a view to selling her for him, and if she was not sold when the shows came on to shew her for him. I want to be absolutely exact when I tell you the time she was in my hands; I should say she was there about three days, and I handled her and did not like her, and did not consider her a fit mare to show, and did not consider she was a mare I would want to sell to any person, and I told Merrick of it. I think I told him over the telephone and he came down and took the mare away from me, and that is the last I saw of her. I should say she was in my hands three days.

Q. Did he pay you anything for the keep of the horse?—A. Absolutely nothing. I went even and got her shod. I do not think I ever mentioned that to him and it is hardly worth mentioning now, at all events, when she went out of my hands she was wearing shoes which I paid for, and I never got paid for them, and in fact I never mentioned it.

Q. Was she badly shod in the first place?—A. She was improperly shod.

[Merrick Horses—McLean.]

Q. Did you get her shod to sell her?—A. Oh, no, she would require to be shod before you could drive her.

Q. Did you say that Merrick called himself and got this mare?—A. I do not know whether he came himself and got her or whether—let me see if I can recollect that—he did, he came and got her himself and took her out of my possession and left her with another man in Lindsay to show her through the fairs, who, so far as I know, afterwards turned her over to Merrick, after the fairs were through. I know he turned her over to Merrick after the fairs were over because I saw Merrick afterwards show her himself at Sunderland fair, probably six weeks afterwards.

Q. Did he tell you at what price you could sell her?—A. \$200 or \$225 or something like that. \$200 is in my mind, and whether he said she cost \$200 or could be sold for \$200 I do not know which.

Q. Did you make an offer for her?—A. I did not.

Q. Was there something wrong with the horse?—A. I did not consider her a mare worthy of me to sell to any person. I would not put her through my hands at that money.

Q. Was she one of the horses submitted to you and Gilpin, or to you and Mason?—A. To Mason and myself.

Q. Was she one of the horses rejected?—A. She would be one of the rejected horses I should say.

Q. Was it a chestnut mare?—A. A chestnut mare.

Q. That corresponds with his bank book where he enters this chestnut mare at \$152 as one of the rejected horses?—A. Yes, sir.

Q. Did he send you any other horse for sale?—A. Absolutely none. I want to emphasize what I have said just now, so as to make it absolutely clear, so that you will note that I am endeavouring to assist you. I only mentioned that incident because I am endeavouring to clear up the doubt that you have satisfied me exists in your mind. That mare was left with me absolutely on the conditions I tell you. She was not in my hands for longer than I tell you. The moment I hitched her I phoned him at once and told him I would not take the responsibility of selling her to any person. The mare so far as I know is in Sunderland today, the property of Mr. Williams or between Williams and Merrick. The matter is between them and the mare is between them. I am not concerned with her and have no interest in her and never had, and know absolutely nothing more about it than what I have told you.

Q. Was that chestnut mare among the first lot that Merrick brought in?—A. She was in the last shipment, and when I say the last I think I am correct. She was in the shipment, for the remainder of which I issued a cheque for \$3,625.50. She was in that shipment and rejected out of that shipment and that cheque was issued for the remainder of the horses that were accepted; it is the last cheque issued to Merrick.

Q. Did you have any other dealings with Merrick, either directly or indirectly, with regard to horses?—A. Never before or since.

Mr. THOMPSON: The witness wishes to make a statement with regard to this matter.

Sir CHARLES DAVIDSON: Certainly.

The WITNESS: I do not want that this should be reported.

Sir CHARLES DAVIDSON: If you say it it will be reported.

The WITNESS: Very well then. I have this to say. The Auditor General is here and I believe he will bear me out, if my figures are incorrect I will be corrected by him, and if they are reasonably near correct it will serve the purposes of what I am going to say as well as if they were absolutely correct. The prices paid, the average prices paid for the horses of the first contingent throughout Canada were from \$155 to \$190. Am I correct, sir, in that. I know it is only from memory you can speak, Mr. Auditor General. I asked for this information this morning and I could not get it. Am I not reasonably near to the fact that the horses purchased for the first contingent, all over Canada, varied in price from \$155 to \$190.

[Merrick Horses—McLean.]

Mr. FRASER (Auditor General): Yes.

The WITNESS: Therefore, the average price paid throughout Canada was from \$155 to \$190. The buying which I did averaged the Government \$157 and some cents per horse. It would appear from that that if my horses were as good as the average that I was buying with the endeavour to save the Government every dollar I possibly could. As to whether they were up to the average or not, the reports which I have received on them would prove that they were, and these reports have come to me through three or four different sources. It is of course hard to get these things in writing, but the reports have come to me from several sources that the horses which I bought for the first contingent were the best horses purchased for the least money. That report is made directly by the officers in command at Valcartier after they had inspected all the horses that had been landed there. I bought these horses at an average of \$157 in face of the fact that I was wired from the Department to this effect:

The average price not to be over \$175; this has been requested by the British Remount Department.

I got that wire and despite the fact that I knew that the class of horses I was buying, the Department was prepared to pay \$175 each for, nevertheless, I purchased the horses at \$157 and some cents per horse. I have a letter here from Major Ralston of Cobourg, who came to Peterborough to do his own buying. He was commander of his own battery and he came to Peterborough to buy the horses for his battery and I saw him, and he saw me buy a carload of horses, with the result that he came to me and said: you can do my purchases for horses, because you can buy them at much less than I can; I want you to buy all my horses for me. I said there is only one way to do it and that is to get an order from Ottawa to do that. He phoned to Ottawa and the word came back that if he wished it that I was to go on and buy his horses. I supplied him with 116 horses or thereabouts, and I have here his wire to me; after I had finished buying the horses I wired him to give me a report on the 116 horses and his reply is:

Horses arrived O.K. Two have colds. Altogether men well satisfied with kind of horses you have furnished me.

These two horses got cold I suppose in the shipment. I have here a letter from Colonel W. S. Hughes at Kingston, to whom I furnished 111 horses, and he writes:

Kingston, Ont., 14th January, 1915.

From Lieut-Col. St. P. Hughes,
21st Battalion Can. Ex. Forces.

To C. McLean, Esq.,
Government Horse Buyer, Lindsay, Ont.

Dear Mr. McLean,—

I want to thank you for the very fine lot of horses which you have bought for the 21st Battalion. They are a splendid lot and reflect great credit on your judgment by their selection. The price at which you bought them is easily \$30 per head less than we could have bought similar horses in this district. I sent the following wire to Sir Adam Beck.

Balance of horses purchased by Mr. McLean for the 21st Battalion have arrived and they are in every way satisfactory and are a magnificent lot. They reflect great credit on the buyer.

I also wrote the Minister telling him the same. This I trust will be satisfactory. Should you come Kingston way come and see us. I will be glad to renew your acquaintance and again wish to thank you for all you have done.

Yours sincerely,

(Sgd.) W. S. HUGHES.
Lt. Col. Commanding 21st
Battalion Can. Ex. Force.

[Merrick Horses—McLean.]

In a measure I am proud of this, especially after all I have seen developed out of your investigation with regard to the purchase of horses and the results attained. I am proud of that report and I was anxious to have that account book produced before you, which Mr. Thompson produced, because it is a balanced account and shows the day and date for every transaction, the number of horses balanced with the record here, the cash balanced with the record from the very outset, and I am very glad it is so, I think I may be proud of my record in that respect.

The witness retired.

WILLIAM T. MERRICK, of Blackwater, Ontario, recalled:

By Mr. Thompson:

Q. You heard what Mr. McLean said with reference to the chestnut mare?—A. Yes sir.

Q. Are the circumstances that he stated, that you asked him to show the horse and try to sell him for you correct?—A. That is right.

Q. Did you say anything at the time about his being entitled to keep the horse if he did not sell it?—A. Nothing whatever.

Q. Or about keeping the money if he did succeed in selling it?—A. No, sir.

Q. Did he write to you and tell you to call for the horse or did you call and get it on your own accord?—A. He wrote to me or telephoned to me and told me that the mare was lame. I intended to sell this mare. I bought the mare from a policeman in Orillia that kept her just for his own driving and he had her trained to jump and she was a very pretty mare. But there was wrong with her what a great many people would not detect, and what would take a very sharp eye to notice. It was too close for me to examine it at the time and find out. This mare had what they call the blind jack, that is something we do not very often see, and the horse goes a little bit lame, it would be noticed probably after you have been driving her and then let her stand; when you start out afresh it will be noticed then. She was a mare of this kind, that if she stood in a while and you took her out and drove her down a mile or two you would never detect anything.

Q. Did Mr. McLean discover the blind jack?—A. It was from Mr. McLean that I learned about it. He noticed it when he hitched the mare and drove the mare, and the reason the mare was not taken away from Mr. McLean the night she was delivered, was that I had not time to do it because it was too late, and I could not get the mare home that way, and the Lindsay fair was coming off shortly after that and I thought I would show this mare at Lindsay, but Mr. McLean told me this and then, of course, as soon as it was possible for me to get to Lindsay again I was there.

Q. Did you make him any allowance for the mare in any way?—A. No, in no shape or form.

Q. Why did he reject the horse if he could not discover its lameness at that time?—A. Do you mean at the first time?

Q. Why did he reject her for army purposes?—A. Because she was docked.

Q. Were any docked horses accepted?—A. No, sir.

Q. Did you see any docked horses accepted?—A. No.

Q. Was this one of the horses which your partner Williams took as his part of the profit?—A. Yes sir.

Q. It may not be of interest to the Commission but perhaps you might inform us whether you told Williams, when he was taking this part of his profit, that the horse had blind jack?—A. He blistered her afterwards for the blind jack.

Sir CHARLES DAVIDSON: Did the policeman who sold the horse to you tell you about it?

The WITNESS: No, he did not.

Sir CHARLES DAVIDSON: What is your opinion of him?

[Horses—Merrick.]

The WITNESS: I had the highest respect for Mr. Reid at the time I bought the mare, and still I have no bad feelings against him. It is just like what has been referred to here about Mr. McLean turning down so many horses. This horse was a kind of a horse that the farmers are trying to get rid of. I am a farmer myself and the farmers have sympathy for themselves but they have no sympathy for anybody else in general. That is the kind of a horse that was mostly submitted to Mr. McLean to buy because it is the kind of a horse that a farmer would want to sell him. The reason he did not have these complaints against my horses was that I went to the farmers themselves and had the horse tested, and I bought the horse that suited me and not what it suited the farmers to sell. Then at the time Mr. McLean bought most of the horses the farmers were anxious to sell them to him because they had no other market for them.

Sir CHARLES DAVIDSON: Was your respect for the policeman founded on the tact that he could sell you a horse with the blind jack?

The WITNESS: No, but when a man is sharp enough to do a trick of that kind on me I give him credit for it; that is how much I think of Mr. Reid.

Sir CHARLES DAVIDSON: Why did you buy a docked horse?

The WITNESS: You must remember that when I bought this docked mare I did not expect that Mr. McLean would take this docked mare at the time.

Mr. THOMPSON: Did you try it on him?

The WITNESS: No, I did not. I will tell you something. I told Mr. McLean and Mr. Gilpin, the very first time I ever met him, I said: when I furnish you anything that does not suit you don't implicate yourself in any shape or form to take anything that does not suit military purposes.

Mr. McLean: Of course, the buying of docked horses for military purposes was absolutely forbidden.

Sir CHARLES DAVIDSON: I know.

Mr. McLEAN: And that is why she was not considered.

The WITNESS: Notwithstanding all this, this mare made fifty dollars profit on some of our best horse experts.

The witness retired.

Mr. THOMPSON: In this case I have tried to get Mr. Williams to come down here.

Sir CHARLES DAVIDSON: I think it is desirable to have Williams here.

The WITNESS: Mr. Williams has no papers to produce.

Sir CHARLES DAVIDSON: We will have him here.

The Commission then took recess for luncheon.

On re-assembling after luncheon.

Sir CHARLES DAVIDSON: What business will you be able to take up, Mr. Thompson, at the future sittings?

Mr. THOMPSON: Mr. Russell wants to explain about his obtaining the agency of the Kelly trucks and the Jeffrey trucks and one of the officials of the Jeffrey Company cannot be here until Tuesday.

Sir CHARLES DAVIDSON: Will one day close up our work here?

Mr. THOMPSON: One day will close up everything sir. If we do not sit this afternoon I can have the witness necessary for Tuesday, and make a clean sweep of it then. That is, of course, provided no further evidence is adduced with regard to other matters which are not now before the Commission.

[Horses—Merrick.]

WILLIAM T. MERRICK, of Blackwater, Ontario.

Recalled, already sworn.

By Mr. Thompson:

Q. At what did you place your profit and that of your partner which you referred to in your evidence this morning?—A. At a little better than \$900.

Q. Did you deduct anything for expenses for that?—A. Not the expenses at that time.

Q. What would your expenses be?—A. My expenses would be in the neighborhood of \$125 or probably \$150.

Q. Would that include the expenses of your partner also?—A. That would include all expenses.

Q. So that your profit would be something over \$900 less your expenses?—A. Yes, less our expenses and our expenses were not as heavy as they otherwise might, because we were not all the time in the hotel, we were home at night, we had our own motor car.

Q. So that your average profit between the two of you would be about ten dollars per horse?—A. About that.

The witness retired.

LIEUTENANT-COLONEL W. G. HURDMAN, Militia Department, Ottawa,

Already sworn, recalled:

By Mr. Thompson:

Q. Were you in court the other day when Major Thomas was giving his evidence on motor truck bodies?—A. I was not.

Q. I asked him to show you the official file of correspondence with regard to these motor bodies, did you have an opportunity of examining it?—A. I looked at it yesterday for a few minutes.

Q. Major Thomas led us to infer from the correspondence that you made an exact copy of the sample which was sent here when preparing your specifications, I think that is correct, is it not?—A. Practically correct.

Q. With the exception of a few improvements which were suggested?—A. Yes, I suggested some strengthening up.

Q. The inference I gathered from his testimony was that you were aware at that time that the sample body which was submitted was simply indicative of the type and not the exact size or form of body which was required for service overseas?—A. When the Commission were present examining it, I asked the question.

Q. What commission do you refer to?—A. The Land Transport Commission.

Q. Were you a member of that?—A. I was not.

Q. How did you happen to be present when the bodies were being discussed?—A. I was instructed to be present at the Land Transport Commission meetings as an expert on horse-drawn vehicles such as transport wagons, light and heavy, water-carts and ambulances, which amounted to about 1,000 in each contingent, all told. I was present to answer question in connection with that.

Q. Were they then discussing the body question with the body before them?—A. Yes, they were discussing it in the basement of the building where I had my office.

Q. Did you take any part in that discussion?—A. Not until the Chairman of the Commission said to me: Well, Colonel, you will prepare specifications and drawings for this.

Q. Who was the Chairman?—A. Senator Taylor. That was the first intimation I had that I would have anything to do in connection with motor trucks or motor truck bodies, as I understand that Major Thomas was there as an expert for that purpose, and it did not concern me.

[Motor Truck Bodies—Hurdman.]

Q. What you state is that you were called in merely in an advisory capacity with regard to service wagons?—A. Yes, service wagons.

Q. Was the question of service wagons discussed at that meeting of the Commission?—A. I daresay it was discussed at both the sittings of the Commission and when that discussion was up I took part in it and Major Thomas did not. I answered inquiries that were asked and gave my views.

Q. When you were called to the sittings of the Commission, did they inform you what you were called for?—A. No, I was ordered up, I think the first instructions I got were from the Military Secretary of the Minister, to be present.

Q. When you attended the meeting did they inform you of the purpose for which they required you?—A. I was not informed by the Commission in any shape or form at the time.

Q. Was there any discussion as to the use of the trucks and as to the size of the trucks the bodies were to fit?—A. No discussion as to the size. When I was informed that I would prepare specifications and drawings I asked: Now is this exactly what is required.

Q. From whom did you ask that question?—A. There was present Senator Taylor, and I have no doubt it was Senator Taylor I asked the question of. I was standing in the basement beside the truck, and Senator Taylor, Major Thomas, and Mr. McNaught, I think, were there.

Q. Were they all present in such a position that they could hear your question?—A. They were all standing in a space about the square of this platform.

Q. What did you ask?—A. I said: Is this exactly what is required? And I got an affirmative answer that it was.

Q. From whom?—A. From Senator Taylor I think. I think Senator Taylor asked Major Thomas if this is what was wanted.

Q. You think that?—A. That is my impression now, that he asked.

Q. Have you got anything more definite than an impression about that?—A. I would not like to swear positively that he asked him, but there was some discussion between them and immediately when I was told I suggested some improvements, changes for strengthening it, and called attention to a sample wagon that I was standing alongside. I suggested heavier sides, heavier wheels, heavier stakes and better ironing, and that was agreed to. There were only seven-eighths inch sheathing on the side of this body, while I recommended an inch and a quarter.

Q. Did you suggest these improvements on that occasion?—A. Yes, and they were agreed to.

Q. Was there any further discussion as to that sample body?—A. I do not think there was any further discussion, that practically ended the discussion as far as that body was concerned.

Q. Did you then prepare specifications?—A. I procured a man to make the drawings and I had blue prints made and I prepared the specifications myself.

Q. After they were prepared what did you do?—A. I handed them over to the Director of Contracts who sent them out to the people to get tenders for them.

Q. Is that all you had to do?—A. That is all I had to do until it came to the question of inspecting during manufacture, I inspected them at the Massey-Harris works, the McLaughlin Carriage Company at Oshawa, and the Oxford Motor Truck Company in Montreal.

Q. Did you go to these factories to examine the bodies?—A. I did, even before they assembled them and during the assembling.

Q. Have you copies of the correspondence?

Sir CHARLES DAVIDSON: Is this of any importance; is it not a question of mistake in size?

Mr. THOMPSON: Clearly so, and I went to see whether Colonel Hurdman is responsible for it. Colonel Hurdman says he was not responsible.

Sir CHARLES DAVIDSON: I know, but his evidence has covered that point.

Mr. THOMPSON: Yes sir, but the correspondence is against him on that point.

[Motor Truck Bodies—Hurdman.]

By Mr. Thompson:

Q. Have you got the telegram sent out in your name— first there was a telegram, I think, which was read into the notes, from Colonel Hurdman, Inspector of Carriages, to the Hopkins Manufacturing Company of Hanover, Pa:

20-11-14.

Hopkins Mfg. Co.,
Hanover, Pa., U.S.A.

Body received, mail price for about 140 bodies size five feet six inches by twelve feet f.o.b. here. Also detailed specifications that can be used as a basis for making contract.

COLONEL HURDMAN,
Inspector of Carriages.

Q. Did you send that telegram?—A. That telegram was written by Major Thomas during the meeting of the Transport Commission and sent in my name.

Q. Did you see it?—A. I did not pay any attention to it; my name was signed to it.

Q. Did you see it?—A. I think I took it from him and handed it to my messenger to send.

Q. Were you aware of the contracts at the time?—A. I was not. As I said before I did not pay any strict attention to the motor truck bodies. I did not expect to have anything to do with them in any shape or form, and the telegram was sent and I never thought any more about it.

Q. This telegram calls for a body five feet six by twelve, and the sample body was only five by twelve.—A. I did not read the telegram. The reason why I took the telegram to send was that my messenger was there and any telegrams going out and signed by me are charged to the department. I have to make a return each month for them and I have to have a record of them, and this clerk of mine took that and made a record, and the fact of the matter is I never saw the telegram afterwards.

Q. Did you see the letter of the 21st November from the Hopkins Manufacturing Company from Hanover stating that the inside width of the bodies which they were mailing photographs of were only five feet?—A. I received that letter but I would not like to swear that I read it for the simple reason that as soon as I saw what it was about I enclosed it with several others. A great many letters were coming in every day, and I sent it by the messenger to the Secretary of the Transport Commission. I thought it did not concern me in any shape or form, and I sent it on to the parties whom it did concern, which is the usual procedure.

Q. Did you see the statement made by the Company that should an extra width be required it would mean an extra charge of ten dollars on each body; I would like to know whether that was called to your attention?—A. It was not called to my attention in any shape or form. That letter was received two or three weeks before I was instructed to prepare specifications and drawings.

Q. You are aware, are you not, that the main fault with the bodies which were cast was that they were only five-feet instead of five feet six?—A. I am aware of that now. The bodies that are being made now, instead of being five feet six, are six feet eight.

Q. When this letter that I have referred to, from the Hopkins Company, arrived, what did you do with it?—A. I sent it immediately to the Secretary of the Transport Commission.

Q. Who is the Secretary of the Transport Commission?—A. Colonel Howard.

Q. Was the Transport Commission settling about the bodies of the trucks?—A. The same commission.

Q. Were you a member of that Commission in any way?—A. No, in no way at all; I was there as an expert on wagons, as I stated before.

[Motor Truck Bodies—Hurdman.]

Q. Did you forward that correspondence to the Secretary of the Transport Commission because, as you thought, it was outside your sphere of duties?—A. Yes, as I had nothing whatever to do with it. I forwarded it to him. I used to get a great number of letters, owing to the fact that the telegram about the motor trucks was sent out in my name. Under the instructions of the minister, I sent out seventy odd telegrams, and naturally I got a lot of correspondence in connection with motor trucks, in reply to this telegram.

Q. And would a number of telegrams and letters sent out in your name refer to matters as to which you have no knowledge?—A. No knowledge.

Q. Would you therefore be sending that correspondence out and receiving correspondence—A. Merely as a channel.

Q. Merely as a channel to be transmitted to the proper authorities?—A. Yes.

Q. And you state that that is your position with reference to these bodies?—A. Yes, that is my position.

Q. Do you care to make any further statement with reference to this?—A. I would like to make a written statement of the facts covering the whole thing, that probably would make it clear. It may clear up something in connection with it that has not been made clear before and I submit it to be taken for what it is worth. It is a statement of facts.

Mr. THOMPSON: You had better read it.

The witness then read the following statement:—

Statement of facts relating to Lt.-Col. W. G. Hurdman's connection with the purchase of motor trucks by the Department of Militia and Defence for the Canadian Expeditionary force—2nd contingent.

The Minister of Militia and Defence, in November last, instructed me to obtain prices from manufacturers and dealers of motor trucks and the telegram hereto attached, dated 23rd November, 1914, was sent by me to the manufacturers and dealers, whose names appear in the list hereto attached, and the prices quoted by the said manufacturers and dealers are shown on the said list.

At the first meeting of the Transport Commission, at which I was present (not as a member of it), Major Thomas stated that he could get a sample body for motor trucks, of the regular army pattern, such as would be required for the trucks being purchased by the Department of Militia and Defence. He was instructed to order the sample body and it was then decided to have it delivered at my office on Queen street, Ottawa, where it was subsequently delivered.

On or about the 20th November, 1914, a telegram was sent in my name to the Hopkins Manufacturing Company asking for a price on 140 bodies with detailed specifications. The telegram was written by Major Thomas.

In answer to this telegram a letter was received by me from the Hopkins Manufacturing Company, dated 21st November, 1914. This letter I immediately sent to the Secretary of the Transport Commission and I did not see it again until it was produced at the Public Accounts Committee last session.

At the last meeting of the Transport Commission held in December, 1914, the members of the commission proceeded to my office to inspect the sample body for Motor Trucks which Major Thomas had obtained from the Hopkins Manufacturing Company, and I was instructed to prepare drawings and specifications for same. This was the first intimation I had that I was to have any connection with the manufacture or inspection of motor truck bodies. I then first asked whether the sample obtained from the Hopkins Manufacturing Company was exactly what was required and was informed that it was. I then suggested some alterations which would have the effect of strengthening the body. I had the drawings made and prepared the specifications myself, when completed they were sent to the Director of Contracts. As an evidence of the difference in favour of the truck body for which I prepared specifications as compared with the sample body obtained from the Hopkins Manufacturing Company, I submit herewith an extract from a letter received by the Director

[Motor Truck Bodies—Hurdman.]

of Contracts from the Massey-Harris Company, Limited, Toronto, dated 21st December, 1914.

With reference to the statement made by Major Thomas that the truck bodies should have been five feet six inches wide, I understand those now being manufactured are at least six feet, eight inches wide.

In reply to the telegram sent out by me on the 23rd November 1914, concerning as the departmental expert on transport wagons, ambulance wagons, and water-carts. Major Thomas was a member of the Commission and was the expert on all motor transports, &c., and naturally I was not called upon and did not give any particular attention to that branch of the work.

In reply to the telegram sent out by me on the 23rd November, 1914, considerable correspondence resulted all of which, including telegram, I immediately handed over to the Secretary of the Transport Commission, and had thereafter nothing further to do with same.

(Sgd.) W. G. HURDMAN,

Lt.-Col.

Q. Were you aware when you were preparing these specifications that the motor trucks had not been ordered or that the make of motor truck had not been decided upon?—A. I knew nothing officially, only from hearsay.

Q. Did it not occur to you that the style of truck or the size of truck might be a question of importance when preparing specifications?—A. I had nothing whatever to do with ordering the trucks.

Q. I understand that, but did it not occur to you, you are a practical man?—A. Yes, I suppose naturally—Major Thomas made the statement he was an expert, and the way he talked about his ability and one thing and another, I supposed that he certainly knew what he was talking about when he ordered the body.

Q. Did it not occur to you that there might be some doubt that he knew what he was talking about if he was going to order bodies for trucks which had not been decided upon?—A. There is this about that body—that body would fit any standard truck. The only one that I know of that that body will not fit would be the White truck where the size for the body is 13 feet and the others are 12 feet.

Q. That body will not fit a Kelly truck?—A. They are using it here all the time.

Q. They have altered them, have they not?—A. Not altered a particle.

Q. Do you mean to say they are using bodies, for which you prepared the specifications, on a Kelly three ton truck without alterations?—A. You see them running on the streets every day.

Q. Do you mean to say they are using them without alteration?—A. Yes, without alteration.

Q. Unless my memory fails me, Major Thomas said they had to have extra length of sills put in and required other alterations?—A. If the wheels in some are higher than in others, it means the placing of a sill on each side, lengthwise, on the frame, to raise them up to clear the wheel.

Q. If these bodies had been made to fit the Kelly truck there would be no necessity for that?—A. These sills would be on them when they were made; they would have to be put on anyway.

Q. So that the bodies, as they stand, according to your own evidence, will not fit the Kelly truck?—A. They are using them exactly as they came in on the Kelly trucks. I see them every day.

Q. Without alteration?—A. Without alteration.

Q. Without addition?—A. Without addition.

Sir CHARLES DAVIDSON: They put an extra sill in?

The WITNESS: They can put an extra sill in if they want to.

By Mr. Thompson, K.C.:

Q. Is not an extra sill absolutely necessary?—A. Not the way they are using them here.

[Motor Truck Bodies—Hurdman.]

Q. Is it not a fact that the body will fall on the wheel unless the extra sill is put in?—A. No, they cannot fall because the cross-sills rest on the frame of the truck. The frame of the truck is strengthened inside with an oak sill and the body rests on that.

Q. It is not a question of what it rests on, is it not a fact that if you have a Kelly truck without any body, just taking the bare chassis, and place one of these bodies on it, you will have some trouble?—A. Well, I have not tried, but I cannot see it.

Q. Is not that the difficulty about these bodies?—A. I cannot see it in that way. The width of the chassis frame is the same on them all, 2-ton, 3-ton, or 5-ton truck.

Q. Then why would not these bodies be suitable for overseas service?—A. Well, the claim made by Major Thomas was that just about the beginning of March the War Office wanted a wider truck so as to place ammunition boxes a layer across the floor instead of piling them one on top of the other. That was the claim made by him. I do not know what authority he had for that.

Q. Is it not a fact that the bodies for 3-ton trucks are a different size from the 2-ton trucks?—A. Yes, there is a difference in the width.

Q. Why is there a difference in the width between the two trucks, the smaller 2-ton truck apparently has a narrow body and the 3-ton truck has a wide body, why is there a difference?—A. So as to carry a greater load.

Q. Is that the only reason?—A. That is the only reason that I know of.

Q. Would the body of a two-ton truck be suitable for a three-ton truck?—A. Yes, it is used on a three ton truck.

Sir CHARLES DAVIDSON: But the body of a three ton truck would not go on a two ton truck?

The WITNESS: It would go on, but it would carry too large a load.

By Mr. Thompson:

Q. Is that the only objection?—A. Yes.

Q. And as to size, you say it would be perfectly satisfactory?—A. Yes.

Q. Would the bodies be interchangeable between the two trucks so far as size goes?—A. As far as fitting on the chassis goes, yes, but the point is that they would not carry as large a load.

The witness retired.

Sir CHARLES DAVIDSON: What is your next procedure, Mr. Thompson?

Mr. THOMPSON: We have enough work before us to take a day, not more than a day, and I would suggest that instead of taking Major Thomas this afternoon we might take him on Tuesday next.

Sir CHARLES DAVIDSON: Would Tuesday, at half-past ten o'clock, be suitable to you?

Mr. THOMPSON: Yes, sir.

The Commission adjourned until Tuesday morning next, at half-past ten o'clock.

OTTAWA, Tuesday, July 20, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

At the sitting of the Commission:

SIR CHARLES DAVIDSON: I understand, Mr. Pringle, that you wish to make a statement. Would you prefer to testify as a witness?

MR. R. A. PRINGLE, K.C.: I would prefer to testify.

ROBERT A. PRINGLE, K.C., of the City of Ottawa, sworn:

SIR CHARLES DAVIDSON: Will you now make your statement?

MR. R. A. PRINGLE, K.C.: Mr. Commissioner, it would appear that, I think on Tuesday last, my name was brought before you in connection with a transaction that was being inquired into, in regard to hay and oats. I was absent from Ottawa at the time. As a matter of fact, sir, I got into Ottawa on the early morning train on Tuesday, and left at 12.45, not returning again until Thursday afternoon. Thursday afternoon, on my way down, I read an article which I see is copied this morning into the *Ottawa Citizen*. The article is as follows:

PATRONAGE AND PROFITEERING.

Toronto Globe.

Counsel conducting the investigation of the purchase of military supplies at Ottawa created amusement over the discovery that a brother K.C., a prominent politician and ex-M.P., had been given an order for oats. That his learned friend might have dealt in legal fodder was an enlivening suggestion. The case shows the attitude of responsible public men toward the purchases they were under the necessity of making. The occasion was seized upon as a means of rendering, not honourable service to the Dominion and the Empire, but profitable service to party friends. It showed the measure of the men entrusted with a most important public duty. The need of fodder, like every other sudden need, was seized upon as an opportunity. It required the sudden development of an unusual situation to reveal the calibre of the men in charge of Canadian affairs. Under ordinary conditions, they might have pursued their courses according to their light or darkness, and a complacent public would have paid but little attention to them. The sudden demand revealed them. The calling in of a prominent K.C. to supply oats is merely typical of the course, the attitude, and the outlook of the men entrusted with authority. The difference between a duty and an opportunity seems to be a distinction of which their minds cannot take cognizance.

[Oats—Pringle.]

Reading that article in conjunction with the reports of the proceedings that took place on Tuesday before this Commission, of course I could come to no other conclusion than that I was the party referred to in this article.

I am not here in any apologetic mood. I have always taken my bumps when they came to me. But I am not entitled to this, and, consequently, I have sought the earliest possible opportunity of coming before you and making an explanation.

I want to say to you, sir, that I am not here to cavil at anything that was said by the learned Counsel Mr. Thompson, K.C. The learned Counsel, when asked the question, was perfectly justified, with the information that was before him, in answering the question in the way he did. I am sorry that it should have been treated by the press as having created such amusement.

Now, sir, to get down to the actual facts in regard to this matter. When war broke out on August 4, I can say to you that many clients spoke to me in reference to the selling of goods to the Department of Militia. I said without hesitation: "I am not in that business, my profession is that of a lawyer, and I will act for no man who desires to sell goods to the Department of Militia." And sir, in your presence, in the presence of Mr. Brown, the Director of Contracts, who is here, I say without any hesitation that I never participated to the extent of one dollar in connection with any selling of any goods to the Militia Department. I never saw Mr. Brown to know him until the 25th of August. On the 25th of August a gentleman called at my office, and was introduced to me as a prominent Conservative, living in the Eastern part of Ontario. This gentleman said to me: "Cannot Conservatives tender for supplies to be furnished to the Government?" I said: "Why, certainly, there can be no question about the right of any man to tender, who is in a position to supply the goods." He said: "Well, I have been unable to obtain a copy of the form of tender, or a copy of the specifications." I said to him: "I am not acting in any of these matters, but I certainly will see that justice is done you." I went down to the Director of Contracts on the 25th of August. The date I know, because it is my invariable habit to keep track of everything I do from day to day. I went down to the Director of Contracts on the 25th of August and I see this note in my book:

Attending to see Mr. Brown, Director of Contracts, with you, engaged some time attending at department for specifications, interview with you.

Mr. Brown met me, as he has always met me, fairly and told me: "We are only too glad, Mr. Pringle, to get tenders from anybody who is engaged in the business." And he said: "I will see that you get a copy of the form of tender and get all the specifications." Mr. Brown may not just recollect; our recollections may not be exactly the same as to whether I attended at the department and obtained the specifications, or whether they were mailed to me. My entry is that I attended at the department for the specifications, for my client, and that a copy was handed to me or to my client, whom I saw once afterwards and have never seen since.

The statement made by the newspapers, that I put in a tender in my name, absolutely false and without foundation. I never put in a tender for hay or oats, or for anything else, either directly or indirectly, to the Department of Militia or to any other Department connected with the Government of Canada. I never saw Mr. Brown, the Director of Contracts, from that day until Mr. Brown and I became engaged in connection with the boot and shoe inquiry before the Committee of the House of Commons, in which I was Counsel. I may say to you that I do not think I would be acting professionally, in a great crisis such as this, if I endeavoured to hamper in any way the officials of the department by worrying them for people who wanted to sell supplies to them. The articles in the newspapers, with regard to this matter, to which I have referred, not only reflect on me, but they reflect most insincerely upon such men as Mr. Brown and the other officials of the Militia Department. I hold no brief for them, they are not my political friends, I hope they are my personal friends, but I am going to say this: that having gone through some investigations in which I have had to come in contact with these men, that a herculean task was placed on these men and they met it, I think, well. They worked like slaves, and if errors

have crept in, small trivial errors, it seems to me that Canada is big enough to overlook that, while the party politician may not be. That is the way I feel in regard to that, and I think these articles in the newspapers, which are condemning these officials, are most unfair. So far as the members of the Government are concerned, they can speak for themselves. The Minister of Militia has always been able to take care of himself, and it is not necessary for me to make any comment with regard to these articles, so far as he is concerned.

In order to do justice to these gentlemen and to myself, I may say that there has been an error, and the error occurs in this way. There appeared in a letter signed by the Deputy Minister of Militia and Defence, a list showing that my name was among the names of those from whom tenders were invited. The date of that letter is January 15, 1915, and it is printed in the correspondence between the Auditor General and the Militia Department, referring to expenditure under the War Appropriation Act, at page 26.

I find no fault with that. I have not the slightest doubt that Mr. Brown, having handed the specifications either to my client or to myself, on that occasion, marked it down as having been given to R. A. Pringle.

But, sir, there also appears a statement that I put in a tender.

Sir CHARLES DAVIDSON: Where does that statement appear?

Mr. R. A. PRINGLE: It appears in the same document at page 27. It says: the eight tenders received were as follows, and amongst the names is R. A. Pringle, Ottawa, tendering for 71 cents. That is an absolute error, and Mr. Brown is here, and I think he will explain that. I never put in any tender, in any shape, manner or form.

I do not think, Mr. Commissioner, that there is anything further that I should detain you on. I am not thin-skinned; I see that this report has gone from the Atlantic to the Pacific, and I have been accused of getting orders from the Dominion Government for oats and so on. I have been accused absolutely unfairly; I have been tried and convicted by the public press, without even having an opportunity of making any explanation. I would ask, however, seeing that Mr. Brown is here, if the statement I have made is a correct statement.

Mr. H. W. BROWN (Director of Contracts): Yes.

Sir CHARLES DAVIDSON: We will examine Mr. Brown. Do I understand, Mr. Pringle, there is no charge made by you?

Mr. R. A. PRINGLE: There has been no charge made by me absolutely in connection with this matter, and no charge has ever been made by me to any man who is selling goods to the Militia Department. I never benefited to the extent of one five-cent piece, and I have had man after man come to my office asking me if there was anything I could do for them, and I said: "No, sir; there is only one thing for you to do, and there is a competent man in charge of the contracting for the Militia Department, and send in your tender and if your tender is right, and your prices are right, I am satisfied you will get a square deal."

I have been doing business in Ottawa for four years. I am fortunate enough to number among my clients some of the best men in the Dominion of Canada. I have never asked the Government for anything but a square deal. I have had a square deal; if I did not get it I would know the reason why. If there is anything you want to ask me, Mr. Thompson, I shall be very pleased to answer your questions.

The witness retired.

HARRY W. BROWN, Director of Contracts, Militia Department, Ottawa, sworn:

By Mr. Thompson, K.C.:

-Q. Mr. Brown, have you the eight tenders which were received for the supply of oats in August last?—A. Yes.

[Oats—Pringle.]

Q. There were eight tenders, were there not?—A. Yes, I have the original schedule of tenders here.

Q. You are reading now, are you not, from what document?—A. This is a summary of the tenders received.

Q. Have you got the original tenders?—A. Yes. I find here the tender of W. Lamarre & Company at 70 cents, the tender of R. A. Pringle, J. H. Cameron, and L. M. Dwyer, at 71 cents. That tender was entered against the name of R. A. Pringle by mistake on the schedule of tenders.

Q. Was Dwyer the client who called with Mr. Pringle?—A. I do not remember, I remember Mr. Pringle calling, but I do not remember who was with him.

Mr. THOMPSON: Was Dwyer the person referred to?

Mr. R. A. PRINGLE: I never saw Dwyer in my life until he came into the office with Mr. Cameron and was introduced to me, and I have never seen him but once since, I think. I do not know his initials. My book only shows "Dwyer." It does not show any initials but I imagine he is the man. I will have my son here in a minute and he can explain it.

By Mr. Thompson, K.C.:

Q. What were the names on that tender?—A. R. H. Pringle, J. H. Cameron, and L. M. Dwyer. These names were entered on the schedule of tenders on which later correspondence was based. I might explain that this schedule of tenders was made out from a mailing list in advance, and it is on a list of names to whom forms of tender were supplied. It was transferred on to this schedule of tenders, in advance, and when the tenders came in and were opened the prices were put opposite the names which had already been put on the schedule before the tenders were opened, and, consequently the difference between R. H. Pringle and R. A. Pringle was not noticed in transferring the names. There is also a tender from J. A. Forward for 67½ cents.

Sir CHARLES DAVIDSON: Have you got the tender of R. H. Pringle there?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Show it to me.

The Commissioner examined the tender.

By Mr. Thompson, K.C.:

Q. What other tenders were there?—A. George Sparks & Son, Montreal Hay Company, James Macdonell, the Lemieux Company, and J. H. Brandon.

Q. Do these names cover all those who put in tenders?—A. Yes.

Q. Did you send out specifications to R. H. Pringle?—A. No. Mr. R. A. Pringle called, and I either gave it to him or sent it to him, I do not know which.

Q. You did not send any form of specifications to R. H. Pringle?—A. No.

Q. Is that how you happened to put Mr. R. A. Pringle's name on the schedule of tenders?—A. I set the prices down opposite to what really amounts to a mailing list of names, prepared before the tenders were opened, and the prices quoted by R. H. Pringle and others were put against R. A. Pringle's name.

Q. Have you any note on your file that Mr. R. A. Pringle did not tender?—A. I have not, but I have here a list—

Q. What is this list you refer to on your file?—A. This is a list of names of those to whom were sent forms of tender or specifications. You will see from that list that there was no specification sent to R. H. Pringle, and there was to R. A. Pringle.

Q. Is that the way the mistake arose?—A. That is it.

Mr. R. A. PRINGLE: May I be permitted to ask Mr. Brown one question?

Sir CHARLES DAVIDSON: Just a moment, Mr. Pringle, is that all, Mr. Thompson?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: Then I understand from you, Mr. Brown, that the statement in this letter is incorrect when it asserts that tenders were invited from R. A. Pringle?

[Sale of Oats and Hay, Explanation by Mr. Pringle—Brown.]

The WITNESS: That is right, sir.

Sir CHARLES DAVIDSON: It is also a mistake when it says that eight tenders were received from, among others, R. A. Pringle?

The WITNESS: Yes, sir, that statement was taken from the schedule of tenders, and the schedule of tenders was incorrect in that particular.

Mr. R. A. PRINGLE: I do not think I ever had the pleasure of meeting you, Mr. Brown, until that morning when I called on you with that gentleman.

The WITNESS: It is the first time to my knowledge that I had ever seen you.

Mr. R. A. PRINGLE: I have stated what occurred, do you agree with that?

The WITNESS: Quite.

Mr. PRINGLE: You quite agree with that?

The WITNESS: Yes.

Mr. R. A. PRINGLE: And I simply stated to you that this gentleman was complaining that he did not get forms of tender or specification, and you said at once: "Oh, he shall have them."

The WITNESS: Yes; the only part where my recollection does not absolutely agree with yours is that I do not remember you bringing someone in there, but I have no doubt it is so.

Mr. R. A. PRINGLE: I think perhaps I can refresh your memory. You and this gentleman were discussing something about the difficulty in regard to the wiring of hay, and I said I knew nothing about it.

The WITNESS: I remember talk of that sort.

Mr. R. A. PRINGLE: I said I knew nothing about it, but he thought there was some difficulty in getting hay wired in the way required. From that time, when you were good enough to comply with my request and that of this gentleman, to give the form of tender and specification, did I ever see you with regard to any contract?

The WITNESS: To the best of my recollection I never saw you again, except on the street, until this spring in connection with the boot inquiry.

Mr. R. A. PRINGLE: Did you ever get any correspondence from me?

The WITNESS: I am speaking now with regard to a large volume of correspondence, but I can say that I have no recollection of getting any from you.

Mr. R. A. PRINGLE: My son is here, if you think he can shed any further light on the matter.

Sir CHARLES DAVIDSON: Was this tender of R. H. Pringle's and Cameron's accepted.

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: It was not accepted?

The WITNESS: They were not the lowest, and they got no order at all.

Mr. R. A. PRINGLE: My son is here and he might make his statement. I knew nothing whatever about this tender.

The witness retired.

ROBERT H. PRINGLE, of the City of Ottawa, sworn:

By Mr. Thompson, K.C.:

Q. Do you recollect tendering for oats to the Militia Department in August of last year?—A. I do.

Q. You tendered in company with others?—A. I did.

Sir CHARLES DAVIDSON: What is your business?

The WITNESS: A broker.

[Sale of Oats and Hay, Explanation by Mr. Pringle—Pringle.]

Sir CHARLES DAVIDSON: In what direction?

The WITNESS: At that time I was in the commission business and custom house brokerage; until March last I was in that business.

Sir CHARLES DAVIDSON: As a commission merchant, what were you selling?

The WITNESS: We had several different agencies, I could name them all to you, if you wish.

Sir CHARLES DAVIDSON: Speaking generally, did you do any kind of commission business?

The WITNESS: Any kind of commission business.

By Mr. Thompson:

Q. Will you look at this tender, which Mr. Brown has referred to, dated the 26th August, which reads:—

M. W. BROWN,
Director of Contracts,
Department of Militia and Defence,
Ottawa.

Dear Sir,—

We have to quote you as follows: f.o.b., dock Montreal, 1,275 tons No. 2 hay at \$23.50 per ton; 44,000 bushels No. 2 C.W. oats at 71 cents per bushel bagged; 300 tons straw at \$12.50 per ton, subject to acceptance on or before 12 o'clock August 27th, 1914.

Sgd. R. H. PRINGLE,
J. H. CAMERON,
L. M. DWYER.

Q. Did you remember sending that tender, Mr. Pringle?—A. I do.

Q. Did you see the others sign it?—A. I did.

Q. And that was sent forward to the Department?—A. It was delivered to the Department.

Q. Are these persons, Cameron and Dwyer, customers of yours?—A. Mr. Cameron at that time was my partner, and Mr. Dwyer was financing him.

Q. Did you have any attendances on the Department with reference to the question as to whether your tender was accepted or rejected; did you have any attendances on Mr. Brown?—A. Absolutely none in regard to oats.

Q. Your tender was rejected?—A. Yes.

Q. I presume, therefore, you received the specifications from Mr. R. A. Pringle?—A. They were addressed, I think, to R. H. Pringle; I think they were addressed to my office. I asked if I could get the tenders. I asked Mr. R. A. Pringle, my father, if he could possibly get forms for me, that I could not get into the Militia Department.

Q. Did you try?—A. Yes, I had tried at the door first.

Q. Did you write to Mr. Brown, asking him for forms?—A. No.

Q. Did you telephone him?—A. No, in fact I did not know how to go about it at all.

Q. I understand you put in no other tender for oats?—A. No.

Mr. R. A. PRINGLE: Is that the only tender your firm sent to the Government?

Mr. R. H. PRINGLE: I had sent tenders into the Government in different departments.

Mr. R. A. PRINGLE: Had I any knowledge of this tender going in, or any interest in it, in any shape, matter of form?

Mr. R. H. PRINGLE: You had absolutely no interest in it, with the exception, I suppose, that my father would probably like to see me get the business. That is all.

Mr. R. A. PRINGLE: At any rate, you were never awarded any contract?

[Sale of Oats and Hay, Explanation by Mr. Pringle—Pringle.]

Mr. R. H. PRINGLE: Not for hay or oats.

Mr. R. A. PRINGLE: Mr. Commissioner, I have to thank you for your kindness in this matter.

Sir CHARLES DAVIDSON: It is quite obvious that an error exists in the letter from the Deputy Minister of Militia to the Auditor General, originating through inadvertence.

Mr. R. A. PRINGLE: I am very much obliged to you, sir, for giving me this opportunity to set this matter right. I spoke to the learned counsel, Mr. Thompson, on Friday last, just as soon as I learned of it, and I told him I would ask for this opportunity to make an explanation, as a mistake had occurred.

This concluded the evidence on this matter.

EDWARD T. WILLIAMS, veterinary surgeon, Sunderland, sworn:

By Mr. Thompson, K.C.:

Q. You were in partnership, were you not, with W. T. Merrick in purchasing horses to re-sell to Mr. McLean, who was buying for the Militia Department, in August or September of last year?—A. Yes, sir.

Q. Who purchased most of the horses, you or Merrick, or did you buy them together?—A. We bought them together.

Q. Would you examine the horses before Merrick paid over the money for them?—A. The majority of them.

Q. Merrick did the financing, did he not?—A. Yes, partly.

Q. I understand you were to see that the horses were more or less sound?—A. That was part of my business.

Q. Was that why he took you into partnership, because you were a veterinary surgeon?—A. That is why.

Q. Did Merrick do all the financing?—A. Yes.

Q. Were you present when McLean was looking over the horses of the partnership?—A. Yes, I was present.

Q. Were you present when he looked over all of them?—A. Yes.

Q. On all occasions?—A. On all occasions.

Sir CHARLES DAVIDSON: That is your horses?

The WITNESS: The horses that Merrick and I purchased, yes.

Q. Do you recollect McLean refusing a horse, which either you or Merrick purchased in Orillia, from a policeman?—A. Yes.

Q. It was a docked horse?—A. Yes. I do not think that horse was submitted to McLean for military purposes.

Q. You don't think that horse was submitted to him?—A. I do not think so; it was not bought for military purposes.

Q. Was it not bought by the partnership?—A. Yes.

Q. Why did the partnership buy it?—A. We bought it on speculation. I understood the military department would not handle a horse that was not perfectly sound and was not docked.

Q. Did Merrick consult with you before the Orillia horse was purchased?—A. Yes.

Q. Had you seen the horse before the money was paid for him?—A. Yes.

Q. Did you have a consultation about buying the horse for speculation?—A. Yes.

Q. Did Merrick know that it would not be accepted by McLean?—A. Oh yes.

Q. But you did bring that horse along with others to McLean?—A. Yes, we brought it to Lindsay.

Q. And McLean was buying there?—A. Yes.

Q. Did you submit that horse to McLean with the others?—A. Not for military purposes.

[Merrick, Horses—Williams.]

Q. For what purpose did you submit him to McLean?—A. To sell on speculation in Lindsay.

Q. McLean, I think, said that he said to Merrick: "I cannot take that horse because they won't accept docked horses," do you recollect that?—A. Yes, I understood that before we bought the horse at all.

Q. Do you recollect McLean saying that to Merrick?—A. I do not.

Q. Did you hear him say: "I won't buy docked horses" or words to that effect?—A. I certainly remember him saying that he would not buy a docked horse, but I cannot say as to this particular horse.

Q. At page 1222 of the evidence I read:

When Merrick shipped his last carload of horses from Orillia to Lindsay, he shipped a docked chestnut mare in that shipment, and I told him at once, "Mr. Merrick, this mare can never go." I said I would not consider buying this mare because she was docked. He said: "Well now, I wish you would keep her for a day or so, and you may get a chance to sell her for me."

Q. Did you hear that conversation?—A. I did not hear that conversation but I understand that conversation to be correct.

Q. Did you or did Merrick ask McLean to endeavour to sell that horse?—A. Merrick did.

Q. Merrick asked him?—A. Yes.

Q. Did you fix a price or did Merrick fix the price?—A. Well I left that to Merrick, the price part.

Q. Were you not interested in the price?—A. I certainly was.

Q. You were content with what Merrick did in that respect, were you?—A. Yes, in that particular case, I was.

Q. Were you satisfied in other cases with what Merrick did?—A. Yes, we had an arrangement whereby we understood one another.

Q. What do you mean by that?—A. Well Merrick paid for the horses and he dictated the terms to McLean, in selling.

Q. Were you aware in all cases of how much was paid by the partnership for horses and what price they should fetch?—A. Yes.

Q. So that you apparently consulted with one another before the horses were disposed of?—A. Yes.

Q. Was there no consultation between you and Merrick as to what you should sell the Orillia mare for?—A. Of course we expected to get a profit on her.

Q. Do you know what you paid for her?—A. Yes, I know what we paid for her.

Q. How much?—A. \$200.

Q. Are you sure about that?—A. If my memory serves me right I think it was from A. J. Reid of Orillia that we purchased the chestnut mare.

Q. That is the constable?—A. Yes, the chief constable, and I think the cheque in the book will show \$198 or \$199.

Q. Are you sure it is not \$140?—A. I am sure it is not that. Unless I am badly mistaken. Of course, it is memory I am going on, Reid of Orillia is the man.

Q. I asked Merrick what these pencil notes meant in his book and I read out the name of four horses?—A. I see the name of Reid in that bank book right there; that is the man we bought the chestnut mare from, he is the chief of police in Orillia.

Q. And \$199 is opposite the name A. R. Reid?—A. That is the man we purchased from.

Q. Did you buy any other horses in Orillia?—A. Not from Reid.

Q. Did you buy from anyone?—A. Oh yes, lots of them, but not from Reid. I am going a good deal on memory now, I have not seen the book since Merrick and I settled.

Q. Perhaps you can give us an explanation as to what these pencil notes mean here. There are pencil notes for four horses reading as follows:

"Orillia—\$140.

"Sonley—\$150.

"Horse—\$129.

"Chestnut mare—\$152."

making a total of \$571, will you explain this?—A. No, I cannot explain this because that is after figuring that I know nothing about, but I would expect that that is the cheque there for \$199 (pointing to the name of J. R. Reid). There was \$199 on the cheque and one dollar deposit, and if my memory serves me right that is the price we paid for the chestnut bang-tailed mare.

Q. Merrick stated that \$152 was the price paid for the chestnut mare?—A. Did Merrick say that?

Q. Yes?—A. Well, I think that cheque there represents the price we paid for the chestnut mare; it was \$200. All the horses were bought and paid for through the bank.

Q. Who is Sonley?—A. That is the man we bought the horse from.

Q. What did you pay for him?—A. I could not give you off-hand the price.

Q. You say that that Orillia chestnut mare cost \$199 by cheque plus one dollar deposit?—A. Yes.

Q. Was there any discussion whatever between you and McLean, or between Merrick and McLean, that the horse was going to McLean to sell; did you hear the instructions given by Merrick to McLean?—A. No, I did not hear the instructions given by Merrick, but I seen McLean a day or two after and McLean said to me: I cannot handle that chestnut mare, she is not sound, and of course I did not want Merrick to buy her in Orillia because she was not sound.

Q. Did you know she was not sound at the time you bought her?—A. I did at the time I bought her.

Q. What was the matter with her?—A. She had a jack spavin, a blind spavin, but she did not show it. She was a fine mare, and Merrick was bound to buy her, and I let him go ahead. I said "I can stand it if you can, if she makes anything, all right, and if she loses, all right." I was always willing to take a chance; to show you about that mare, we sent that mare to Lindsay. We showed that mare in the saddle class at the fair, at least McLean did. She got first prize in the saddle class, she showed in the carriage class and got second prize. She went from there to another show, and was shown as a carriage mare and got second prize, she went through Sunderland and showed as a carriage mare, with the government inspector examining her, and she got first prize, and she went to Eudora, and showed at that fair with the government inspector, a veterinary surgeon, examining her, and she got first prize. Afterwards the spavin developed, and I practically own the mare yet.

Q. Are you sure McLean showed her at any of these fairs?—A. I understood McLean showed her at the Lindsay fair.

Q. He says he did not?—A. Well she was showed at Lindsay fair, between Merrick and McLean, and a livery man there, I do not know who had the showing of her.

Q. McLean stated that when he discovered after the second day that she had a blind spavin, he telephoned Merrick, and Merrick called for the horse?—A. I said that mare had the blind spavin, of course, I knew it at the time. I understood that before she came to Lindsay.

Q. Did you see McLean show that mare?—A. No, I cannot say that I did see him. I saw McLean there and I saw the livery fellow driving her, I forget what his name is.

Sir CHARLES DAVIDSON: At page 1223 of the evidence, McLean says:

I want to be absolutely exact when I tell you the time she was in my hands; I should say she was there about three days, and I handled her and did not like her, I did not consider her a fit mare to show, I did not consider she was a mare I would want to sell to any person, and I told Merrick of it. I think I told him over the telephone, and he came down and took the mare away from me and that is the last I saw of her. I should say she was in my hands three days.

[Merrick Horses—Williams.]

The WITNESS: I think that is correct, because McLean told me at the fair that she was not sound.

Mr. THOMPSON: I read from Mr. McLean's evidence:

I do not know whether he came himself and got her or whether—let me see if I can recollect that—he did, he came and got her himself and took her out of my possession, and left her with another man in Lindsay to show her through the fairs.

The WITNESS: I think that is it.

By Mr. Thompson:

Q. That seems to correspond?—A. That corresponds all right.

Q. When did you have your settlement of accounts with Merrick?—A. I cannot give you the exact date.

Q. Would it be the day you closed out the last sale?—A. Oh, no, it was not; it was some time after that.

Q. How long after do you remember?—A. It would be a month or six weeks after. You see, we did not get rid of all the horses, we had some rejects on our hands, and we did not get rid of them.

Q. In the wind-up of your partnership business what did your profit amount to?—A. My profits were about, well—I had \$400 and some few dollars coming to me, but I had to take the chestnut mare at \$200, and one of the rejects at \$130, and the balance was cash. That is the way I wound up my profits.

Q. Let us see what Merrick says about that; how much did you say you had in cash?—A. I think the profits altogether were about \$900. I would have to check the bank book up to see the exact amount.

Q. The \$200 was the partnership profit, not your own?—A. That was the partnership profit divided between Merrick and myself. Merrick financing the deal, I had to take the \$200 mare and the \$130 reject and the balance in cash.

Q. How much did you receive in cash, about?—A. I cannot give the exact figures, but the bank books will tell. I think I got \$120 in cash. The total profit was \$900 and half of that was \$450, and for that I got one horse at \$200 and another at \$130, leaving \$120 in cash.

Q. I think Merrick said that your share of the profits consisted of four rejected horses?—A. You could put it that way if you like, but actually my profit was not that much. I got the chestnut mare at \$200 and I got a brown horse at \$130, and my expenses had to come out of that. We had expenses to pay, you see, in connection with the buying of these horses. To come down to the facts I think I just had the chestnut mare and the brown horse, and the balance in cash.

Q. Here is what Merrick says at page 1197, current figures of the evidence:

Q. Did you dispose of these rejected horses?—A. I did not dispose of the horses; he (Williams) did.

Q. Did he account to you for them?—A. He accounted to me for the horses in place of getting money.

Q. As I understand, what you mean is that he took these rejected horses in payment of the amount due to him in respect of profit?—A. Yes.

Is that correct?—A. It was not all profit; these horses were not all profit.

Q. Did you, when settling up the accounts, take these four rejected horses?—A. No, in settling up there was one rejected horse sold for cash and I got that cash.

Q. Which rejected horse was that?—A. I think that was the horse in Orillia that I paid \$140 for, I think, and I think we got \$145 for it, I think there was five dollars profit on that horse in Orillia that had been rejected. I got two horses and that is all I remember getting in the way of horses, in payment. You see the expenses were figured outside of the profit on the horses and I furnished the automobile and the greater part of the expense, and just to give you the exact figures I do not think I could do it offhand.

[Merrick Horses—Williams.]

Q. You say that chestnut mare cost you \$200?—A. Yes.

Q. Merrick was wrong if he said it cost \$152?—A. Certainly, because there is your cheque for it right there, for \$199, corresponding with the man's name. Call up the chief of police at Orillia and I think he will verify the statement that \$200 was the price he was paid, one dollar deposit and \$199 cheque.

Q. Have you sold the chestnut mare?—A. No. Well I have not got her now. I have just sold her on monthly payments.

Sir CHARLES DAVIDSON: Did you tell your purchaser about the blind spavin?

The WITNESS: Oh, yes, she was blistered when he bought her. I was unfortunate in the sale of her twice and got her back. I sold her blistered both times. This time I have not got her back, she is out on monthly payments, I expect it will be all right this time, the purchaser understood the deal and is quite well satisfied so far.

Q. Was there anything said by McLean to the effect that he was to receive a commission from you or from Merrick, or from both of you?—A. Not to my knowledge.

Q. Was there anything said about paying him any money?—A. No, sir, not to my knowledge.

Sir CHARLES DAVIDSON: Did you buy this sorrel horse, in the expectation, or hope or desire, that you would make a present of it to McLean?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Or that he would benefit by the transaction in any way?

The WITNESS: No, sir, nor to my knowledge. I was buying horses for Williams and Merrick, and not for McLean or nobody else. We had all the responsibility of the horse, and I wanted all out of it that I could get out of it.

By Mr. Thompson:

Q. Did you expect to receive the purchase money, if McLean succeeded in selling her?—A. Certainly.

Q. Did McLean or someone else account to you for all the numerous prizes the horse won at these fairs?—A. Him and Merrick had the handling of the horse during the show.

Q. But you would be entitled to one-half the profit on the prizes?—A. I certainly would, but I never got it.

Q. Would the prizes amount to more than the cost of showing the horse?—A. I do not think they would amount to very much more.

Q. Were you quite indifferent as to how much the horse won in prizes?—A. Yes, I was.

Q. Quite indifferent?—A. It did not make any difference to me, Merrick was feeding her and it would take all he could make to pay expenses, and I was quite willing if he got out square.

Q. Did you make inquiries from time to time as to whether he got any offers for the horse?—A. I certainly did.

Q. Why?—A. I was interested in the mare, she was half mine.

Q. Did you or Merrick give McLean any other horse in substitution for this chestnut mare?—A. No, sir, not to my knowledge.

Q. No other horse came out of the partnership enterprise to go to McLean?—A. No, no other horse.

Q. Did you make any payment of money, directly or indirectly, to any person in respect to this horse, by way of commission?—A. No, sir, to no person whatever.

Q. Did Merrick say anything to you about having to pay any commission or any rake-off to McLean?—A. No, sir.

Q. Is there any other person interested in your partnership, that is the partnership which was purchasing horses for the Militia Department, other than Merrick and yourself?—A. No person.

Q. Not in any way?—A. In no way whatever. Every horse that was bought was bought for Williams and Merrick, and if McLean did not take them somebody else would.

[Merrick Horses—Williams.]

Q. How many other horses did you buy besides those you sold to McLean and these four which he rejected?—A. Do you ask me how many were rejected out of the lot?

Q. No, four were rejected, and he accepted about 80 horses; did the partnership, that is Merrick and yourself, buy any other horses besides the 80 that McLean took and the four that were rejected?—A. We continued to buy for the Imperial Government when the Canadian Government quit. You see the Canadian Government quit buying at that time. They were supposed to have enough horses. I think they started again, and it was a busy time for me in the practice of my profession and I did not go with Merrick; I could not afford to lose the time for the amount of money I got out of it, and he went alone. He bought horses afterwards for the Imperial Government, and I took them to Toronto and had some rejected and some passed.

Q. Did you allow Merrick to do the buying without your supervising care?—A. I certainly did, very foolishly.

Q. How long after the McLean purchase of horses was the later unfortunate enterprise?—A. About three months afterwards. It was along about the time the Imperial Government quit buying in Toronto. We shipped a load to Toronto from Orillia the day the Imperial Government quit buying, and they would not look at any, and I took the horses home to sell them to the farmers, and there were some of them sold to the Canadian Government, after they started buying again. We kept them during the winter and sold them to them in the spring.

Q. Merrick was not as clever at discovering he was buying spavins as you were?—A. Well, that is my business.

The witness retired.

EDWARD T. MUSSEN, superintendent of the Curtiss Aeroplane Company, Buffalo, N.Y., sworn:

By Mr. Thompson:

Q. Were you in the employ of the Russell Motor Car Company in August or September of last year?—A. Yes.

Q. What was your occupation then?—A. I was then chief of the final inspection.

Q. The Russell Motor Car Company bought some parts of a motor truck from you which they assembled into eight trucks?—A. They bought five from me and three from Hynes of Kingston, which they finally finished at Toronto.

Q. How many did they buy from you?—A. Five.

Q. Did they buy from you personally?—A. The five they did.

Q. Did you own the parts?—A. Yes.

Q. Where were the parts when they bought them from you?—A. At a farm I owned between Lorne Park and Clarkston.

Q. They bought complete parts for five motor trucks?—A. Not complete parts.

Q. What proportion?—A. I should say a little less than fifty per cent.

Q. Was there enough to assemble one complete truck?—A. There were no complete sets.

Q. How long had they been on your farm at the time the Russell Company bought from you?—A. About four months.

Q. They had been there about four months?—A. Yes.

Q. How did they come to be on your farm?—A. I bought nine sets with the idea that I would go into the truck business, but being employed in the Russell Company, and not wanting to use any of my time in connection with it, I turned four sets over to Mr. Hynes at Kingston, of which he was to get one set for building the three remaining sets and selling them for me, and that I was not to take any active interest in these three sets. He was just to act for me. I was practically a silent partner, as it were, and he would build them and sell them.

[Motor Trucks—Mussen.]

Q. When did you make that arrangement with him?—A. About April 1 of last year.

Q. How long had you owned the parts for the eight trucks at that time?—A. My offer was accepted on April 1.

Q. Who did you buy from?—A. R. Easton Burns, the liquidator for the Northern Motor Car Company. I have his letter with me accepting my offer, and the bill of lading.

Q. When did he accept your offer?—A. April 1.

Q. When did you pay for them?—A. I think it tells it all in the letter, \$200 with the tender, and \$1,300 after, and the balance in six months.

Q. Perhaps you had better read the letter.

The witness read the letter as follows:—

R. EASTON BURNS,
Chartered Accountant,
Kingston, Ontario,

APRIL 1, 1914.

Mr. E. MUSSEN,
Weston, Ont.

My dear Mr. MUSSEN,—I have your favour of the 30th ult., offering forty-seven hundred and fifty dollars (\$4,750) for the truck parts as per the inventory sent you, payable \$200 with the tender, \$1,300 on delivery of the goods, and the balance in six months from date of shipment.

This offer I accept with the proviso that the term of six months is to commence not later than two weeks after my acceptance of the security offered. If you are not ready to ship within two weeks, you can accept delivery in Kingston and ship at your convenience. Our lease of the premises expires on May 1 and I must have everything out by that date if possible.

The referee of the court, Mr. J. B. Walkem, has appointed his Toronto agent, A. H. F. Lefroy, 401 Manning Chambers, to inquire as to the sufficiency of the security and has written him that you will make an appointment with him to give him the particulars as to the property.

I would like to have the matter closed up as quickly as possible, and will be obliged, if you will communicate with him as soon as you can. No doubt you are also anxious to get to work on the trucks.

As soon as the matter of the security is attended to, you might come down to Kingston and the necessary papers can be drawn here. Mr. Walkem, in writing to Mr. Lefroy, said I would likely call on him in Toronto, but as you have to come down it may not be necessary for me to go to Toronto.

Your cheque will be held pending the completion of the deal.

Yours truly,

R. Easton Burns.

Q. Is that the letter you received from him?—A. Yes.

Q. Then what did you do?—A. The parts were shipped up to Port Credit.

Q. All of the parts?—A. No, five sets.

Q. On what date?—A. The bill of lading is dated May 8.

Q. Apparently, he was satisfied with your security?—A. Yes.

Q. It was a bona fide sale, was it not?—A. Yes.

Q. Had you made arrangements for the parts of the other three trucks to remain in Kingston?—A. Yes.

Q. Who with?—A. R. C. Hynes.

Q. Did he assemble these trucks and sell them?—A. He assembled one and sold on his own account, and assembled the other three which he sold to the Russell Motor Car Company, not complete. They were not finished when he sold them.

[Motor Trucks—Mussen.]

Q. What did the parts for the eight trucks cost you?—A. \$4,750. There was some expense of course incidental to the matter. They were valued on the inventory at \$18,000, and later, when I checked it up, it was reduced to \$16,000.

Q. What was the sum total you paid out?—A. \$4,750.

Q. What did you receive from the Russell Company?—A. I received \$5,000 for my five sets of trucks.

Q. And you paid \$4,750 for the eight?—A. For the nine.

Sir CHARLES DAVIDSON: Did you, in this transaction, act directly or indirectly for the Russell Company, or was it a purely personal business venture?

The WITNESS: It was a pure personal business venture. I had contemplated leaving the Russell Company and was preparing an opening for myself.

The witness retired.

JOHN FRASER, I.S.O., Auditor General of Canada, already sworn, recalled:

Examined by Mr. Thompson:

Q. I asked you the first day of the meeting of the Commission as to contracts generally and as to your criticism, and at page 12 of the evidence I asked you with reference to submarines, and you said there was some correspondence. Then you said:

Q. A letter, I understand, was written to you by the Minister of Justice or by the Justice Department, on the 17th day of May, with reference to the purchase of war supplies, have you got that letter?—A. They are preparing the correspondence now; I did not have time to get all the correspondence before I came here.

Have you given me a copy of all the correspondence referred to there?—A. Yes, I think so.

Q. With reference to the purchase of war supplies generally?—A. I think I have; if not, I have it prepared, but I think I have sent it all to you.

Q. You sent me some correspondence, I know, but I do not know whether it covers everything?—A. I will send it up to you immediately; if there is any correspondence in the matter, it is lying on my desk.

Q. I asked you on page 13 of the evidence:

Q. Did you proceed as stated in your letter to the Deputy Minister of Justice, and did you look into further contracts for war supplies?—A. I am proceeding all the time.

Q. Have you discovered any matters which call for investigation, other than those of which you have already spoken?—A. Not up to the present time.

Have you discovered anything since then?—A. Nothing new. There are some matters that I have been trying to get information on, but I have not succeeded in getting enough to warrant me in sending it to the Commission. I may get more in time.

Sir CHARLES DAVIDSON: Have you any hope of getting it within the next day or two?

The WITNESS: Well, perhaps in a week, I may not get any but I am in hopes to.

Sir CHARLES DAVIDSON: I understand you are investigating?

The WITNESS: Yes.

Examined by Mr. Thompson, K.C.:

Q. Then Sir Charles Davidson at page 14:

Sir CHARLES DAVIDSON: You stated you concerned yourself entirely with the prices charged. Have you not, in your correspondence, questioned the necessity for some of the supplies and criticised the need of them?

[General Questions—Auditor General.]

Mr. FRASER: Well, if there were some purchases that appeared entirely foreign to the requirements of the department, that we did not think were covered by the appropriation by Parliament for that department, we would raise a question about that.

Sir CHARLES DAVIDSON: Can you specify an instance of that?

Mr. FRASER: I cannot recall one now.

Sir CHARLES DAVIDSON: Please do so if they exist; not at the moment, but let us know later. Have you since come across anything which called for your criticism in that respect?

Mr. FRASER: No, I have not. There may have been, in the early stages, something of that sort, but as matters developed we may have seen the necessity for it. It was a new subject. I think possibly what I had reference to there was the purchase of automobiles. There were quite large purchases, and while I might have a question as to the necessity for them, there may have been necessity since. It was a matter of policy more than a matter of audit.

Q. At page 33 I asked you the following question:

Q. Do you know Colonel A. B. McRae, whose address is given as the Windsor Hotel, Montreal? I have here a letter from the auditor of the Remounts Department at Brandon, and I would like to know if that is in connection with supplies purchased for the Canadian Government. Do you know whether that refers to supplies purchased for the Canadian or for the British Governments?—A. I think these are British purchases, but I am not quite sure.

Q. Did the matter ever come before you?—A. Not in the way it is there. We may have paid the accounts for that, but I will make inquiries.

Q. Have you made inquiry as to that?—A. We have not received any account for that yet. I understand that there were purchases made for the Dominion Government there.

Sir CHARLES DAVIDSON: Have you made inquiries about that?

The WITNESS: I have made a few inquiries, but as I did not have the accounts I was at a loss pretty much what to inquire about. I am making some inquiries about that matter now.

Sir CHARLES DAVIDSON: There are specific charges made there in connection with Colonel A. B. McRae and Grant and Bennett.

The WITNESS: I understood that was at Regina.

Sir CHARLES DAVIDSON: Yes, it is at Regina.

The WITNESS: I understood there were charges made there and I have taken steps to get some information, if possible, about it.

Sir CHARLES DAVIDSON: Were these Dominion transactions in which McRae was concerned?

The WITNESS: I understand they are.

Sir CHARLES DAVIDSON: But you don't know?

The WITNESS: I don't know yet until I get the vouchers.

By Mr. Thompson:

Q. Would the receipt of the cheques be the first thing to bring it to your attention?—A. The first was by the Commission here.

Q. Apart from any course of departmental business, would you have any knowledge of the purchases by horses by McRae in British Columbia, until the cheques would come through to your department?—A. No.

Q. About how long after the purchase would that occur?—A. Well, we have not got the May vouchers in yet.

Q. That is, it would be about two months, would it not?—A. It would be about two months.

[General Questions—Auditor General.]

Q. If these horses were purchased in British Columbia in March, 1915—A. I do not think they were in British Columbia.

Q. If they were purchased on or before the 31st of March the vouchers would be in by now?—A. We have received some statements recently for horses purchased for the second contingent, but I am afraid that we are not going to be any better off, so far as vouchers are concerned, than we were with regard to the first. All that I will have will be the cheques paid in large sums for 15 or 20 horses.

Q. Have the cheques come in?—A. Yes, there are some cheques in, but I do not know whether I can identify them. I suppose I can, for Regina. They are all drawn on the Bank of Montreal, Ottawa, and until we get in the documents in connection with them it will be difficult to make out what they are.

Sir CHARLES DAVIDSON: You can see by the names of the signers.

The WITNESS: Yes.

By Mr. Thompson:

Q. Do you recollect A. D. McRae or Cunningham?—A. I do not recollect the names. It is only within a day or two I have got the information. We are in correspondence with the Militia Department now as to whether there is any further enlightenment in vouchers. I want to get the vendors' statements; I want something besides the cheques when we pay large sums to various purchasers. I want, if possible, to get down to the original owner of the horse. I understood that things were to be done differently in the purchase of horses for the second contingent, from the way they were done with regard to the first, and I have not received any documents that would show me that there has been a change.

Q. Did you find out anything about the contract by Grant and Bennett, referred to at page 33 of the evidence?—A. I have nothing of that sort. That would possibly be for hay and oats, or perhaps for horses.

Q. Or the N. S. Grain Company?

Sir CHARLES DAVIDSON: You were in doubt at the time as to whether they were Imperial or Canadian purchases?

The WITNESS: At that time, I thought perhaps it had reference to oats for the Imperial Government, that were being purchased in Chicago, but I understood since that there were hay and oats bought for the remounts at Regina, and that there were matters in connection with them that required looking into.

Sir CHARLES DAVIDSON: You were asked as to whether the Auditor who wrote that letter was a Dominion official, or otherwise. I refer to C. P. MacIntosh.

The WITNESS: I do not know him. I said I had a letter from the Auditor of the Remounts Department at Brandon, and that he would likely be an official of the Militia Department that was examining the accounts for them.

Sir CHARLES DAVIDSON: You cannot make any specific statement as to this yet?

The WITNESS: No, not until we get further information.

Sir CHARLES DAVIDSON: When may we look for that?

The WITNESS: I hope to hear something in seven or eight days, perhaps less. It is a pretty difficult matter to get.

Sir CHARLES DAVIDSON: There is nothing further that you could suggest we should inquire into at the moment, as I understand?

The WITNESS: No, I do not think so.

Sir CHARLES DAVIDSON: Thank you, Mr. Fraser.

The witness retired.

WILLIAM DOWSWELL, 150 de Grassi Street, Toronto, employee Hyslop Brothers, Bicycle Manufacturers, Toronto, sworn:

Examined by Mr. Thompson, K.C.:

Q. What is your position with Hyslop Brothers, Bicycle Manufacturers?—A. I have charge of the accessory department.

Q. Have you any special knowledge as a mechanic?—A. Yes, sir.

Q. What experience?—A. Well I have been in the bicycle business since 1894.

Q. Did you, in June of this year, purchase a Cleveland bicycle from the Canada Cycle and Motor Company?—A. I did, sir.

Q. What price did you pay for it?—A. \$32.

Q. What type of bicycle was it?—A. Cleveland, 22-inch frame, this year's model.

Q. Do you know, as a fact, whether that was similar to the bicycles which are being supplied to the Militia Department by the Russell Company?—A. Yes, sir.

Sir CHARLES DAVIDSON: Would you get further details, Mr. Thompson, as to the difference in the bicycles.

The WITNESS: They are all the one, and they cost about the same price.

Sir CHARLES DAVIDSON: The wooden rims are the same price as the steel rims?

The WITNESS: They are about the same price.

Sir CHARLES DAVIDSON: Did this one you bought have a wooden frame?

The WITNESS: This one I bought had a wooden frame; the military bicycles have a steel frame.

By Mr. Thompson:

Q. Is there any difference in the price?—A. They are about the same thing.

Q. Have you seen any of the bicycles that the Canada Cycle Company or the Russell Company are selling to the Government?—A. Yes, sir, I have.

Q. In what respects do they vary or do they differ from the bicycle you purchased?—A. Just in the rims. The one I purchased had wooden rims, the military bicycles have steel rims, and one is black and the other green.

Sir CHARLES DAVIDSON: Why did the witness make this purchase?

By Mr. Thompson:

Q. Why did you buy this bicycle?—A. Mr. Hyslop, of Hyslop Brothers, sent me out to buy this bicycle. I did not know what it was for at the time. I did not know what he wanted it for, he told me to go out and buy it.

Q. Did he tell you afterwards why he wanted it bought?—A. He did, yesterday.

Sir CHARLES DAVIDSON: And why was it?

The WITNESS: To send down here to Ottawa, just to get the invoice as to how much they cost.

By Mr. Thompson:

Q. Did he say at whose request he did this?—A. No, he did not.

Q. What would be the difference in value between the bicycles being supplied to the Government by the Russell Company and the bicycle you purchased?—A. There is no difference in value outside the accessories, no difference in value whatever.

Sir CHARLES DAVIDSON: Are you sure about that?

The WITNESS: Not that I can see.

By Mr. Thompson:

Q. The tires are different, are they not?—A. Yes.

Q. And the colour is different?—A. That is the same value.

Q. Would the value not be affected by the manner in which the paint was applied; would it not affect the price whether it was baked or brushed on with a brush?—A. No, I always used to pay the same price when I had that done.

[Bicycles—Dowswell.]

Q. Do you mean when you personally had that done?—A. Yes.

Q. Was this an ordinary standard bicycle that you bought?—A. Yes, sir.

Q. Do they sell bicycles at different prices?—A. Not of that model, they do of other models.

Sir CHARLES DAVIDSON: By retail?

The WITNESS: No, their business is a wholesale business.

By Mr. Thompson:

Q. Is this \$32 which you paid the wholesale price?—A. I understand so.

Q. Would they sell a bicycle to me at \$32?—A. I cannot say.

Q. Did they know that you were in the trade?—A. Yes.

Q. They, therefore, sold it to you at \$32?—A. Yes.

Q. Do you know what it is retailed for in the shops?—A. Yes, \$40 cash and \$45 on time.

Q. Are you sure about that?—A. Quite.

Q. Are you sure that that is exactly the same bicycle, the same make, the same strength, the same quality bicycle, that is being supplied to the Militia Department?—A. I have never gone into it, and I really cannot say. I did not take it apart, but as far as you can see, by putting the two together and looking at them, they are the same thing.

Q. The bicycles are the same?—A. Yes.

Q. Would you think that one is as heavy and strong as the other?—A. I do not think there is any difference.

Q. Were the saddles the same?—A. I did not notice any of the parts.

Q. There is a great difference in the prices of different saddles, is there not?—A. Yes.

Q. Is there not a difference in the price of tires; are not some tires more expensive than others?—A. Yes.

Q. Do they do anything to some tires to make them more expensive than others?—A. There is the Dunlop traction tread tire, which is considered a non-skid, and they sell that for a little more than they do the ordinary tire.

Q. How much more?—A. \$2 a set.

Q. Is that retail?—A. Yes.

Q. How much more to the trade?—A. Sometimes 50 cents, sometimes 60 cents, and sometimes a dollar; it depends on the quantity they take.

Q. Have you examined one of the bicycles actually sold to the Militia Department, with its accessories, such as the carriers, the rifle clips, lamps, etc.?—A. No, not in a way to be interested in it at all, just as any person would.

Q. Did you ever make a calculation as to what these accessories would cost?—A. No, I have not.

Q. You were not interested?—A. No.

Q. In fact, you were not very much interested until you bought this bicycle for \$32 on the 9th of June?—A. That is right, and at that time I did not know what that was for.

Sir CHARLES DAVIDSON: I do not know yet.

The WITNESS: It was to get the receipt.

By Mr. Thompson:

Q. How does that bicycle which you bought compare with their standard bicycle of the year before?—A. Just the same; there is really no difference.

Q. Do they make bicycles at different prices?—A. They have two prices on Cleveland bicycles, one with a rigid frame and one with a cushion frame.

Q. Which is the more expensive?—A. The cushion frame costs, retail, \$50.

Q. Do you know whether or not the Government is buying cushion frame bicycles for the troops?—A. I do not know.

Q. They might be buying one or they might be buying the other, so far as you know?—A. I think they are buying all rigid frames, so far as I know.

Q. Do you know, as a fact?—A. That is the only kind I have seen.

Q. The only kind you have seen where?—A. At Toronto.

Q. In whose possession?—A. McBride's, on Yonge street.

Q. McBride's is not the Militia Department?—A. No.

Q. Did you examine any of the bicycles ridden by the soldiers?—A. No.

Q. Is the cushion frame a type of bicycle that is conspicuous?—A. Yes, to any person that is familiar with them.

Q. You are familiar with them?—A. Quite.

Q. Did you notice whether the bicycles ridden by the soldiers had cushion frames?—A. I never saw a cushion frame in the possession of a soldier, rigged out for military purposes.

Q. Would it have attracted your attention if they had been riding a cushion-framed bicycle?—A. I think I would notice it.

Q. Do you know anything more as to why this bicycle was bought?—A. No, sir, I do not.

The witness retired.

Lieutenant-Colonel W. OWEN THOMAS, Militia Department, recalled:

By Mr. Thompson:

Q. I asked you some questions about bicycles the other day, and you told me that the Government was now buying from the Russell Company and the Planet Company?—A. Yes.

Q. Do you know anything about the where and the wherefore of this purchase of a bicycle by the Hyslop Company?—A. Yes, sir; Mr. Hyslop's man, Mr. McWilliams, gave evidence before the Public Accounts Committee that he could deliver bicycles for \$35, for which we were paying \$55. He afterwards waited on me, and wished me to examine evidence that the bicycle was as good a one as the one we were paying \$55 for. I told him that I understood that the Russell bicycle—which up to that time I had not entered into the details of, although I was one of the committee appointed to do so, my time being taken up with the motor trucks—I told him that I understood that the Russell bicycle was a special bicycle. I understood so, not only from Mr. Russell's statement before the committee and his representative's statement before the committee, but also from his evidence here. He told me then that the bicycle supplied by the Russell Company was an ordinary commercial Cleveland, which I told him I did not think was true. He offered to produce an ordinary commercial Cleveland, and asked me if he would produce it if I would make a comparison and make a report on it. I now produce a bicycle that has not been touched. This is the bicycle referred to in the receipt for \$32; this is the one that Mr. Dowswell bought; it is No. 904338 and the same number appears on the receipt. I have not touched that bicycle. I have not taken apart any part of it; I have simply exteriorly examined it. The reason I did not touch it is because it is a 22-inch frame instead of a 24-inch frame, and I wish to properly analyze and weigh the weights of the different parts and compare them with the actual same-sized parts from the military bicycles. I, therefore, told Mr. Hyslop that I would not use that bicycle, and he thereupon showed me his receipt from a jobber; the other bicycle being bought from a jobber and not direct from the Russell Company. This bicycle is exactly the same as the other, except that it is a 24-inch bicycle; it is the same cost and everything else as the 22-inch; I caused this bicycle to be cut apart, as you will see. The parts are all separated, so that you can see the construction of it, and we took a bicycle from stock, that had been delivered to the Militia Department. I cut it up similarly and I find this one which has been delivered to the Militia Department on order, to be physically the same as the other, not only in

[Bicycles—Thomas.]

the weight of every part, but in the thickness of every part, and so far as ordinarily, it is composed of the same material. I have taken the matter up with the Russell Company, and they admit that they are absolutely the same bicycle. That was the object of getting the two bicycles here: to determine whether we were buying a special bicycle or not, and in order to get material for us to guide us with regard to future orders. I would like to see, while I have these bicycles in my hand now, that a great many of the parts are, as Mr. Russell stated, re-finished, but they are re-finished over the nickle; that is to say, they are simply painted. If you will notice you will see that the paint is just daubed on and easily rubbed off, and that the bicycle itself was started as a black bicycle. It has only a first coat on it, and then, instead of having a second coat, it is ordinary green paint, which is not backed on and which is easily washed off. You will notice where the green paint is washed off, although the black enamel, which is backed on, is not in any way affected by the washing. I made that comparison because I wished to find whether there was any difference in value between them.

Q. As to the quality of the tire, do you find the tire the same on the bicycle for which \$32 was paid?—A. This bicycle had the 50 cents cheaper tire. I do not now refer to the bicycle that cost \$32; the receipt which you have for \$36.90 is identical with the wheel delivered to us, other than that it has a wooden frame. The tire is the same.

Q. The tires on the bicycles purchased by the Government are worth something more, are they not?—A. No, these are identically the same; these are both one and a half inch traction bicycle tires, made by the Dunlop Tire Company.

Q. But one bicycle cost \$36.90?—A. One bicycle cost \$36 and it was a retail from the jobber who will sell one bicycle, and the other cost, directly from the factory, \$32.

Q. What saddle do you find on the \$32 bicycle?—A. I am only familiar with these by examining the marks on them and identifying them with the catalogues. You will find a comparison of the exact names, makes and prices in a report which I handed to you the other day, and the exact pieces that I have prices on.

Sir CHARLES DAVIDSON: They are the same, are they?

The WITNESS: No, I think the one that was supplied to the Government was 15 cents cheaper; it is only a matter of a few cents anyway. The one supplied to the Government is Brooks 18, and the one supplied on the \$32, or rather I should say the bicycle that cost \$36.90, is a Hercules 39, for which I could obtain an allowance of 15 cents in purchasing in quantities.

Sir CHARLES DAVIDSON: What in dollars and cents would be the difference between the price of the military bicycle; I am now referring to the bicycle purchased by the Department?

The WITNESS: The traction tire is worth wholesale 50 cents more than the one on the bicycle that cost \$32, but it is identical with the one on the bicycle which cost, on a re-sale, \$36.90. They are both the same marks and the same size.

Sir CHARLES DAVIDSON: What does "unswedged" mean?

The WITNESS: I will show you, by exhibiting a piece here. The effect of swedging is to make the bicycle light and the thread stronger. This, (indicating) is made larger than the spoke, so that the diameter of the bottom of the thread is the same as the spoke, and, therefore, the thread does not weaken the wire. On the military bicycle, that is not so; these on the military bicycle are plain pieces of wire in which the thread cuts into the wire, and that is a very common difference in bicycles, the swedged being supplied with a better grade bicycle.

By Mr. Thompson:

Q. What difference in price would that make?—A. The extra cost for swedging is only five cents for the bicycle, it is done by an automatic machine.

Q. Is there a difference in strength between the swedged and unswedged?—A. The spoke is no stronger than its smallest diameter, which is at the bottom thread,

[Bicycles—Thomas.]

and, therefore, the thinner swedged spoke is just as strong as the thicker non-swedged spoke, they both being the same diameter at the bottom of the thread. The purpose of swedging is to lighten the spoke.

Q. The spokes of these respective wheels would be the same strength, would they?—A. They would be the same strength.

Q. Because your explanation is that the spokes of the military bicycle are thinner than that of the more expensive commercial bicycle which we have here, the \$36?—A. They are thicker in their main part; they are the same diameter where the thread is cut.

Q. Is it a matter of weight?—A. Yes.

Sir CHARLES DAVIDSON: It is a different system of producing the same strength?

The WITNESS: It is an engineering method of producing maximum strength with minimum weight.

By Mr. Thompson:

Q. What is the explanation of Mr. Russell's claim about the nickel-plate?—A. His claim with respect to that was that it cost, first of all, to nickel-plate it, and then to paint it, which is not so in the case before us. He said the nickel had to be scrubbed off and the rims re-enamelled; that would be a question of sand-blasting, which would probably be a cost of two cents per rim. That is done by sand-blasting, that is, air propelling sand against the surface.

Sir CHARLES DAVIDSON: Was the rim re-enamelled?

The WITNESS: That is impossible to say in a case where the evidence of the plating would be removed by the sand-blasting.

Sir CHARLES DAVIDSON: There is a difference between painting and re-enamelling?

The WITNESS: These are only painted.

Sir CHARLES DAVIDSON: The rims?

The WITNESS: Yes, sir. This is a military bicycle and here is the plating here.

Sir CHARLES DAVIDSON: Was the rim re-enamelled?

The WITNESS: That is impossible to tell. This is professionally known as air-dried enamel and it is not baked on. The pump attached to the frame of the military bicycle also was plated, but the plating, in the case of the pump, was not removed, and it is still on the pump where the paint is rubbed off.

Sir CHARLES DAVIDSON: What pedals do you find on the military bicycle?

The WITNESS: The pedals on the military bicycle are different from those on the commercial bicycle, which cost \$32, and on the bicycle which cost \$36.

By Mr. Thompson:

Q. Which would be the more expensive?—A. The military bicycle has what are known as Stevens pedals and are worth, wholesale, 15 cents more per bicycle.

Q. Do you find a bell on the commercial bicycle or on either of the commercial bicycles?—A. There is a bell on the military bicycle. I have before me the whole of the extra parts which are added to the ordinary commercial bicycle to make it into a military bicycle. The bell was nickel-plated, and is painted green over the nickel-plating. Wholesale, the bell is worth 50 cents. I have a bid from Hyslop Brothers for bells for 50 cents each.

Q. Then there is the rear-carrier, I suppose that was not on the commercial bicycle?—A. I produce a rear-carrier now.

Q. Mr. Russell estimated that at \$2.10, is that expensive?—A. Here is a rear-carrier complete. I have one bid for that for \$1.35 from the Hyslop Brothers. I have another bid from the Modern Machine Company of Ottawa, for a rear-carrier, at \$1.75, and on that quotation it says that they quote the following prices on making bicycle carriers, to be made the same as sample submitted from the military bicycle. I now produce the sample produced by the Modern Machine Company of Ottawa.

[Bicycles—Thomas.]

Q. What would be the cost of the clips for carrying the rifle?—A. I produce the two rifle clips, one for the fore end of the rifle and the other for the butt. I have two bids on that, one from Hyslop Bros., for \$2.50 for two rifle clips, and the other from the Modern Machine Company for \$1.20 for the two rifle clips.

Sir CHARLES DAVIDSON: There is a great difference in the price there; could they have been for the same clips?

The WITNESS: Oh, yes; these samples were taken from the military bicycle and submitted to the firms bidding.

By Mr. Thompson:

Q. And you would hope to supply as good an article as that at \$1.20?—Yes, sir, this bid is from a well-known company that are capable of manufacturing that class of stuff; it is their specialty.

Sir CHARLES DAVIDSON: Are you ordering these bicycles now, or are you preparing requisitions for bicycles?

The WITNESS: No, sir, we are not ordering now. It is a question of study ahead of time, read for the next order.

By Mr. Thompson:

Q. You are not ordering bicycles now?—A. We will have to, but we have not ordered them yet.

Q. And this is a question of preparation?—A. It is a question of preparation to see that in future the Department buys the right bicycle at an honest price.

Sir CHARLES DAVIDSON: When the next demand for bicycles comes, will these prices be availed of?

The WITNESS: These are all on the files with regard to bicycles, together with all of Mr. Russell's correspondence.

By Mr. Thompson:

Q. With regard to the extra tool equipment, Mr. Russell said it cost 17 cents?—A. The tool equipment consists of a wrench which wholesales at three cents, and a tire repair outfit which costs 12 cents, making 15 cents.

Sir CHARLES DAVIDSON: Is the saddle on the military bicycle imported?

The WITNESS: I think the Brooks saddle is imported, and the Hercules saddle is made by the Russell Company. The Brooks saddle, supplied with the military bicycle, I think is imported because it is a well-known English firm; the Brooks saddle costs 15 cents more than the Hercules.

Mr. THOMPSON: I think that covers all.

The WITNESS: Besides that, the Hyslop bid contains an item of one dollar for green army finish.

By Mr. Thompson:

Q. What do you call green army finish?—A. The finish of the bicycle as supplied to them as a sample.

Q. How did that correspond with the military bicycle?—A. It was the military bicycle.

Sir CHARLES DAVIDSON: That is an extra charge of \$1?

The WITNESS: Yes.

By Mr. Thompson:

Q. You mean by that that if you take a Cleveland bicycle out of stock, the Hyslop Company will paint it and make it an army bicycle with this colour, for a charge of one dollar?—A. Not necessarily out of retail stock; it would be taken out of stock as parts which were only partly finished. It would cost one dollar more to finish that bicycle green, mainly for manufacturing reasons, because the quantities are not so great. The actual cost, in the same quantities, would be nothing extra.

The Commission took recess for luncheon.

Examination of Witness continued.

By Mr. Thompson:

Q. I think the only item we did not consider this morning, with regard to the bicycles was the question of the tools, you were to produce the tools after luncheon?

—A. I now produce the three-cent wrench. (The witness exhibited the wrench.) These tools are supplied with the ordinary bicycle, and this extra one is supplied with the military bicycle.

Q. Is that the only addition?—A. Yes.

Q. Is that called a spanner?—A. It is called in England a spanner, and in America a wrench.

Sir CHARLES DAVIDSON: What about the other tools?

The WITNESS: The ordinary wrench is supplied with the bicycles.

Sir CHARLES DAVIDSON: Are not the other tools extra?

The WITNESS: No, sir, there is only one wrench extra, and that I have produced.

Sir CHARLES DAVIDSON: I thought there were a lot more tools in that bag.

The WITNESS: The bag and the tools go with the ordinary bicycle.

By Mr. Thompson:

Q. You say that the one small spanner which you have in your hand is the extra? —A. Yes.

Q. What is the value of that?—A. The value of that, on the bids I have, is three cents.

Q. Have you calculated the cost of the extra equipment, estimating it, for instance, on these bids which you have received?—A. My first report, dated June 22, 1915, calculated the difference between the two bicycles, that is the extras on the military bicycles, at \$8.60. These prices are, in the main, correct. Some of the prices are a few cents higher than the bids I have since received.

Sir CHARLES DAVIDSON: Has the witness made the question clear as to what he considers would be a fair price for the military bicycles?

Mr. THOMPSON: The military bicycle with the equipment?

Sir CHARLES DAVIDSON: Yes, altogether.

The WITNESS: I consider the military bicycle with the equipment, worth \$40.60. That is, I would expect that the man who bought this bicycle for \$32, would be able to buy the same thing, equipped as a military bicycle, for \$40.60.

Sir CHARLES DAVIDSON: As a matter of sale to the Government, what would you expect to buy a bicycle of that class for?

The WITNESS: I would expect to buy a bicycle or anything else for the Government at wholesale price, which would be \$40.60.

Sir CHARLES DAVIDSON: And there has been no change in the standard of prices with regard to these things?

The WITNESS: None whatever, these prices are as late as yesterday.

Sir CHARLES DAVIDSON: Is there any change between the standard of prices now and when these bicycles were bought?

The WITNESS: The prices are just the same.

By Mr. Thompson:

Q. Did you give me the total cost of equipping the bicycle for military purposes, estimating the value of the accessories, by the bids which you have received?—A. Yes, I gave you the extra cost as \$8.60, to be added to the \$32, the wholesale price of the bicycle. I would consider it reasonable if the bicycles had been bought by the department as high as \$45, covering the same articles.

[Bicycles—Thomas.]

By Mr. Thompson:

Q. We will now take up the question of tires—what is the Government paying for motor truck tires for the second expedition; in the first place, give me the price of the 38 x 5?—A. I have before me the actual bills from the Goodyear Tire and Rubber Goods Company, Limited, for the main part of the tires supplied for the second contingent. The Goodyear Tire and Rubber Company's bill reads as follows:

TORONTO, May 19, 1915.

480 tires (80 sets of 6 tires each) solid demountable 38 x 5 truck tires, at \$61.50—\$19,920.

NOTE: The 41.50 each is made up as follows:

The American Firestone list price of \$139 each, less 40 and seven consecutive 10 per cent net—\$39.90 each.

To which is added prepaid duty on imported pigments in price 12 cents each, prepaid duty on imported steel base ring, per tire, \$1.19.

Prepaid freight on base steel ring and pigments, 29 cents.

Total \$41.50 for the tire.

That is for the tires only, and not for the steel which fastens them to the rim. The price of the steel follows: giving 80 sets of S.A.E. steel.

Q. You are putting it on a different basis now; you have given the cost of one tire, and cannot you give the cost of one steel attachment?—A. That cannot be done; the steel is in sets because two tires go on one rim. The steel for the trucks is sold in sets.

Sir CHARLES DAVIDSON: Give us the price of the tire?

The WITNESS: The \$41.50 is for the tire moulded on the steel rims.

Sir CHARLES DAVIDSON: Then give us the price of a set of tires and give us the price of a set of steel attachments.

The WITNESS: A set of six tires is worth six times \$41.50, or \$249, and the steel attachment is worth \$24.66.

Sir CHARLES DAVIDSON: Among how many tires will the set be divided?

The WITNESS: Six tires; a set of six tires goes on one truck.

Sir CHARLES DAVIDSON: Then what would be the price of the six tires and the attachment on one truck?

The WITNESS: \$273.66 for the complete truck, including the steel attachment.

By Mr. Thompson:

Q. What size tire is that?—A. 38 x 5.

Q. What was paid by the Government for equipping the first expedition, for a complete set of six tires, 38 x 5, including steel equipment, which now costs the Government \$273.66?—A. None of the trucks which went with the first contingent were equipped exactly with that size but on the basis of their charge, instead of costing \$273.66, they would cost—I am unable to give you the cost of that size steel, but I can give you the tire in both cases without the steel.

Q. What does the naked tire cost now?—A. The naked tire now costs \$41.50, and for the first contingent it cost \$57.76, after the rebate allowed by Mr. Russell had been deducted.

Q. Are you reckoning the price of the 28 x 5 tires in both cases?—A. The 28 x 5 tires in both cases.

Q. When you say that the naked tire now costs \$41.50, you are referring to the price which the Government has paid for these tires?—A. Yes, sir, to the actual bill. I am reading from the bill of the Goodyear Tire and Rubber Company and from the bill of the Dunlop Tire and Rubber Goods Company, both of which are identical.

Q. Does that refer to the tires for the second expedition?—A. Yes.

[Tires—Thomas.]

Q. When did the Government buy these tires; what is the date of the contract?—A. There is a complication there, because the tires were actually ordered before they knew what size the tires would be.

Q. The date of the arrangement would fix the price, would it not?—A. Yes, sir.

Q. Leaving the size of the tires to be still determined upon?—A. The actual date of the order was December 18.

Q. Did the tire companies quote their prices on the 18th of December?—A. No, sir; we made an arrangement about the last day of November.

Q. What price did they quote on the last day of November?—A. They did not quote at all. They were asked whether they would meet the standard American price, less the standard American discounts, which they consented to do.

Q. What were the standard American discounts which they were requested to give?—A. Forty per cent and seven consecutive 10 per cents off the standard American list price.

Q. Northam said that the price has always remained invariably the same, but that the discounts vary?—A. The number of 10 per cents vary.

Sir CHARLES DAVIDSON: Do they not always have the list price less 40 per cent and then have the special discounts to meet the market?

The WITNESS: They did not, in the case of the first contingent; it was less three 10 per cent and one 5 per cent.

By Mr. Thompson:

Q. So that your price was fixed, was it not, with regard to the second purchase of tires, towards the end of November?—A. Yes, sir.

Q. Are you sure about that?—A. Yes, sir, it was fixed at a meeting held on December 1.

Q. What meeting was that?—A. A meeting of the Land Transport Committee.

Q. Of course the Land Transport Committee could not fix the discount or the price, because it would take the other people to agree to make the bargain?—A. The tire makers were present, and we asked if they would accept the standard American price and conditions, and they agreed to do so. That was on December 1.

Q. They then, on December 1, gave you the standard American discounts of how much?—A. Of 40 per cent and seven consecutive 10's, providing they were allowed the stated duties on pigments and on the steel ring, which had to be imported from America.

Q. What did that amount to?—A. \$1.60 per tire.

Sir CHARLES DAVIDSON: In August and September last, were the standard prices, the list price with 30 per cent discount and three 10's and a 5 off?

The WITNESS: No, sir. I have in my hand a telegram from the Kelly-Springfield Motor Truck Company, in which he gives me prices that they have paid for the last year on motor truck tires, and it reads:

Firestone and Goodyear, January, 1915, made a discount of 40 and eight 10's, prior to that date, for over one year, discount 40 and seven 10's and shipped direct to tire company by manufacturer, tire company drilling and placing tire on wheels, shipping our factory at list less discount above. That, it will be seen, was for over one year.

By Mr. Thompson:

Q. Did the American discount vary between August and September of last year and December of last year, that is the beginning of December?—A. No, sir, to my own personal knowledge the price of 40 and seven 10's has existed for over a year.

Q. You are referring now to the American prices and discounts?—A. Yes, sir, to manufacturers.

Sir CHARLES DAVIDSON: Can you account for the fact that Russell could not obtain the tires at those discounts, that they refused him?

[Tires—Thomas.]

The WITNESS: The only thing I can account for on that is that he only tried to buy tires from a company which was manufacturing in this country, without introducing competition. The Dunlop Tire Company were the only company at that time, which manufactured this type of a tire in Canada, although I found no difficulty in getting tenders to give me three weeks' delivery, after they had installed a plant, and by that competition I was able to meet the American price. But, there was no reason why tires should not sell for the same price in this country as there was no duty on rubber.

Q. Northam says that the drop in price of rubber, and the altered conditions of the trade, enabled them to get greater discounts in January. I was questioning him as to the price in January, because I was under the impression that was when you bought for the second expedition.

Sir CHARLES DAVIDSON: And later on, in the same page, of the evidence, he says that the shrinkage in price is 100 per cent.

Mr. THOMPSON: 100 per cent of the price of the rubber.

The WITNESS: There was no variation until January. If I had bought in January I could buy them for a discount of 40 and a discount making eight tens, but up until January the discount was 40 and seven 10's, and it stood at that for over a year to all manufacturers.

By Mr. Thompson:

Q. I asked Northam at page 1087: "What would the Canada Cycle and Motor Company pay in January" and he answered, "\$47.90" and you apparently are paying less than that?—A. In January I could buy them for 10 per cent less than the other price I have given you.

Q. And you have already quoted \$41.50?—A. Yes, sir.

Q. Is that what you paid in December?—A. Yes, and that is what, as a matter of fact, the January price would amount to, because in the meantime, although the price went down, the war tax of seven and a half per cent was imposed on rubber. That came in after and it would affect us.

Q. If it were costing the Canada Cycle and Motor Company in January \$47.90, you, on behalf of the Government, bought in November, when tires were higher, at a great deal smaller price than the Canada Cycle Company were paying in January?—A. I could buy them at exactly the same price any time in 1914.

Q. Is that not the fact, that you did buy when prices were higher at a lower price than Northam says the Canada Cycle Company could buy in January, when the prices were lower?—A. The prices were not higher in the manner that Mr. Northam stated. They were not higher at any time than at any other time in 1914.

Q. Mr. Northam says in his evidence, at page 1087 (typewritten pages):

Q. And what would the Canada Motor and Cycle Company pay in January?

—A. \$47.90.

Can you explain why the Canada Cycle and Motor Company would pay such a high price in January?—A. The Canada Cycle and Motor Company are not in the truck tire business; neither are they manufacturers. They are not the right people to buy from.

Q. But I am speaking here of their being purchasers from the Dunlop Tire Company?—A. If they were purchasing they could only purchase the same as any other jobber, which is not at as low a price as a manufacturer gets.

Q. You are evidently getting the price of \$41.50 because you are buying in larger numbers?—A. No, sir, I can get one set of tires at that.

Q. That is the wholesale price?—A. No, sir, that is the price to manufacturers on any quantity.

Q. Do you come under the head of a manufacturer?—A. No, sir, but I have obtained for the Government the manufacturers' price.

[Tires—Thomas.]

Q. The Government, therefore, is getting the manufacturers' price?—A. It is.

Q. An individual could not buy at \$41.50?—A. No, sir, but Mr. Russell, as the Russell Motor Car Company—

Q. Do you know just how much the price of rubber varied between September and the time you bought in the early part of December?—A. I have before me the New York market quotations for first Latex Ceylon rubber:

August.	63 cents a pound.
September.	60 " "
October.	59 " "
November.	61 " "

And for the same period, the New York quotation for smoked sheets is given as:

August.	57 cents a pound.
September.	57 " "
October.	61 " "
November.	64 " "

Q. Is Latex the rubber which is used in motor truck tires?—A. The motor truck tires are composed of a majority of Ceylon Latex and smoked sheets.

Q. There, therefore, would not be enough variation in price to account for the difference in the cost to the Government?—A. There is no appreciable difference.

Q. There is just one more question I want to ask you and that is as to the truck bodies which you bought, and which you have on hand, and which I think we called the second set of bodies, the bodies which are being used in Ottawa and which were not shipped forward or will not be shipped forward, with the second contingent of Kelly trucks; you possibly made that clear on the notes, but I want to have it beyond all doubt—can these bodies, as they come from the carriage works, be placed on Kelly-Springfield trucks without alteration or addition?—A. Yes.

Q. Can they be placed on without alteration or addition?—A. Yes, sir; they are being placed on.

Q. What was the principal objection to sending these bodies forward with the Kelly-Springfield trucks?—A. Because they were not large enough to take the standard load of ammunition, which is assigned to a three-ton standard English army truck.

Q. Did the War Office, or any authorities on the other side, call attention to the fact that the narrower body would not take the amount of ammunition?—A. No, sir. We asked questions as to what the size of the trucks should be, and they were made six inches smaller than intended, and as the British authorities had increased the size from what we had intended, we thought we were below the safe margin.

Q. Was it in consequence of a letter received from the other side that you decided to have the bodies 8 x 6?—A. It was in response to information we asked for from Colonel Carson, and he brought back the particulars from the other side, on his visit here.

Q. Did you ask what size bodies they were using on the other side?—A. Yes, sir; I also asked my own office to get particulars of all of the trucks that were in service.

Q. What is the standard body for a 3-ton truck?—A. Seventy-eight square feet of floor space.

Q. What does that amount to in width and length?—A. It amounts to a body either 13 x 6 or 12 x 6. The length varies with the different classes. The White chassis demands a 13-foot body, and all of the others, except the new Packard, which did not exist then, took 12 feet.

Q. If the body is lengthened will the width be increased?—A. Yes, to keep it at 78 square feet.

Q. That floor space, I presume, will just accommodate the ammunition boxes?—A. It will accommodate the standard 3-ton load without piling cases on the top of one another.

[Tires—Thomas.]

Q. Did you say anything to any of the officials, after you were appointed, as to the price paid by the Government for the tires for the first expedition?—A. I do not remember drawing anyone's attention to it until questions were asked in Parliament, or when the figures were being gotten ready to answer the questions in Parliament.

Q. Did you know anything about the high prices paid by the Government for the trucks for the first expedition, or was your attention called to it in any way prior to the refund of the \$5,000 odd dollars by the Canada Cycle Company?—A. My first knowledge of the matter was when I sent to the Quarter-Master General on January 22, a report showing the discrepancy in the prices. This I first figured in making from the Russell Company's account an inventory of the parts that Mr. Russell had sent over.

Q. When was the rebate made?—A. The report was made on January 22.

Q. What report is that?—A. The report from me to the Quarter-Master General sent to the Land Transport Committee.

Q. On the 22nd January that was?—A. Yes.

Q. When was the rebate made by the Russell Company?—A. It was made on February 6.

Q. Is that the first and only rebate or is that the last rebate?—A. That is the first rebate, the second rebate was on March 18.

The witness retired.

Colonel J. LYONS BIGGAR, Director of Transport and Supplies, Militia Department, Ottawa, sworn:

Examined By Mr. Thompson, K.C.:

Q. Colonel Biggar, would you briefly outline your duties?—A. Under the Quarter-Master General I have charge of the transport and supplies in connection with the militia.

Q. Does that include purchasing the transport?—A. Yes, in normal conditions I would buy all the horses and any other transport, motors and such.

Q. Did you buy any of the motor transport or horses for the first expedition?

Sir CHARLES DAVIDSON: What do you call the conveyance of these supplies; under what designation would that go?

The WITNESS: The transport end of it means the conveyance of all troops, and of course the transport end, under normal conditions, includes the purchase of horses and motors.

Sir CHARLES DAVIDSON: I did not know whether you meant by transport, the transport by horses or by railway trains.

The WITNESS: Everything that relates to movement of troops, under ordinary conditions, comes under me.

By Mr. Thompson:

Q. Does that include feed supplies?—A. Yes.

Q. Does it include clothing?—A. No.

Q. Or munitions?—A. No.

Q. Just the moving and feeding of troops?—A. And the housing.

Q. You say you had nothing to do with the purchase of mechanical transport for the first contingent or the first expeditionary force?—A. No, for the first expedition special men were appointed when the war broke out.

Q. Had you anything to do with the purchase of mechanical transport for the second expedition?—A. No.

Q. Did you purchase any horses for the first expedition?—A. No.

Q. Do you know who did?—A. Yes.

Q. Who?—A. A special man was appointed.

[Supplies Generally—Biggar.]

Q. Who was the special man?—A. Lieutenant-Colonel Neill.

Q. Is he in Canada at the present time?—A. No.

Q. Where is he?—A. At the front.

Q. Was he in sole charge of the purchasing?—A. Yes, he was appointed soon after the war broke out.

Q. Are his records, such as they are, under your branch of the service?—A. Yes, but they have been more particularly placed under my assistant, Major Clark, since Colonel Neill went away.

Q. Do you attend to the movement from place to place of tents and various supplies?—A. Yes, when they come to the camp centres we distribute them.

Q. For instance, suppose they were landed in Ottawa, clothing, tents and all the camp equipment, and if they were to be moved from Ottawa, would you attend to it?—A. If they were sent from one ordnance depot to another I would not. That would be arranged by Colonel Macdonald.

Q. Supposing the goods were in Ottawa, would you attend to the movement of the equipment from here to Valcartier or from here to England?—A. No, they make their own shipment, the Ordnance Department. They know when they want to send anything and they send it to the railway station or tell the railway people to come and get it.

Q. Would you attend to the carriage of it?—A. For some time we have assigned so many motors to the ordnance.

Q. Was that before these special committees were appointed?—A. Even after the special committee was appointed.

Q. And you now have the assignment of the motors?—A. No, that has been made a separate organization.

Q. When was that made a separate organization?—A. Some time this year; I cannot say when.

Q. How did you move your camp equipment, speaking in a general sense, before that?—A. Before that we assigned the Ordnance Branch here two motors. They reported there every morning and were under the orders of the Ordnance officer of the day.

Q. Was that during war times?—A. That was after the war broke out.

Q. Did they require the assistance of carters?—A. When a large consignment of Ordnance stores came back from Valcartier they had to get a number of carters because they came in 20 and 30 carloads at a time.

Q. About how many carters would they require in addition to the motors?—A. Just as they arrived, so as to prevent demurrage, they would call for a number of wagons.

Q. About how many?—A. I suppose they had six or seven of these big railway lorries.

Q. After the rush from Valcartier had subsided, did you require any carters in addition to the motors?—A. There are two branches of transport in Ottawa. There is the inspection room transport; that is things coming here to the inspectors to be inspected.

Q. Is that under your control?—A. Only to this extent, that they asked for so many motors, and I gave them two, and I gave the Ordnance two.

Q. So that you had four motors altogether?—A. Yes.

Q. After the rush from Valcartier had subsided?—A. Yes.

Q. Did you have any motors in addition?—A. I think the inspection room people got along without extra carts, but I think from memory there was a pressure of shipment, and the Ordnance Department got some.

Q. I understand that at present they are using some fifteen motor trucks?—A. I do not know how many.

Q. Is there still a very large rush on to keep that number employed?—A. It would be hard to beat the rush we had last August or September. I would not imagine there would be as heavy a rush now as there was then, but I cannot tell.

[Supplies Generally—Biggar.]

Q. You can give us no further information about the horses or trucks?—A. In what way?

Q. As to how many were bought for the first expedition?—A. I know that Mr. Russell used to come and see me constantly and ask about any help I could give him in the way of capacity of trucks, and particularly about the workshop trucks.

Q. Apart from giving him advice, you had nothing to do with regard to the purchase?—A. No. I did not know the price he was paying, or anything of that kind.

Q. You did not know the prices for either horses or trucks?—A. If I want information as to horses I would have to go to Colonel Macdonald, and as to trucks for the first expedition to Major Russell.

The witness retired.

Colonel FRASER MACDONALD, of the Department of Militia, sworn:

By Mr. Thompson:

Q. You are on the Headquarters Staff, Colonel Macdonald?—A. Yes.

Q. And what are your duties, speaking in a general way?—A. I am director of clothing and equipment and principal ordnance officer and officer administering the Canadian Ordnance Corps.

Q. As such, does all clothing pass through your department?—A. The clothing and necessities pass through my branch.

Q. Would that include oats?—A. No, I have nothing to do with food supplies.

Q. Just the clothing of the troops?—A. Just the clothing, I handle all the munitions.

Q. Do you know of any contractor who has supplied inferior material to the Militia Department, which was not according to the sample and the contract?—A. No. It does not come within my jurisdiction to criticise, except in a very general way. I might tell you the procedure—we ask the Director of Contracts for certain quantities of articles required like jackets and trousers, and he places the contract. The inspection of these is done by his staff, and they are passed to my branch when they are inspected, and I take and distribute what is required.

Q. Without criticism?—A. The inspection staff are directly under the Director of Contracts. If my attention is drawn to anything being of an inferior quality, I draw his attention on the file to that.

Q. Would you direct your attention to something that was of an inferior quality?—A. It might be done by one of my officers or it might be done by some one who had received clothing which he contended was of an inferior quality.

Q. Would you, yourself, have any means of ascertaining if garments were of an inferior quality, unless your notice was called to it?—A. Some other officer would personally know of it, because these things do not go through my hand; I do chiefly the office work. These purchases are made by the Director of Contracts on sealed patterns or standards, as they are called. These are bought in the trade or manufactured, and if so they are certified by the inspector and placed with that class of goods. For instance, the clothing inspector would certify all clothing, the harness inspector would certify to his branch, and so on, and his certificate is attached, sealed to the article, and these are guarantees that the quality and workmanship are satisfactory.

Q. Is the sealed pattern in your branch?—A. No.

Q. Do you know anything about them?—A. I seal them. After they are passed they are submitted to me as being the articles required.

Q. Take socks, for instance?—A. That would be submitted to me, with a certificate attached to it.

Q. What sort of a certificate?—A. It is a wire tag, with the endorsement on it that the workmanship is satisfactory and the quality satisfactory.

[Militia Supplies Generally—MacDonald.]

Q. Who certifies that?—A. That is certified by the inspector who has to do with that fabric.

Q. Is he in your department?—A. No, he is under the Director of Contracts.

Q. There is a sealed pattern for each separate contract?—A. No, there is what is called a sealed standard, and these standards are supposed to remain in the possession of the Director of Contracts or his staff.

Q. Have you a standard quality of sock?—A. We have.

Q. And are socks which are supplied and sold to the department by the contractors supposed to conform in quality with that sample?—A. Yes.

Q. And if they do not conform with that sample, is it a fraud on the department?—A. I might explain that at the time this rush came on, socks were one of the items that the Director of Contracts stated it was impossible to get the contractors to live up to the sealed standard of, and I think the files show that he made a report that it would be utterly impossible, in the time, to get the quantity which was demanded, if we confined ourselves exclusively to that pattern. Then he was asked what he would recommend, and he recommended other makes, what is called flat-knit, and also what is called rib-knit, and recommended these as being fair substitutes, and as well said that they would be a satisfactory substitute, still guaranteeing the quality and the workmanship.

Q. Was the quality in the substitutes the same as the other?—A. So far as I know, it would be. He would state whether they considered them of a lower grade, and consequently the price would be lower.

Q. Who could tell that?—A. The Director of Contracts through his inspector.

Q. Do you know whether the contractors insisted upon the top price for the substituted article?—A. That I do not know. I have nothing to do with the price; it is the Director of Contracts who looks after that.

Q. As a matter of fact was your attention called to the socks?—A. It was.

Q. Did you notice a very considerable variety in them?—A. I noticed a considerable difference in several makes.

Q. Might you not call some of the socks cotton socks and the others good wool socks?—A. I would not say that, but still I am not in a position to say that it is not so. What I would say is, that some were of a lower grade, what they call filling, or something like that; it is something that thickens it up and it is not pure wool. It is the odds and ends of sweeping of the factory perhaps. My attention was drawn to one lot of those and I immediately drew the attention of the Contracts Department to it.

Sir CHARLES DAVIDSON: Was it shoddy?

The WITNESS: It may not be shoddy but it was not a long wool. It is, I believe, the odds and ends that are swept up, and they have some way of working them into a sock to make it thick.

By Mr. Thompson:

Q. There are apparently very fine distinctions in what you might call the woollen trade, so that if you were to ask for an article of wool, you would be assured it was all wool, but if you said you wanted whole wool, they would say it was not that; in other words; all wool means a trade name?—A. I understand that is so.

Q. Who would give us information on that?—A. Mr. Charles Burns, Assistant Director of Contracts, under Mr. Brown.

Q. If I wanted to find out about shirts, to whom shall I go?—A. Mr. Burns can give you the information. I might give you the name of Mr. Caldwell, I think, but I would not like to say; I would prefer you to ask Mr. Burns, because they are all under him; he has charge entirely of the clothing.

Q. Would that apply also to under-clothing?—A. Yes.

Q. When war broke out did you have a sealed pattern of shirts, under-clothing and under-shirts?—A. Yes.

Q. There was a sealed pattern of everything?—A. Yes, there certainly was in existence sealed patterns of all these.

[Militia Supplies Generally—MacDonald.]

Q. And of articles were purchased and issued to the soldiers, which were not up to the sealed patterns, who will be accountable?—A. It might have been overwork on the part of the inspection staff that would let that go by.

Q. Or greater efficiency on the part of the contractor?—A. Lack of efficiency.

Q. Or perhaps greater skill in getting it past the inspection staff?

Sir CHARLES DAVIDSON: How do you identify the sealed article?

The WITNESS: We buy these articles in the trade and examine them thoroughly.

Sir CHARLES DAVIDSON: How do you identify the sealed pattern, where do you mark it?

The WITNESS: It is marked, there is a tag put on it which carries the seal of the inspector and carries my signature as having been sealed on that date. That pattern stays with the Inspector of Contracts, and if he wishes to send samples to guide manufacturers, they are supposed to get standards in addition, which they distribute. We follow pretty well the British precedent in that the sealed standard always remains under seal.

Sir CHARLES DAVIDSON: It is apparently the inspector in the Contracts Branch who passes on the articles, whether they are up to standard or not?

The WITNESS: Yes.

By Mr. Thompson:

Q. And if the Director of Contracts departs from that?—A. The inspector under the Director of Contracts.

Q. If the inspector, under the Director of Contracts, departs from that, can I find out from him the names of the contractors in whose favour he relented?—A. That I would not know; sometimes I do not know who the contractors are.

Q. They would not ask you about that?—A. No, the Director of Contracts would put a minute on the file if there was any change, and then I would ask for his recommendation in the matter.

Q. Would you have any record in your department of instances where the quality was lowered?—A. I will not say there are not, but it runs in my mind there are one or two instances. For instance, the socks were furnished in a great rush and there were demands for hundreds of thousands of pairs, and we could not get mills anywhere to make them. They could not get the wool, some would supply rib-knit and some flat-knit.

Q. Even if the socks were knitted in these various ways, would not the quality of the wool still remain the same, or was it supposed it?—A. It should remain the same, unless there was some special reason why it should not.

Q. Would your records show where there was a variation?—A. Mr. Burns would know all about that. I believe we had to use a harsh wool when we could not get the other.

Q. But it was still pure wool?—A. Yes, sometimes it feels as if it were half cotton.

Q. Is it a pure wool?—A. Mr. Burns tells me it is absolutely a pure East India wool, but he would know more about it than I, and he would give you the explanation.

Q. If he asks you about that will you assist him?—A. I will give him any information I can; he can perhaps mention an instance of that, because that is his work.

Q. Would the files show clearly just in what instances the quality was departed from?—A. Yes, if it were on the question of socks there are files dealing with that and dealing with each contractor; if it were great-coats or shirts or something else, the files deal with that too, and he could perhaps recall his interview with the contractors.

The witness retired.

Mr. THOMPSON: That is all the evidence I have to-day, sir.

Sir CHARLES DAVIDSON: What is your next procedure?

7131—35

[Militia Supplies Generally—Macdonald.]

Mr. THOMPSON: Subject to what the Auditor General may have to lay before us, that, for the present, closes most of the Ottawa evidence.

Sir CHARLES DAVIDSON: Were there not one or two other matters?

Mr. THOMPSON: There are one or two other matters which are not ripe for investigation, but this closes all we have before us at the present time. I expect there will be further matters by the time we return, either from Nova Scotia or from the West. There is one small matter, in regard to binoculars, to which I think I might call your attention.

Sir CHARLES DAVIDSON: Have you closed the Merrick horse-buying incident or are you likely to have any further evidence with regard to that?

Mr. THOMPSON: I would suggest that it be not closed formally, but I have no further evidence as to it before me at present.

Sir CHARLES DAVIDSON: Is there a prospect of some further evidence?

Mr. THOMPSON: There is, and that might be taken up before the Commission goes to Nova Scotia, or, if convenient, it can be taken up at a later date.

Sir CHARLES DAVIDSON: As early as possible.

Mr. THOMPSON: Would you prefer it before you go to Nova Scotia?

Sir CHARLES DAVIDSON: If not to your inconvenience, I would.

Mr. THOMPSON: I do not think it is possible to bring the evidence forward now. Mr. Russell sent me a telegram to-day in which he stated he could be here to-morrow, and one of the officials of the Jeffery Truck Company would be with him. He wished to give some testimony as to how and when his company were appointed agents for the Kelly Company and for the Jeffery Company. I did not reply to him because I did not know that the Commission would be sitting to-morrow, and if it were not sitting to-morrow he could produce that evidence at a later date.

Sir CHARLES DAVIDSON: We might as well sit to-morrow.

Mr. THOMPSON: Very well, sir.

Sir CHARLES DAVIDSON: You might as well close this thing up now if you can at all do so.

Mr. THOMPSON: There is such a small amount of work for to-morrow that it will not take the entire day.

Sir CHARLES DAVIDSON: Then the Commission will adjourn until to-morrow.

The Commission adjourned until half-past ten o'clock to-morrow, Wednesday, morning.

OTTAWA, Wednesday, July 21, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight.

Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met at half-past ten o'clock this morning.

CHARLES BURNS, Assistant Director of Contracts, Militia Department, sworn:

By Mr. Thompson:

Q. What is your position in the Militia Department, Mr. Burns?—A. Assistant Director of Contracts.

Q. And as such, what are your duties?—A. Under Mr. Brown, I have charge of the purchases of the clothing, and necessities, and also the inspection.

Q. Is it a civil appointment?—A. Yes, sir.

Q. Do you personally make the inspection?—A. No, sir, I have a staff of inspectors.

Q. Do you personally inspect any of the equipment?—A. No, unless there is some question about it, and then it is referred to me.

Q. The inspectors refer to you from time to time, do they?—A. I am in the inspection room, most of the time.

Q. And are, therefore, in close touch with the inspectors?—A. Yes.

Q. And the materials?—A. And the materials also.

Q. I was asking Colonel Macdonald something about the clothing yesterday, and my inquiry particularly was directed to the purchase of socks by the department. There was some difficulty, was there not, in purchasing socks according to the sealed pattern in the department, after the war broke out?—A. We could not get the quantity required in accordance with the sealed pattern; it was impossible.

Q. In what respect did you allow a departure from the sealed pattern?—A. We placed orders with all firms who could supply according to the sealed pattern, at a reasonable price.

Q. Was it an increased price?—A. No, sir.

Q. Was the price lower than that which prevailed in peace times?—A. Just about the same price. That left a balance that we could not provide.

Q. You mean that you could not provide according to the sealed pattern?—A. Exactly.

Q. About what proportion was left?—A. Possibly two-thirds of them, I am speaking now from memory, at all events a large proportion.

Q. How many pairs of socks?—A. Several hundred thousand pairs.

Q. In what respect did you allow departure from the sealed pattern?—A. We had firms submit samples with prices, samples that were considered satisfactory for the purpose, that we could use for the purpose, and the prices being satisfactory we bought.

Q. When you departed from the sealed pattern, it meant, did it not, that you were buying socks of a somewhat lower quality?—A. Exactly, sir.

Q. And when you departed, therefore, from the sealed pattern, did you also lower the price?—A. Oh yes, we paid as low as \$2.10 per dozen.

Q. What were you paying in peace times?—A. \$2.64.

Q. Did the price of wool advance or recede after the war was declared?—A. It advanced from about 30 cents per pound to as high as 54 cents a pound.

Q. It is evident, therefore, that you were obliged to lower the quality of the sock that was purchased after war was declared, and it was not according to the sealed sample?—A. Yes, in order to get the quantity required.

Q. It is self-evident, is it not, that if you were paying considerably less after war was declared, and that the price of wool had advanced nearly 100 per cent, that the quality of sock must have been of a lower grade than that purchased before?—A. Yes, sir.

Q. Have you a list in the department of the contractors from whom you purchased socks?—A. Yes, sir.

Q. Since war was declared?—A. Yes, sir.

Q. And the variation from the sealed pattern would not be a constant variation, would it?—A. No, it is just covering these rush orders for the first contingent.

Q. Perhaps you do not understand my question, for instance, John Jones might vary in one respect, and William Smith, might vary in another respect, might they not?—A. The variations were practically all the same.

Q. If the variation was constant, then the price should be constant, should it not?—A. No, sir, that is what I was going to say; it is to a greater extent in some cases than in others. For instance, we buy a sock heavier in weight from one firm than from another.

Q. Would the quality always be the same?—A. Pretty much. The variation in price would be accounted for by the variation in weight.

Q. In what respect did the quality of the wool vary from the standard pattern?—A. It was lower-grade wool.

Q. Was it not a mixture of cotton in the socks which you purchased?—A. No, sir, no cotton.

Q. Was there variation in the manner in which the socks were knitted?—A. No, the variation took the form of wool waste being used along with the pure wool.

Q. There were some flat-knitted and others rib-knitted?—A. Yes, sir.

Q. Does that affect the price?—A. No, sir.

Sir CHARLES DAVIDSON: How do they compare as to wearing quality?

The WITNESS: It does not affect the wearing quality either. Some people prefer the flat-knitted sock while others prefer the rib-knit.

By Mr. Thompson:

Q. As you departed in a number of instances from the sealed pattern, did you take a sample sock from each contractor?—A. Yes, sir.

Q. Have you these sample socks on hand now?—A. To the best of my knowledge we have in the inspection room.

Q. Could you from this sample of socks identify any contractor that might be brought to you?—A. I think so.

Q. For instance, if one of the regiments at Barrielfield were to supply a sock obtained from one of the soldiers, and it was brought to your department, if it was not a sock according to the sealed pattern could you, from your samples on file, ascertain from which contractor that sock was purchased?—A. Yes, sir.

Q. I now produce a sock, and I would ask you to look at it?—A. I have looked at it.

Q. Do you know from whom that sock was purchased?—A. I would almost say it was from the Burritt's Rapids Knitting Company, but I would like to compare it with their sample before being definite.

Q. Could you, after making that comparison and examination, tell us what the price paid for that sock was?—A. Yes, sir.

Q. Are you an expert in wool?—A. Yes, sir, I am supposed to be, it has been my life-long business.

Sir CHARLES DAVIDSON: In what way?

The WITNESS: Both in the manufacturing and the buying and selling.

By Mr. Thompson:

Q. Do you consider that sock which I now show you a pure wool sock?—A. Yes, sir.

Q. What about the weight?—A. It weighs about three pounds to the dozen.

Q. What does the standard pattern weigh?—A. Three and a quarter pounds for a ten and a half inch size.

Q. Would you say that that sock to be marked as an exhibit is a fair sample of the socks which were purchased after the standard pattern was departed from?—A. No, sir, it is better than some that we bought.

(Sock filed as Exhibit No. 66.)

Q. You think it is a satisfactory sock, do you?—A. I should say so.

[Socks—Burns.]

Sir CHARLES DAVIDSON: What is its relation, in its wearing capacity, to the sealed pattern?

The WITNESS: The stock in it is not quite as fine, and naturally it would not wear as well, but still it would be considered a satisfactory sock. Some of them used Indian wool or low-grade Canadian wool, entering into the composition of the socks.

Q. Does it not appear to you to be very thin?—A. It is practically the weight of the standard pattern. The standard pattern is three and a quarter pounds to the dozen, and that, I think, would weigh fully three pounds to the dozen.

Q. At any rate you say, from having examined this sock, that that is one sock that your department had inspected and was satisfied with, under the existing conditions?—A. I would say that our inspectors would pass that.

Q. And that they were satisfied with it?—A. Yes.

Q. Do you know what price was paid for these socks?—A. I would have to look up the records.

Q. Would it be higher or lower than the price paid before the war?—A. It would be the same price as what was paid for the standard sock before the war.

Q. How do you account for the difference?—A. The increase in the price of wool since the war.

Q. In examining it now you say that, considering the conditions, that was as satisfactory sock as could be purchased?—A. Yes, sir.

Sir CHARLES DAVIDSON: Have you reverted now to the sealed pattern?

The WITNESS: There have been no orders placed since last winter. We are about to place them now, and we are calling for tenders and sending out specifications in accordance with the sealed pattern. We have gone back to our original specification.

By Mr. Thompson:

Q. Is it easier to get wool now?—A. We will have to find that out; the manufacturers claim we cannot get it.

Sir CHARLES DAVIDSON: How many pairs of socks do you issue to each soldier?

The WITNESS: That is a matter for the Quartermaster-General; the Contracts Branch have no information on that.

Mr. THOMPSON: This sock is flat-knit?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: The rib-knit looks more formidable.

The WITNESS: It gives it a heavier look.

Sir CHARLES DAVIDSON: Does it add to the weight?

The WITNESS: Not at all, that is, you can get any weight in the flat-knit and any weight in the ribbed-knit.

Q. This sock has a somewhat peculiar appearance, has it not, compared with the high-grade sock?—A. The only difference in appearance is the difference of the stock used in its manufacture; the make is exactly the same.

Q. I was referring to the appearance of the sock?—A. I do not see anything in the appearance of it that is peculiar.

Q. I am not a judge of socks, but it would appear to me to be a very thin sock compared with what one used to buy for 25 cents down at the lumbermen's supply stores?—A. Of course you can buy a much heavier weight sock than that for the same price, but the quality of the stock in it would be reduced.

Q. Is this approximately the weight of sock that was called for by the sealed pattern?—A. Approximately that weight. Speaking from feeling it, I think there would not be more than a quarter of a pound difference in a dozen pairs. The rough appearance is due to the wool used in the manufacture.

Q. What sort of wool is used in that sock?—A. I would say it is Canadian wool, to a large extent, but with a percentage of East India wool.

Q. Perhaps that accounts for the hairy appearance that gives me the impression that it might not have been a serviceable sock?—A. It would be equally serviceable with the other, except that the stock is coarser.

Q. Except for the coarseness you speak of, you consider it as serviceable?—A. I do.

Sir CHARLES DAVIDSON: Why do you buy some socks flat-knit and others rib-knit?

The WITNESS: We could not get flat-knit according to our standard sample, and then we had to do the best we could; we could not secure sufficient flat-knit and therefore we had to take ribbed-knit.

Sir CHARLES DAVIDSON: Was not the flat-knit according to the sealed pattern?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: And the ribbed-knit you did not fancy as much as the flat-knit?

The WITNESS: The Quartermaster-General did not fancy it as much.

Q. When a contractor supplied East India wool in his socks did you reduce the price?—A. He supplied samples in some cases with East India wool in them, and we saw that the stock delivered was in accordance with the sample he supplied.

Q. But when he brought in a sample you fixed the price, did you not?—A. We fixed the price, that is the price had to be satisfactory to us.

Q. You fixed the price on the sample?—A. Yes.

Q. If you saw a sample was East India wool, did you cut down the price as compared with other socks which had not East India wool in them?—A. If they were not in accordance with the sample we rejected them.

Q. Supposing a contractor presented a sample of sock which had East India wool in it, and which you considered a satisfactory sock, you would purchase it, would you not?—A. Yes.

Q. Then when settling the price with the contractor on the sample so submitted, would you give him less money for his sock than if the sock contained a superior quality of wool?—A. Oh yes.

Q. That being so, is the sock which I have shown to you, and which, according to your statement, contains East India wool; I would like to know what price was paid for that, if you can ascertain it?—A. I will do so.

Q. Which is the more expensive, the Canadian or the East India wool?—A. The Canadian wool is more expensive; it is finer and more expensive, that is, Canadian fleece wool.

Q. And Canadian fleece wool would correspond with what quality of East India wool?—A. I do not know how they grade the East India wool. I presume they have different grades, but what is known in this country as East India wool is a hairy wool.

Q. Is it a hard wool?—A. Yes, coarse fibre.

Q. What about the wearing quality?—A. It would wear equally as well.

Q. What is Canadian fleece wool?—A. It is wool taken from the sheep while alive; it is the annual sheer of the sheep.

Q. Is that better than when it is taken from the dead animal?—A. Yes, there is more life to it.

Q. Does pure wool mean the sweepings of the factory?—A. It might be possibly pure wool swept off the floor.

Q. Did you reject any socks that were submitted?—A. A great many thousands of pairs.

Q. When you say a great many thousand of pairs were rejected, do you mean that they were not up to the pattern submitted?—A. Yes, sir.

Q. Were your inspectors vigilant to see that the socks supplied compared with the pattern submitted?—A. The large number of rejects show that they were.

Mr. THOMPSON: That is all I have to ask you, Mr. Burns, unless you care to make a statement.

[Socks—Burns.]

The WITNESS: In reference to socks, I may say that the Ordnance Branch, that is, the Quartermaster-General's Branch, purchased locally.

Mr. THOMPSON: Is that in Ottawa?

The WITNESS: No, more particularly in the West. These were socks which the Contracts Branch never saw or the Inspection Branch, and one complaint I know of came from the West. Lady Tupper wrote; she did not complain, but she sent down a sample sock which she thought would be very much better for the soldiers' use than the one being supplied.

Mr. THOMPSON: That was for use among the Western troops?

The WITNESS: Yes. And the point I want to make in that is that complaints from the West may not be known to the Inspection Branch here. The Inspection Branch might know nothing about it.

Sir CHARLES DAVIDSON: Are there inspection branches out there?

The WITNESS: The usual custom is that the officer commanding the district appoints a board of officers to inspect these things that he has to purchase locally.

Sir CHARLES DAVIDSON: Why were they bought by the Ordnance Department in the West?

The WITNESS: I presume it was because of the emergency, and they were needed in a hurry. The troops were mobilizing there and they did not have the supplies.

Sir CHARLES DAVIDSON: And as a result, according to your opinion, they had not time to draw on the stores here?

The WITNESS: It may be that, or it may be that they did not have them in store here at the time; I cannot speak as to that.

Sir CHARLES DAVIDSON: How are their supplies furnished now; are they furnished by you or by the Western individual commands?

The WITNESS: They may still be buying very small quantities locally there. I do not know whether they are or not. The usual custom is to issue them from the ordnance store here to the West.

Sir CHARLES DAVIDSON: Would you distinguish what are ordnance stores?

The WITNESS: The supplies after inspection are passed by the Quartermaster-General's branch and distributed by him.

Sir CHARLES DAVIDSON: For all classes of troops?

The WITNESS: It does not matter what kind of troops.

By Mr. Thompson:

Q. Looking at that pair of socks, Mr. Burns, which I have shown to you, look at them again—would you say they would wear very well, you see there are two holes in them?—A. These holes are either cut or torn in them. The sock around the hole is quite firm. I did not notice them in casually looking at it at first. The stock which the sock is composed of is quite firm.

Q. Looking at that hole again, do you see whether there has been any cut there at all; does it not appear as though it were a defect in the knitting?—A. It is a broken thread.

Sir CHARLES DAVIDSON: Have these socks been worn or are they new?

The WITNESS: They are new. Of course a number of things might account for that. Very likely that was done after inspection, or there has been a nail driven through the case in which they were packed, or something of that kind.

By Mr. Thompson:

Q. Are the toes in a good quality of sock put on as these are?—A. Just in the same way.

[Socks—Burns.]

Q. And just as carefully in this case as in a sock of good quality?—A. I would say so, that hole would appear to be made after the sock was finished. It is not a defect, in my opinion, in any way.

Q. But it appears to be just at the point where the toe joins the main part of the sock; there is another hole there if you look at it?—A. I think these holes might all have been caused together. It is quite evident that hole has been put in there after the sock was made.

Sir CHARLES DAVIDSON: Where did these socks come from?

Mr. THOMPSON: These were issued to the 38th Battalion, an Ottawa regiment.

Sir CHARLES DAVIDSON: The history of this pair of socks should be given.

Mr. THOMPSON: We might be able to secure that later.

Sir CHARLES DAVIDSON: Because otherwise the evidence as to this pair of socks is lessened in value. We should have in greater detail where they come from, and all about them, and the officer might be produced.

Mr. THOMPSON: Very well, sir.

The witness retired.

CLAYTON R. BURT, assistant general manager of the Russell Motor Car Company, Toronto, sworn:

By Mr. Thompson:

Q. Did you negotiate with the Kelly-Springfield Company for the Russell Company to be appointed agents of the Kelly-Springfield Company?—A. I did.

Q. When did you open negotiations with the Kelly-Springfield Company?—A. On the 27th of August.

Q. Who instructed you to open negotiations with the Kelly-Springfield Company?—A. On the 22nd day of August Mr. Russell, the general manager, and Mr. Rogers, who was then assistant general manager, requested that I should investigate a number of trucks, with a view of securing the agency, and in addition an assembling proposition, so that we could assemble the trucks and also manufacture some of the parts in our factory in Canada. At that time we discussed several makes, among them the Peerless, the Kelly-Springfield, the Federal, and the Universal. That, I believe, was on Saturday, the 22nd. On the 25th, which was Monday, I started out on a trip and went to Detroit and several other cities, and on the 27th I was in Detroit and visited the Universal plant and the Federal plant, and arranged to meet the Kelly-Springfield agent in the afternoon.

Q. At Detroit?—A. At Detroit, on the 27th of August. In taking the matter up on that day with the Kelly-Springfield man, I found it was impossible to create any negotiations there, that it would be necessary to communicate with their president, Mr. Geddes, who was in California, and was expected home within a few days. So the next day or night I returned to Toronto.

Q. Before you returned to Toronto, did you close the agency for the Federal?—A. No, I had made up my mind that the Kelly-Springfield was the best suited for our purpose.

Q. How could you tell that if you had not seen it?—A. I had seen it. I saw a truck on the 27th in Detroit.

Q. Do they make them in Detroit?—A. No, I saw one they had there for sale.

Q. Where is the Federal factory?—A. In Detroit.

Q. Where is the Universal factory?—A. In Detroit.

Q. Why did you not look over the factory of the Kelly-Springfield Company?—A. My intention was to leave that night to go to Springfield to look over the manufacture of the Kelly, but when I learned the negotiations could not be completed until their president returned I decided to return to Toronto and wait until Mr. Geddes returned,

[Kelly Motor Trucks, Bicycles—Burt.]

and then communicate with him. I returned that night on the 27th and in the morning I advised Mr. Rogers—Mr. Russell was away—that I had investigated several of the trucks and had chosen the Kelly-Springfield as the truck we should try and get, and that as soon as Mr. Geddes returned home I would arrange to go to Springfield, Ohio. Mr. Geddes returned on the 2nd of September and by telephone communication I arranged to meet him.

Q. Where were you on the 2nd of September?—A. In Toronto.

Q. Did you know that Geddes had returned on the 2nd September?—A. Yes.

Q. How did you know?—A. I am not clear on that point. Mr. Geddes stated the other day that I telephoned him from Detroit. I may have telephoned to him, but if I did it was from Toronto.

Q. Were you in Detroit on the 2nd of September?—A. No, I was not. It was just barely possible it was his agent that telephoned and his agent advised me, but I know that we were in communication on the 2nd of September, and I arranged with him to go down.

Q. At what hour on the 2nd of September would the telephone be?—A. I cannot tell you that.

Q. Was it in the morning?—A. I am not sure on that point, so that I cannot say.

Q. Would it be during business hours?—A. Yes.

Q. What are your business hours?—A. From half-past eight in the morning until half-past five in the evening.

Q. Are you usually at your office during all that time?—A. Yes.

Q. So that it would be somewhere between half-past eight in the morning and half-past five in the evening?—A. Yes, sir.

Q. Can you fix it any closer than that?—A. I absolutely cannot.

Q. Did Mr. Russell telephone that he had been appointed by the Minister of Militia to buy trucks?—A. Absolutely no. It was not known anything about it at the time, so far as I was concerned.

Q. When did you know that he had been appointed to purchase trucks for the first expedition?—A. Well this appointment was made with Mr. Geddes on the 2nd.

Q. I want to know when you knew that Russell had been appointed to buy trucks?—A. I think it was the following day, or the 3rd of September, because that was the night I left to go to Springfield.

Q. Was there any talk in your office, amongst the officials of the company, that Russell had been appointed to purchase trucks for the first expedition?—A. Absolutely none.

Q. What other officials would be at the Russell Motor Car Company?—A. There were none outside Mr. Russell, Mr. Rogers, and myself.

Q. Would Rogers and yourself be present in the same room?—A. Yes.

Q. Do you work in the same room?—A. No sir, our offices were opposite each other.

Q. Did Rogers say anything to you about having received a telephone message from Russell that had been appointed to purchase trucks for the first expedition?—A. No, sir.

Q. Are you quite sure of that?—A. Absolutely.

Q. Was there not a telegram from Russell on the 2nd that he was appointed?—A. Not to my knowledge.

Q. Who would receive such a telegram, if a telegram were sent by Russell?—A. Either Mr. Rogers or myself.

Q. If such a telegram were sent would you have knowledge of it?—A. Absolutely, sir.

Q. As manager?—A. I was factory manager at that time.

Q. Would Rogers know?—A. He was assistant general manager at that time.

Q. Who handles the correspondence and reads it?—A. At that time Mr. Rogers was handling it in connection with that business.

Q. Rogers was your senior?—A. Yes.

Q. Rogers would have received the telegram would he not, instead of you?—A. Yes, but we were working there closely together on the whole deal.

Q. He would, as well, receive a telephone message from Russell if Russell telephoned, would he not, stating that he had been appointed?—A. It is possible.

Q. He would be more likely to receive it than you?—A. Yes.

Q. And if he received a telegram or a telephone message from Russell, he would probably communicate it to you, would he not?—A. Absolutely, yes, sir.

Q. If you were working close together would not that be so?—A. Yes, sir.

Q. And you say you had no intimation of that?—A. No intimation of that at all.

Q. But you did have an intimation that he had been appointed before you left for Detroit?—A. Before I left for Springfield on the 4th of September.

Q. How did you hear?—A. I cannot say as to that. My recollection is that Mr Russell was in Ottawa on the 2nd of September and came back on the 3rd. I am not positive as to that, and that on the 3rd, before I went to Springfield, it was known.

Q. Cannot you fix your attention a little more definitely on that, as to whether you read it in the newspaper, or whether Russell told you after he had been appointed?—A. No, because I was not particularly interested in that; I was simply getting the agency, and completing my deal, as I had been instructed, on the 22nd of August. We wanted to get the work in the factory as a manufacturing proposition.

Q. Do you recollect whether you told Russell you had made arrangements with the Kelly Company?—A. Mr. Russell knew nothing at all about the Kelly arrangement until after I had been to Springfield.

Q. When did you go to Springfield?—A. I was in Springfield on the 4th of September.

Q. Did you not say anything to Russell—if Russell was in Toronto at that time, did you not tell him you were going away?—A. I did not, he knew nothing about it.

Q. Did you not tell him—you three men being working close together, is it not likely you would tell him?—A. Mr. Russell knew absolutely nothing about my going to Springfield.

Q. But he might have known it apart from you?—A. I did not tell him.

Q. Are you not, Rogers and Russell and you, in close communication one with another?—A. Yes, but I had previously received my instructions and I was simply carrying them out.

Q. From whom did you receive your instructions?—A. When I returned from Detroit I discussed it with Mr. Rogers.

Q. Who instructed you to go to Detroit, and from whom did you receive your instructions?—A. When I returned from Detroit I discussed it with Mr. Rogers.

Q. Who instructed you to go to Detroit and look over the Federal and Universal car works, and the Kelly-Springfield?—A. Mr. Russell and Mr. Rogers.

Q. That was on the 22nd?—Yes.

Q. And you say that in pursuance of these prior instructions you made a trip on the 3rd of September to the Kelly-Springfield people?—A. Yes, arriving there on the 4th.

Q. Did you tell Rogers you were going there?—A. I told him on the 28th when I came back from Detroit.

Q. You told him on the 28th you would be going on the 3rd?—A. We were not sure at that date when I would be going, because we did not know when Geddes would be home. I told him that as soon as I was able to connect with Mr. Geddes I would go.

Q. When you got a telephone from Geddes or his agent on the 2nd of September, you surely must have said something to Rogers about it?—A. I told Mr. Rogers I was leaving the next day for Springfield.

Q. What time does the train leave?—A. I left at five o'clock in the afternoon.

Q. You were anxious more or less to close the deal with the Kelly Company?—A. Yes.

Q. You were alert in the matter?—A. Yes.

[Kelly Motor Trucks, Bicycles—Burt.]

Q. Did you take the first train you could get after being informed that Geddes had returned?—A. Yes, I went immediately.

Q. The same day?—A. It was the next day, he telephoned on the 2nd and I left on the 3rd.

Q. Why did you not take the train on the 2nd in the afternoon about five o'clock, you were losing twenty-four hours of precious time?—A. Very true, but I had some other things to attend to.

Q. And you cannot tell me whether it was in the morning or afternoon of the 2nd that you received notice that Geddes had returned?—A. No.

Q. When did you first learn that Russell had been appointed?—A. I think it was some time during the day of the 3rd.

Q. That is before you left?—A. Before I left I knew he was appointed.

Q. Who told you?—A. I cannot say as to that, I am not clear on that detail.

Q. Don't you recollect talking it over with Russell?—A. I think I did with Mr. Rogers. My recollection is that Mr. Russell was not then home, but I am not positive on that.

Q. I think you said that you thought he returned to Toronto on the 3rd, and the train gets into Toronto around seven o'clock in the morning?—A. Yes.

Q. If it got there at seven o'clock in the morning, Mr. Russell would in all probability be at the company's office many hours before you left?—A. I cannot say as to whom I got that information from, but it came on the 3rd of September that Mr. Russell had that position.

Q. It was a very important appointment?—A. So far as Mr. Russell is concerned, yes.

Q. It was a matter of some kudos that he should be appointed to make large purchases like that?—A. Yes.

Q. And you were interested in Mr. Russell's progress?—A. Yes.

Q. Is it not altogether likely he would have told you about it?—A. It is possible if he had been at the factory. I know I got the information that day.

Q. It would be somewhat of an event, Mr. Russell receiving such an appointment?—A. Yes.

Q. That being so, would it not fix it in your memory as to whether you did discuss it with Russell and Rogers?—A. My recollection is not clear on that, I cannot say. I would not make any statement on that. There is one thing I am quite clear on, as far as any discussion is concerned, and that is absolutely that there was no discussion whatever with Mr. Russell on that day relative to the Kelly-Springfield.

Q. On what day?—A. The 3rd of September.

Q. Where?—A. At our factory.

Q. That being so, you must have seen him?—A. Not necessarily.

Q. You three men together in the one factory would be altogether likely to meet?—A. It is possible.

Q. Especially after Mr. Russell had received such an important appointment?—A. It is possible, but not altogether probable.

Q. You say that it was a very important appointment, and cannot you recollect as to the discussion you had with him?—A. There was no discussion at all took place on that day.

Q. Are you sure about that?—A. Absolutely.

Q. At any rate you say there was no discussion between you and Russell?—A. Absolutely none.

Q. You went apparently and saw Mr. Geddes?—A. Yes, sir.

Q. Did you close with Geddes at Springfield?—A. On the selling proposition only, covering the agency.

Q. What do you mean by that?—A. In other words, that he agreed to give us the agency for his trucks in Canada, but he would not give me a definite answer on the assembling proposition.

Q. Are you sure about that?—A. Absolutely.

[Kelly Motor Trucks, Bicycles—Burt.]

Q. Did you hear what Geddes said?—A. That is what he said.

Q. Are you sure?—A. Yes.

Q. You say that Geddes appointed the Russell Company selling agents for Canada on the occasion on which you saw him in Springfield on the 4th?—A. Yes, sir.

Q. Did you leave Mr. Geddes at Springfield or did he return with you?—A. I left him there and came back that night and he agreed to come up the next day.

Q. You left the night of the 4th?—A. I left him the night of the 4th.

Q. Did he meet you in Toronto?—A. He met me in Toronto on the morning of the 6th.

Q. Why did he go to Toronto?—A. He came to Toronto to discuss and try to complete the assembling and manufacturing proposition.

Q. Did you agree to anything?—A. It was not possible to complete the agreement, because Mr. Geddes would not have the figures showing the cost of his various units, and before getting that he wanted to ascertain just how much we wanted to manufacture and what our program would be.

Q. Now, Mr. Geddes says at page 1025 (typewritten numbers):

They wanted to become our agents for Canada. He wanted to go into a working agreement that we would supply parts, the shipments to Canada to be assembled into trucks. That, with the agency for any trucks they might want to take in before they could start with the parts. This was a long-distance talk first from Detroit. Mr. Burt was in Detroit, he afterwards came to the factory.

Q. When?—A. I should say about two days after that, probably the fourth. I went into the matter a little bit with him, but not as regards prices. That was put too, after consideration. We would go further into it later to see how we could work it out. In the meantime, I gave the Russell Motor Car Company the agency. Then I went down on the following Sunday, which was the 6th, I believe, to Toronto, and met Mr. Rogers, who is the Assistant Manager of the Company.

Q. Of what company?—A. Of the Russell Motor Car Company.

Q. Just before you proceed—did you inform Mr. Burt that his company would be the agent of the Kelly Company on the 4th of September?—A. Until that we could thresh out the basis of manufacturing in Canada—temporarily.

Q. Did you on the 4th of September temporarily appoint him your sales agent in Canada?—A. No, it was not until the following Sunday, I think.

Q. About what date would that be?—A. The sixth, I presume. That is, I gave him to understand that we would give him the agency and sell him on an agency discount, on the fourth.

Q. When you referred to appointing him agent, did you mean that you would appoint him your sales agent in Canada?—A. Our sales agent in Canada.

Q. That would be what date?—A. September 4th.

Q. About what date was it that you went to Toronto?—A. The sixth.

Q. Did you confirm the agency on that date?—A. No, we made no change for the reason that I had no figures, no cost figures, and as I am not an engineer I could not go into the manufacturing data, so that we did not get very far. However, I met Mr. Russell that day, and he told me that if I wanted to supply Canada with any trucks that I would have to give an instant demonstration, almost. I got a truck over there and demonstrated it to him on Tuesday.

Q. What date?—A. About the 8th of September, I presume. That was all I did, and that was all I had to do with Mr. Russell. My transactions were always with Mr. Burt first, and then with Mr. Rogers.

Q. What further discussion did you have with Mr. Burt?—A. Mr. Burt was going to come to Springfield to go into the detail of manufacturing. He thought that they could purchase parts to manufacture the products here. I was not willing that they would, for the reason that we were still responsible for the Kelly truck, and if any parts that went into them were not up to our standard, it would of course affect the name of our product.

[Kelly Motor Trucks, Bicycles—Burt.]

Q. After the Russell Company were appointed agents, did they purchase trucks from you?

Sir CHARLES DAVIDSON: Have you reached the point that they were appointed agents?

Mr. THOMPSON: He said, tentatively.

Sir CHARLES DAVIDSON: That was on the 4th.

The WITNESS: That was all the arrangement there was. There was no written contract in the matter, and it stood that way until finally our company turned down the proposition of allowing them to be agents, and assembled the trucks here.

By Mr. Thompson:

Q. But did you turn down their agency with regard to selling your trucks in Canada?—A. The whole thing was cancelled.

Q. When was that?—A. I should say about the first part, or it may have been as late as the middle of November.

Sir CHARLES DAVIDSON: In the meanwhile, they were your agents for the sale of the entire truck?

The WITNESS: Yes, for the assembled truck.

Mr. THOMPSON: That was under the tentative arrangement?

The WITNESS: Yes, sir.

Q. You had a tentative arrangement on the 6th?—A. No, sir.

Q. When?—A. The 4th.

Q. And you say that the reason Geddes went down to Toronto was to discuss the assembling proposition?—A. The assembling and manufacturing proposition.

Q. Did they give you any reason for cancelling the agency later on?—A. The agency proposition was of no interest to us alone. We were tremendously more interested in the assembling and manufacturing proposition, and that part was really what fell through, and that made the other one go through too, because we were not interested.

Q. Surely you were interested. How many Kelly-Springfield trucks did you sell to the Government?—A. Twenty-five.

Q. What was your commission on each truck?—A. Do you mean the discount?

Q. What was your commission?—A. Twenty-five per cent.

Q. What did that amount to in dollars and cents?

Sir CHARLES DAVIDSON: Did you get twenty-five per cent?

The WITNESS: We allowed the Government ten per cent, we got fifteen per cent.

By Mr. Thompson:

Q. I asked you what you got on the trucks sold to the Government; you got twenty-five per cent and allowed ten per cent?—A. We really got fifteen per cent net.

Q. On a truck costing how much?—A. \$3,400.

Q. That would be between \$500 and \$600 on selling each truck would it not?—A. About \$510.

Q. Do you wish us to understand that \$510 for a truck is of so little import to your company that the agency was of no service to you on these terms?—A. That was not our object in going into it.

Q. You said you were not interested in the selling agency?—A. No, if we could not have the manufacturing, because we had a big factory to run.

Q. Could you not make anything out of the selling agency?—A. We wanted to run our factory and that was of no interest to us unless we got the manufacturing.

Q. Did you ask the Kelly Company to cancel the selling agency?—A. I could not say as to that, the main point with us was the assembling.

Q. If the selling agency was of no interest to you, why did you accept it all?—A. Do you mean in the beginning?

Q. Yes, because Mr. Geddes in the beginning gave favourable comment to our assembling and manufacturing proposition.

Q. Did you tell Mr. Geddes that the selling agency was of no import to you?—A. No.

Q. Did you tell him you would not take the selling agency unless you had the assembling agency?—A. The question did not arise. I discussed both points, which were acceptable to him at that time.

Q. Is that quite correct?—A. As far as the discussion went, yes, without giving details.

Q. It ran along for some time, did it not—the agency as regards selling ran along for some time, because Geddes says it was only a tentative agency?—A. That is his view, but I did not consider it as such.

Q. The selling agency ran along for some time?—A. Yes.

Q. Did you keep pressing for the assembling proposition to be closed?—A. Yes.

Q. By letter?—A. I cannot say as to that. We had several interviews, he came to Toronto after that and discussed the assembling.

Q. When did he come to Toronto?—A. I cannot say as to that.

Q. How could I find out as to that?—A. We could possibly give you that information.

Q. Because you see, Mr. Burt, you have your dates down and your details down, very accurately, on the 22nd of August, and during the critical days of the 2nd and 4th of September and including the 8th of September, after you placed the order with Mr. Geddes for the trucks, but you have not got the details with regard to the assembling proposition, which you say was the most important item to your company?—A. Absolutely the most important.

Q. Can you give us any information as to that, can you explain why you have all these details as to the selling agency, which was of no importance, but that you have no details as to the assembling agency, which was of prime importance to your company?—A. Well, I have simply tried to give you the dates at the beginning when the negotiations were under way, up to the time that I went to Springfield and completed the agency proposition, and discussed the assembling. Then Mr. Geddes came up and verified the arrangement he had made with me, and then we gave the order for the trucks. That goes that far.

Q. Yes, and your evidence is very definite with regard to the selling agency but not with regard to the assembling agency, which appears to have dropped out of sight once you got the selling agency, but yet you state now that the selling agency was of no importance to you although it amounted to \$500 a truck?—A. We had a letter from Mr. Geddes on September 12th, appertaining to this assembling proposition.

Q. Yes, and roughly speaking what did he say then?—A. He says he finds, on going into the matter thoroughly, that there will be a great deal of office work and other work necessary which they would have to be at the expense of, paying for the parts in advance and shipping to the various places, and completing the parts for assembling, and unless our requirements were to be in the hundreds he did not see how it would pay to go into the matter in this way.

Q. He evidently was not very much impressed with the proposition when he met you on the 6th September, because he did not close with you?—A. He was impressed to the extent that he was perfectly willing next day to leave his business and come to Toronto to discuss it.

Q. On the 6th of September he met you in Toronto?—A. Yes.

Q. And he was not very much impressed with the proposition at that time apparently?—A. He gave us the impression at that time that he was.

Q. And he followed it up on the 12th, and evidently he was not impressed then, is that so?—A. He winds up this letter by saying:

It seems to me after thinking the thing over that the best plan would be for us to furnish you with all the assembled units which make up a complete
[Kelly Motor Trucks, Bicycles—Burt.]

chassis. In handling it in this way, quality would be of no great importance in handling and purchasing of material to be nothing additional.

Q. Was that satisfactory to you?—A. It was not, because we wanted to get some of the manufacturing of the parts; we were not particularly interested in doing the assembling only.

Q. Did you write to him to protest against it?—A. He said he would be pleased to go into the matter fully further at any time.

Q. Did he?—A. After that there was further discussion on this same subject.

Q. With whom?—A. With Mr. Geddes.

Q. Mr. Geddes and whom else?—A. I cannot say as to that; I have not that detail.

Q. You do not know if there was much discussion, do you?—A. I do.

Q. How?—A. I believe that there was.

Q. I do not ask for your belief; you do not know of your own knowledge?—A. I notice it was turned down later by his board of directors?—A. I know that, because he stated it here?—A. I have not the date because I have not the letter.

Q. Were the negotiations continuous from the 9th of September until along in November?—A. So far as I know they were.

Q. Your correspondence would show?—A. I have not got it here.

Q. Your company were appointed their agents by the Jeffery Company, I think?—A. Yes.

Q. When was your company appointed agents by the Jeffery Company?—A. I have no dealings whatever in connection with that, I can give you no information as to that.

Q. Is there any one here to speak as to that?—A. Mr. Bill of the Jeffery Company is here, and can speak as to that.

By Mr. Thompson:

Q. There were a couple of bicycles produced here yesterday, Cleveland bicycles, and I ask you now to look at them?—A. Yes, I see them.

Q. One is a 24-inch and the other a 22-inch frame?—A. Yes.

Q. Are the prices the same?—A. Yes.

Q. It is the standard bicycle made by your company?—A. Yes.

Q. And it corresponds in every respect with the bicycle supplied to the Militia Department, with the exception of the colour and the accessories?—A. And the extra equipment.

Q. But the bicycle itself is identically the same?—A. Yes.

Q. There is no structural difference, is there?—A. No, sir.

Q. Do you know anything about the price at which these bicycles now before you are sold by your company?—A. Yes.

Q. Is that part of your department?—A. It is not part of my department. The mechanical construction I am thoroughly familiar with.

Q. With regard to the mechanical construction I ask you if you examined the military bicycle which you see in court and also the commercial bicycle?—A. Yes.

Q. And you say that structurally they are identically the same?—A. Yes, they are our wheels.

Q. And they are made by the Canada Cycle Company?—A. Yes.

Q. And you say that the commercial bicycle now in court is identical in every respect with the bicycle supplied to the Militia Department, with the exception of the accessories and the colour?—A. Yes, I include the equipment in the accessories.

Q. Yes, but the point I lay great stress on is that structurally they are identical?—A. Yes.

Q. One of the commercial wheels here has a wooden rim and I understand the military bicycle has a steel rim?—A. Yes.

Q. But I lay most stress on this point that structurally they are identical?—A. Yes.

Q. Do you know the list price of the Kelly-Springfield truck?—A. The three-and-a-half-ton truck?

Q. The one that was supplied?—A. The three-and-half-ton truck is \$3,400.

Q. What is the Kelly price at ten per cent discount?—A. \$3,060.

Q. Do you know what the Russell Motor Car Company price to the Government is?—A. I do not.

Q. If I told you would you recognize the figure?—A. No, sir, I had nothing to do with that.

Sir CHARLES DAVIDSON: You did state, Mr. Burt, that you bought at a discount of twenty-five per cent, and that you allowed the Government ten per cent, retaining the fifteen per cent?

The WITNESS: I understood that that was the arrangement.

Sir CHARLES DAVIDSON: Is that correct?

The WITNESS: I believe it is.

Sir CHARLES DAVIDSON: Is it quite correct?

The WITNESS: As far as I know, yes, sir.

Sir CHARLES DAVIDSON: You got nothing more than the twenty per cent discount?

The WITNESS: No, sir, absolutely no.

Sir CHARLES DAVIDSON: You did not get ten per cent of that?

The WITNESS: No, our discount on the order we placed was on the basis of twenty-five per cent. The difference may be accounted for by extras, or something of that kind. I am not familiar at all with the invoices, or whether they covered extras or something of that kind.

Sir CHARLES DAVIDSON: At page 707 of the evidence (stamped paging), Mr. Russell said, with reference to military bicycles:

Not only has the bicycle to be enamelled of a different colour, but the handle-bars which are nickel, and the lamps which are nickel, and the cranks, and all the different equipment had to be enamelled, and the cost of that was \$3.47.

Look at the military bicycle supplied by you now in court, and point out where it was enamelled?

The WITNESS: This bicycle is enamelled all over.

Sir CHARLES DAVIDSON: Is that green paint enamel?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Colonel Thomas, what was your statement yesterday as to that?

Colonel THOMAS: It is not baked on, it washes off.

Sir CHARLES DAVIDSON: Would the witness state if that is baked-on enamel?

The WITNESS: No, it is air-dried.

Sir CHARLES DAVIDSON: Are you aware that that would wear off at once?

The WITNESS: Any enamel that is coloured, outside of black, will do that.

Sir CHARLES DAVIDSON: Even if baked in?

The WITNESS: I cannot say as to that.

Sir CHARLES DAVIDSON: That is paint, air-dried, is that your statement?

The WITNESS: I am not positive as to that.

By Mr. Thompson:

Q. You stated you had to do with the mechanical department, and I want you to make yourself certain as to that?—A. The reason I am not positive on this particular one is because it is done both ways.

[Kelly Motor Trucks, Bicycles—Burt.]

Q. I want to ascertain which method it is done by, can you not test that?

Sir CHARLES DAVIDSON: Colonel Thomas, you say this is not baked on?

Colonel THOMAS: If it were baked on it would not brush off.

Sir CHARLES DAVIDSON: What will wash that off?

Colonel THOMAS: Ordinary gasolene.

Sir CHARLES DAVIDSON: Could you remove enamel with gasolene?

Colonel THOMAS: Not if it is baked; the black enamel underneath is not affected by it.

The WITNESS: I can ascertain that for you.

Sir CHARLES DAVIDSON: Take that lamp and show it to the witness?

The WITNESS: I would say that is air-dried enamel.

By Mr. Thompson:

Q. Is that a proper expression to use; that means paint air-dried?—A. Paint and enamel are two different ingredients. Enamel is a paint.

Sir CHARLES DAVIDSON: Enamel is a paint, but I have always understood, and I think everybody understands, that when you speak of enamel you mean something that is baked in; is not that so?

The WITNESS: Not always, because there is a lot of enamel work that is not baked.

By Mr. Thompson:

Q. How is the back frame there, is that enamel or paint?—A. Enamel.

Q. Is it baked on or painted on?—A. Baked.

Q. Then there is a distinction between the black rim which we have in court and the military green bicycle on which the paint is air-dried?—A. I am not positive it is air-dried, but I can give you that information this afternoon.

Q. Can you not do it by testing it in court?—A. I can phone to the factory.

Q. Oh, no, you are an expert and I would like to have the test here?—A. I cannot do that.

Q. Why?—A. It would not prove anything to me.

Q. Could you not do it by rubbing it with gasolene?—A. That would not prove anything to me.

Q. But you will observe, will you not, that the black frame, with the baked-on enamel, will not be affected by the gasolene and the green paint on the military bicycle will be affected; would not that indicate something to you?—A. No.

Q. As an expert in your factory in your mechanical department, are you not aware of the difference?—A. Well, I am not going to make a statement that it is baked or that it is not baked, when I do not know.

Sir CHARLES DAVIDSON: What about the black bicycle?

The WITNESS: The black one is baked.

Sir CHARLES DAVIDSON: And you have already committed yourself to the statement that in your opinion the other was air-dried paint?

The WITNESS: Yes, that is my opinion.

By Mr. Thompson:

Q. Do you, as an expert, know of some practical test which would inform you as to whether the green bicycle is baked on or air-dried?—A. I cannot give you that information.

Q. Do you not know some practical test as an expert?—A. No, not in colours.

Q. Never mind the colours?—A. There is all the difference in the world between green and black in durability.

Q. That is not the point?—A. I thought that was the point.

Q. No, I want to know whether you cannot apply in court some practical test which would inform you as to whether the green enamel on the bicycle in court is baked-on or air-dried?—A. I cannot do it.

Q. You do not know of any test like that?—A. No.

Q. And you are an expert, you say?—A. Yes.

Sir CHARLES DAVIDSON: How is the nickel put on, is that baked in?

The WITNESS: That nickel was all polished off and this enamel put on over it.

Sir CHARLES DAVIDSON: I know, but how was the nickel put on originally?—A. That is done in a bath by an electrical process.

Sir CHARLES DAVIDSON: And you say that nickel was scraped off?

The WITNESS: Yes.

By Mr. Thompson:

Q. Look at the pump on the military bicycle; what do you say as to that?—A. That was not scraped off; you asked me, I thought, about the nickel on the handle-bars.

Q. I asked you specially as to the air pump?—A. The air pump is not baked on.

Q. At page 706 of his evidence, Mr. Russell said that the nickel had to be scraped off and the rims re-enamelled?—A. That was on the rims.

Q. I do not know whether it was on the rims or on the pumps. I understood him to speak of two different things, of nickel, where there was nickel, that it had to be scraped off and re-enamelled, and then the rims had to be re-enamelled, too?—A. The rims were nickel and the handle-bars were nickel and had to be scraped off, and the pump apparently is nickel and was not scraped off, on this that I have here. That pump, I think, is a little different proposition, because the metal is very thin; that is an article that is purchased, of course.

(After an examination of the bicycle.)

Mr. THOMPSON: The witness says that in the military bicycle now produced the sprocket gear has never been buffed or nickel-plated.

By Mr. Thompson:

Q. Look at the black frame and tell us whether the sprocket wheel on this frame is nickel-plated and buffed?—A. Yes, sir, they are supposed to be all polished and buffed before they are completed. I think perhaps this was one of the last models that was not nickel-plated.

Q. You are pointing now to the green military bicycle?—A. Yes.

The witness retired.

LEWIS H. BILL, of Kenosha, Wisconsin, Assistant General Manager of the Jeffrey Truck Company, sworn.

By Mr. Thompson, K.C.:

Q. What is your occupation?—A. Assistant General Manager of the Thomas B. Jeffrey Company, Kenosha, in fact I am the General Manager.

Q. Did you, at any time, appoint the Russell Company agents for the Jeffrey truck?—A. We did.

Q. When?—A. At this point I want to say that I only received a telegram and one letter to come here, and I had no chance of bringing data, and can only say we made a contract, and to the best of my belief it was during the latter part of August of last year.

Q. Why do you think that?—A. That is my approximate recollection.

Q. And you cannot speak definitely as to that?—A. I cannot.

Q. It may have been September?—A. Yes.

Q. It might have been the 5th of September?—A. Possibly, I have no correspondence here about it.

[Motor Trucks—Bill.]

Q. Can you state definitely that the Russell Motor Car Company were some time last year appointed your agents?—A. Oh yes, certainly.

Q. Is the Russell Company still agents for your company?—A. They are. We made a contract with them covering one year, with the privilege of renewal for one year, and at the expiration of that time for one year more, anticipating a period of three years.

Q. I presume you allow the Russell Company a discount on the trucks that they sell?—A. Yes.

Q. Have you any objection to say what the discount is?—A. Fifteen and ten.

Q. Was that discount of fifteen and then ten after the discount has been deducted?—A. Fifteen and then ten after the fifteen has been deducted.

Q. That is not so great as a twenty-five per cent discount?—A. No.

Sir CHARLES DAVIDSON: The difference is one and a half per cent?

The WITNESS: I think it figures out twenty-three and a half per cent.

By Mr. Thompson:

Q. Have you paid any other commission to any other person in respect to the trucks purchased by the Russell Company?—A. I hardly know how to answer that question. It cost us some money to get out of trouble on account of a misunderstanding as to a supposed contract, which did not exist. We had to pay a penalty to get out of a lawsuit.

Q. Was that in respect to these identical trucks?—A. The agent claimed a commission on these trucks.

Sir CHARLES DAVIDSON: And a very substantial amount it was.

The WITNESS: We certainly considered it a very substantial amount, but our company never had a lawsuit during its existence, and we would sacrifice a good deal before entering into one.

By Mr. Thompson:

Q. Did you promise to pay, directly or indirectly, any commission or sum of money to any Government official?—A. None whatever.

Sir CHARLES DAVIDSON: Or to any person else?

The WITNESS: None whatever; we had no communications in that respect at all.

By Mr. Thompson:

Q. Who approached your company from the Russell concern to be appointed your agents?—A. Mr. Russell.

Q. Personally?—A. Yes.

Q. In the States?—A. He came to our factory.

Q. Could you give the date?—A. I could give the date by sending an affidavit after I got home.

Mr. THOMPSON: Will you do so?

The witness retired.

Mr. THOMPSON: I have here the invoice of the Russell Motor Car Company for the Kelly-Springfield three and a half ton truck, and it is ten per cent off list price, which would make \$3,060, whereas the invoice which I now have in my hand, furnished by Mr. Brown, shows that the price charged to the Government was \$3,105, but that included the top.

Sir CHARLES DAVIDSON: That explains the discrepancy; I remember that the top was mentioned.

Sir CHARLES DAVIDSON: Is there anything further, Mr. Thompson?

Mr. THOMPSON: No, sir.

Sir CHARLES DAVIDSON: I understood Mr. Russell was to be here to-day.

Mr. THOMPSON: There was some miscarriage in the mail. I have a letter written on the 17th from Mr. Russell, evidently not posted in Toronto until the 20th, and it has just reached me to-day.

Sir CHARLES DAVIDSON: Did you request his attendance here to-day?

Mr. THOMPSON: Last time he was here I told him to be here on Tuesday unless I wired him to the contrary. I wired him yesterday that we were going to sit to-day.

Sir CHARLES DAVIDSON: Your first notification to him was to be here yesterday?

Mr. THOMPSON: That was when he left here.

Sir CHARLES DAVIDSON: He was to have been here yesterday?

Mr. THOMPSON: Mr. Burt says he is ready to come any time. He thought that the commission would be sitting here for some days, and he would come just before the close in order to make a final statement.

Sir CHARLES DAVIDSON: I suppose, then, if the commission now adjourns until a later date, any matter of importance which you have on hand will be brought up?

Mr. THOMPSON: Yes, sir, before we formally adjourn.

BINOCULARS—AFFIDAVIT OF MR. ELLIS.

Mr. THOMPSON: I wish, sir, before the Commission adjourns, to bring to your notice a declaration I have received from Mr. M. C. Ellis. There was one question I omitted to ask Mr. Ellis, on the point as to whether his company had divided their commission with any other person. Mr. Ellis furnished a statutory declaration as follows:—

Province of Ontario,
County of York,
To Wit.

In the matter of the Investigation
in regard to Binoculars being
held by the Royal Commission
at Ottawa.

I, MATTHEW CAIN ELLIS, of the City of Toronto, Manufacturer, do solemnly declare:—

1. That I am vice-president of P. W. Ellis & Co., Limited, and took personal charge on behalf of my firm of the purchase of binoculars supplied to the Militia and Defence Department.

2. That the only profit received by my firm on the purchase of binoculars for the Militia and Defence Department was ten per cent upon the actual cost. That my firm purchased the goods at the very lowest price which they could possibly obtain and the Militia and Defence Department got credit for every rebate, allowance and discount of every nature and kind. That no part of the commission or profit of ten per cent which my firm obtained was paid to any official, person or firm whatsoever, and no promise was ever made to any official, person or firm that such would be done, in fact, no request was ever made to my firm by any official, person or firm that they should receive any part of our commission or profit. That I caused to be delivered to the Government the original invoices received from all persons, firms, or corporations from whom we purchased the binoculars, and such invoices show the actual transaction between my firm and such persons, firms and corporations.

3. That I have disclosed to the Department of Militia in the fullest manner possible, by invoices and by letters, the actual condition of the purchase of binoculars in every respect, and I have not withheld any information bearing upon all transactions between my firm and the Department of Militia. I have

not made nor have I been asked to make any promise to give any part of the profit made by my firm to any other person, firm or corporation nor is there any private understanding between my firm or any member of the firm that any consideration will ever be given to any person, firm or corporation in connection with the purchase of binoculars.

And I make this solemn declaration, conscientiously believing it to be true, and knowing that it is of the same force and effect as if made under oath and by virtue of the Canada Evidence Act.

Sgd. M. C. ELLIS.

Declared before me at the the City
of Toronto, in the County of
York this 7th day of June,
1915.

Sgd. D. FASKEN,
A Commissioner, etc.

I think this affidavit will cover the only point that Mr. Ellis was not examined on. The Commission then adjourned.

SUMMERSIDE, P.E.I., July 29, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

At the sitting of the Commission:

Sir CHARLES DAVIDSON: What business will you take up here.

Mr. THOMPSON: I purpose investigating the purchase by Major Anderson, at Summerside, through W. B. McNeill, of eighty-one horses. I had an advertisement inserted in the local papers to the effect that the sittings of the Commission will be held here, and that you, sir, would hear any matters that came within the scope of the investigation.

Sir CHARLES DAVIDSON: Read the notice.

Mr. THOMPSON read the advertisement, as follows:—

ROYAL COMMISSION.

The undersigned commissioner, appointed under the provision of Chapter 104 of the Revised Statutes of Canada, and amending Act, commonly called the Enquiry Act, to enquire into the purchase by and on behalf of the Dominion of Canada of Arms, Munitions, Implements, Materials, Horses, Supplies and other things for the purpose of the present war, and as to expenditures and

payments made or agreed to be made therefor, hereby give public notice that the sittings of the Commission in Summerside will be commenced in the Court House, Summerside, on Thursday, the 29th day of July, at 10.30 o'clock a.m., and that he will hear the representatives of any parties who may desire to appear or give testimony concerning the matters into which he has been appointed.

C. P. DAVIDSON,
Commissioner.

W. H. McKIE, Manager of the Bank of Nova Scotia, Summerside, P.E.I., sworn:

Examined by Mr. Thompson, K.C.:

Q. I understand that Mr. W. B. McNeill, at Summerside, has an account in your bank?—A. He has.

Q. Will you produce a statement of his account?—A. I have it here.

Q. Has he more than one account?—A. No, just one.

Q. Do you know whether he has an account in any other bank?—A. I do not know.

Q. That is, not to your knowledge?—A. It is not, to my knowledge.

Q. Would you look at the ledger statement and tell me what his average balance was in August of last year?—A. No, I cannot.

Q. Does not the ledger statement show that?—A. To do that I would need to get down each individual balance and divide it by the number of days in the month.

Q. I do not want exactly that?—A. He had, as a rule, from \$100 to \$300, or \$400, or \$500, or \$600 at his credit and sometimes the amount was overdrawn.

Q. Would about \$200 be a fair average?—A. I think it would, yes.

Q. Let us turn to your ledger statement for the month of August of last year; on the first of August what was the balance?—A. He had \$232 to his credit.

Q. Then, does it vary much from that date down to the 22nd of August?—A. On the 22nd of August the account was overdrawn.

Q. By how much?—A. \$175.

Q. How did it stand on the 24th of August?—A. At the close of business, on the 24th of August, he was overdrawn \$1,004.

Q. Had he made an arrangement with you to overdraw to that extent?—A. Yes, he called in to see me.

Q. What did he say?—A. He told me he was buying some horses in connection with military purposes, and that a cheque from the Government would be along shortly, and that if any cheques came in in the meantime to honour them.

Q. On what day did he tell you that?—A. I cannot place the exact date; it would be some time in that vicinity.

Q. Would it be about the 22nd of August?—A. Yes, I should judge so from the ledger.

Q. Again let us go back to the first of August; up to the 22nd of August does his account appear to be normal between these dates?—A. Yes, it appears to be normal.

Q. On August 3rd there was a cheque for \$450; can you identify that cheque?—A. No, I cannot.

Q. That would be before the declaration of war?—A. Yes.

Q. There was very little doing, therefore, between the bank and McNeill, between the 2nd of August and the 14th of August; is that so?—A. Yes.

Q. Practically there were no cheques issued?—A. None but small ones.

Q. Then, on the 14th of August, what do we find?—A. He has issued a cheque for \$467.76.

Q. Does that leave him overdrawn?—A. That leaves him overdrawn \$188.

Q. Do you know what that cheque was for?—A. No, I do not.

Q. Then he was overdrawn apparently from that date for some time?—A. Until the evening of the 26th of August.

Q. What did he deposit then?—A. \$3,800.

[Summerside, P.E.I., Horses—McKie.]

Q. Do you know what that was for?—A. Yes, I do.

Q. What was it for?—A. It was a cheque issued by the Remount Department in his favour for two separate amounts, totalling \$3,800.

Q. Before we proceed further, I would ask you: do you say it would be probably about the 22nd of August that he stated he was purchasing horses for the Government?—A. I judge so.

Q. Because, if you look at the ledger statement you will see that about that time he began to be more heavily overdrawn; is not that so?—A. Yes, about that time he commenced to overdraw for what I understood was horses he was purchasing.

Q. On the 22nd of August he was overdrawn how much?—A. \$175.

Q. And two days later, namely, August 24th, what was he overdrawn?—A. His maximum overdraft, on the 24th of August, was \$1,004.

Q. It ran up from \$582?—A. Yes.

Q. I find here in this ledger statement a number of cheques issued against this that are merely numbered; for instance, on the 22nd of August, in the cheque column, that is where the particular cheques are issued, I find: \$662, \$325, \$703, \$336, etc., whereas, in other places, the names of those to whom cheques were issued appear. How do you explain that?—A. Where the cheque shows a number we place the number in the particular column for convenience sake; where the cheque does not show the number we place, as a rule, the surname of the payee.

Q. Do you, in any case where cheques have a number, insert the name of the payee?—A. No, not as a rule.

Q. That is the practice?—A. Our practice is to put the number of the cheque.

Q. In each case?—A. Yes.

Q. Have you done that in the case of the rest of his bank account?—A. Yes, all through.

Q. What further cheques did he receive from the Government in respect to his account?—A. On the 1st of September, he received a cheque for \$12,154.

Q. Were there any further cheques?—A. On the 5th of September there was a further cheque for \$3,475.

Q. Is that the last one?—A. That is the last one.

Sir CHARLES DAVIDSON: What is the total of your receipts?

The WITNESS: The total is \$18,429. The separate amounts making that up were: \$3,800 on the 22nd of August on the 1st of September, \$12,154, and then \$2,475, making a total of \$18,429.

By Mr. Thompson:

Q. Then, when the last cheque was received, how does the account stand?—A. At the close of business, on the 5th of September, he had \$2,615 to his credit.

Q. What does the account stand at the end of September?—A. At the close of September, he had \$968 to his credit, I am omitting the cents.

Q. What do you find on the 24th of October is the balance?—A. On the 24th of October there was \$588 at his credit.

Q. What do you find on the 30th of October?—A. The sum of \$108 remaining at his credit.

Q. And on the 2nd of November what do you find?—A. The sum of \$15 remaining on credit.

Q. Can you explain to me what these withdrawals were for?—A. I cannot.

Q. The cheques are all by numbers, are they not?—A. They are practically all by numbers.

Q. What is this name I see here on the 25th of September?—A. Gowlie.

Q. Who is Gowlie?—A. He is a druggist.

Q. That is the only small amount drawn?—A. Yes.

Q. Did you make McNeill offer any security or did he offer you any security when he spoke to you in August about overdrawing his account?—A. He did not.

Q. Were there any further particulars you can give us with regard to his conversation with you when he asked you for an advance?—A. Well, as nearly as I can

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recollect he told me that he was buying horses for military purposes, and that if his cheques came in to the bank before he received a Government cheque in payment of the horses, to honour the cheque and that a cheque would be along from the Government very soon.

Q. Did he tell you who was paying him?—A. He did not.

Q. Did he tell you who he was buying for?—A. No, he did not.

Q. Did he give you any particulars of the purpose for which the horses were required other than that they were required for military purposes?—A. No, none.

Q. Did he give you voluntarily any further information than that he was buying them for military purposes?—A. No further information than that he was buying them for military purpose.

Q. Did you not ask him who was to pay him?—A. No, I understood he was to get a cheque from the Department of Militia, but he was buying the horses for military purposes, and that, to my mind at the time, covered all the particulars I would want to know.

Q. That information you have given us now is all the information you gathered from McNeill when he called to see you?—A. Yes, from general conversation I had with him.

Q. Did he say the department would send him a cheque, or did you infer that?—A. I inferred that the department would send a cheque.

Q. Did he say he had been commissioned to buy horses?—A. No, I cannot swear that he did. My impression was that he was buying the horses for military purposes, and whether he was commissioned to do so or not I do not know.

Q. About what time in August do you fix the date of that conversation?—A. I fix it by his accounts here.

Q. That would be about what date?—A. That would be about the 22nd of August, 1914, I would judge by his account.

Q. That would appear to be about the date on which the first cheques were issued for military purposes?—A. I would judge so by the accounts, but I cannot say for sure.

Q. Did he tell you what he was receiving for his horses?—A. No, he did not.

Q. Did he tell you that he expected to make a profit out of them?—A. No, he did not.

Q. Did he say he was asking any commission?—A. No, he did not.

Q. He merely told you that he was buying horses for military purposes?—A. Yes.

Q. And that he would receive a cheque for the value of the horses?—A. Yes, that covers the whole ground.

Q. Were any cheques issued by McNeill after the beginning of August?—A. Yes, quite a number.

Q. Just a minute—after the beginning of August, did his account appear to you to be unusual other than, of course, these large cheques for horses?—A. No; I do not know exactly what you mean. I recollect one instance in which he made a payment to a lawyer.

Q. Of how much?—A. \$500.

Q. When?—A. During the last month or six weeks; I cannot determine accurately the date.

Q. What was the amount of that cheque?—A. \$500.

Q. Did he tell you for what purpose that was paid?—A. Yes, he did.

Q. What did he say?—A. He told me he was making a payment on a property.

Q. Did he tell you what property?—A. I do not know that he did, but I knew the property he had in his mind and so I did not mention it.

Q. Do you know what he was paying for the property?—A. I do not.

Q. Do you know if he made a previous payment on that property?—A. I do not.

Q. There was one cheque for \$1,000?—A. Yes.

Q. And he was overdrawn at the time, or there was not much money to his credit, would you not scrutinize that cheque?—A. He had a credit balance then.

[Summerside, P.E.I., Horses—McKie.]

Q. On what date was that \$1,000 cheque drawn?—A. That was drawn on the 26th of August.

Q. Would that be after he received his first cheque from the Government?—A. Yes, it would; I think the cheque was dated after that.

Q. What do you find on September 1 is the state of his account?—A. It varies at different times during the day.

Q. You say he issued a cheque for \$1,200 on the 1st of September; was he overdrawn at that time?—A. No, he was not.

Q. What had he to his credit when that cheque came in?—A. He had about \$3,000.

Q. Did he issue that cheque for \$1,200 before this other cheque was received, or would it be on the same day?—A. No, I presume that the \$1,200 cheque was issued first.

Q. And paid at your bank first?—A. Yes.

Q. If you had not the \$12,000 cheque in hand, would you not have scrutinized the cheque for \$1,200?—A. Yes, I would, of course.

Q. Do you recollect having done so?—A. I do not recollect that cheque. I do recollect a number of cheques being payable to cash for round amounts.

Q. How many?—A. Two or three.

Q. What would the round amounts be?—A. From \$500 to \$1,000 and possibly that \$1,200 cheque.

Q. Did he explain what he was doing with the money?—A. I understood it was for the purchase of horses.

Q. What horses were purchased by cheques?—A. I do not know how much he drew out in cash, but the large proportion apparently were purchased by cheque.

Q. Did he tell you he had any specific horses that he was buying by cash?—A. No, he did not.

Q. Did he tell you he was buying any horses by cash?—A. To my recollection, he said he would be going through the country and that he would need some cash in the country, and I am of the opinion that he took cash there with him.

Q. And a number of cheques were cashed in banks out in the country?—A. Possibly they were; they came in to us from different points on the Island.

Q. That would indicate that he was buying horses in different parts of the country and that the farmers were accepting his cheques from him?—A. Exactly.

Q. Did he give any reason why in some cases he had to pay cash instead of giving cheques on the local banks?—A. In general conversation he has told me that where he is unknown to the farmers he would have to take cash.

Q. And as they are practically all paid by cheque he is evidently very well known?—A. Yes, I should judge that he is pretty well known.

Q. He must have got to very out-of-the-way places if he had to carry \$500 or \$1,000 in cash to buy horses, that would follow would it not; did you ask him anything about the cheques the vendors cashed?—A. I do not recollect having any particular conversation with him.

Q. Has he ever drawn a \$500 cheque to cash?—A. Yes, he has.

Q. At what date?—A. I cannot remember the date, but at times in going to the country he would call at the bank and take cash.

Q. Was that before August of last year?—A. It would occur any time within the last two or three years.

Q. How much would he take in cash?—A. \$400 or \$500.

Q. How often would that occur?—A. Perhaps once in three months.

Q. Is it a usual practice with him?—A. Yes, it was a usual practice with him to take some cash at all times.

Q. As much as \$500?—A. I would not swear as to the amount, but it would run from \$300 to \$500.

Q. Would he ever have \$1,000 with him?—A. I think not.

Q. Do you remember his buying horses out in the country before August and issuing cheques for them?—A. Yes. I do not recollect it, but I would judge so, because the cheques were coming in from time to time.

Q. That would mean that when he was in the country he would issue a cheque on the local branch?—A. I think he would issue a cheque to the farmer and the farmer would cash it in the nearest bank.

Q. Then it would come into your bank through the clearance?—A. That is it, exactly.

Q. Have you got the cheques?—A. I have not.

Q. What cheques have you got of McNeill?—A. We have from the 1st of January, 1915, down to date.

Q. Have you them here?—A. I have these cheques here.

Q. I would like to see them.

(The cheques were handed over to Mr. Thompson.)

Q. What is this cheque here of January 4, 1915, for \$175 payable to cash, would that be cash to be used in the town of Summerside, do you know?—A. I do not know, I presume he just drew out the cash, I know nothing more about it.

Q. The reason I ask it is because there are so many cheques for the sum of \$175, these appear to be drawn from different cheque-books?—A. They are.

Q. What would that small cheque come from?—A. That is the pocket form of cheque, with numbers on them.

Q. Have not the large cheques all got numbers?—A. The large cheques have all got numbers.

Q. Where are the cheques from August, 1914, to the 1st of January of this year, 1915?—A. The cheques for 1914 were returned to W. B. McNeill.

Q. When?—A. On the 31st December, 1914.

Q. Is that your usual practice, or did he ask for them?—A. That is our usual practice.

Q. On March 4 of this year, 1915, there is a cheque for \$600 payable to the bank?—A. I presume that would be a note that was in the bank.

Q. Do you know whose note that was?—A. Well yes, I think I do.

Q. Whose note was it?—A. It was an accommodation note in the bank with John Grady.

Q. Was McNeill forced to take it up?—A. Oh no, it was joint accommodation.

Q. Did McNeill pay the whole of it?—A. He did, according to the cheque.

Q. What does John Grady do?—A. He is the manager for Gunn-Langlois.

Q. What do they do?—A. They buy eggs.

Q. They are interested in horses?—A. No.

Q. Do they buy horses, do you know?—A. No, I do not think they buy anything but eggs.

Q. These cheques that I have before me, do they cover all the cheques issued by McNeill from the 1st of January down to date?—A. Yes, sir, they do.

Q. And you have none of his cheques in your possession between August of last year and December of last year?—A. I have not. We can determine that accurately in the bank. He signs a receipt when he gets back the cheques.

Q. Will you do that?—A. I will do so.

Q. I have looked through all these cheques and I cannot find that he has issued any cheque at all payable to cash, since the first of January, except one cheque for \$175, and that was early in January?—A. Yes, I judge that to be correct.

Q. How is it that for two or three months of last year he would take \$200 or \$300 or \$500 out to the country for the purpose of purchasing horses, when he does not appear to have done so recently?—A. At intervals he would cash a cheque and take the cash with him, whether he has done so recently or not I do not recollect.

Q. For the last six months he apparently has not done so?—A. Apparently not, according to these cheques.

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Sir CHARLES DAVIDSON: How many cheques in-all has he had during that time?

Mr. THOMPSON: Between 90 and 100, and one cheque is payable to cash, and no more.

By Mr. Thompson:

Q. Can you tell me anything about this amount on June 12, 1915, for \$1,000?—A. That is a note for \$800 with a private party which was renewed for \$800 on joint accommodation in connection with their coal they were buying.

Q. You say it was in connection with coal?—A. Yes.

Q. You know that to be a fact?—A. Yes.

Q. I do not want, of course, to ask you anything that is not connected with the inquiry?—A. With regard to cheques from the country the teller in the bank would know more about these than I would. At odd times, Mr. McNeill has been in the habit of taking cash away with him to the country.

Q. Perhaps he may come up here and let us know about that. Can you tell me how many cheques were payable to cash between the middle of August of last year and the 1st of January of this year?—A. I cannot. According to our books, there are none that give the particulars of being paid to cash.

Q. There is a \$500 cheque, I see?—A. I spoke of my recollection when I said that some of the cheques he had received cash for, but the particulars in our ledger do not show that; they only show the number of the cheque.

Q. That would be from August of last year to January of this year?—A. Exactly.

Q. About how many cheques would there have been in respect to which he received the cash, to the best of your recollection?—A. I would think there were two or three, one possibly cashed in the bank and one or two, I think, cashed outside.

Q. What would be the size of the one or two cheques cashed in the bank?—A. I cannot tell; I would judge that cheque would be about \$500.

Q. You would judge it would be about \$500?—A. I think that one cheque that came in from the outside.

Q. I am referring to the one which he cashed at the bank?—A. The cheque would be about \$500, to the best of my recollection.

Q. Would the cheque which came in from the outside be about \$500?—A. I think so.

Q. Would there be more than three of them?—A. There were more than three, but I cannot accurately determine the number.

Q. There was one cheque for \$500 cashed in town?—A. I understand there was one cheque cashed through Holman for \$500, and that was cashed after hours. I think Mr. McNeill told me he had cashed a cheque on account of the bank being closed.

Q. Did he tell you what he did with the cash?—A. No, he did not.

Q. That would make about \$2,000 that was drawn out by cheques payable to cash?—A. I cannot determine accurately that.

Q. To the best of your recollection?—A. I cannot determine the amount that would be drawn out by cash.

Q. Could the teller in the bank let us know that?—A. Possibly he might. In fact, I do not swear that any was withdrawn from our bank in cash, but I have a recollection that \$500, or some such round amount, was taken out. Mr. McNeill was going away. The recollection I have of the matter is that he told me he wanted to take some cash with him to make payments. Whether this had reference to this specific instance of buying these horses or whether it had reference to some other horse-buying expedition, I cannot tell.

Q. That, of course, would be between August of last year and January of this year?—A. That is what I had in mind.

Q. Here is a cheque in front of you for \$175 payable to cash; you can swear to that?—A. That he took cash with him?

Q. Yes?—A. I cannot swear he did.

Q. But he got the cash?—A. Yes.

Q. At any rate, whether he got the cash or not, you charged up \$175 when this cheque came in, and your teller could tell us exactly what cheques were payable to cash?—A. Possibly he could.

Q. Is the teller in your bank at the present time the teller who was in your bank between August 3 of last year and January of this year?—A. I think he was here, but I cannot tell; they change the boys about a good deal, and I am not sure whether he was here or not.

Sir CHARLES DAVIDSON: How long have you been in the bank?

The WITNESS: I have been here for five years this time.

Sir CHARLES DAVIDSON: You do not recollect when your teller came?

The WITNESS: I do not recollect, but that can be easily established.

By Mr. Thompson, K.C.:

Q. That point you can look up as regards the teller and as to whether you handed McNeill, or any person for him, any cash after August of last year and before January of this year?—A. Yes.

Q. Could you have a transcript made of this ledger statement?—A. I can.

Q. I will not require it before the 1st of August of last year, beginning with the 1st of August and running to the close of the year?—A. I will have that statement prepared.

The witness retired.

LAWRENCE S. DOYLE, veterinary surgeon, of Moncton, N.B., sworn:

Examined by Mr. Thompson, K.C.:

Q. What is your occupation?—A. A veterinary surgeon.

Sir CHARLES DAVIDSON: Have you a degree?

The WITNESS: Yes. A degree of D.V.S.

Sir CHARLES DAVIDSON: What college?

The WITNESS: Ontario Veterinary College.

By Mr. Thompson, K.C.:

Q. You reside in Moncton?—A. Yes.

Q. Were you living in Moncton in August of last year?—A. I was.

Q. How long have you been practising?—A. Thirteen years.

Q. Are you attached to any of the military corps?—A. Yes, the 19th Battery.

Q. Who was in command of the 19th Battery?—A. Major Anderson.

Sir CHARLES DAVIDSON: About how long have you been attached to the battery?

The WITNESS: Eight years, about.

By Mr. Thompson, K.C.:

Q. Major Anderson was instructed to bring his battery up to strength, I presume, when war was declared?—A. Yes.

Q. What were your duties?—A. Do you mean in the battery?

Sir CHARLES DAVIDSON: Were you a commissioned officer?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: You were commissioned as the veterinary surgeon to the battery?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: When?

The WITNESS: I am not sure, but I think it was in 1907; I have been acting as veterinary surgeon for the battery for six years.

[Summerside, P.E.I., Horses—Doyle.]

By Mr. Thompson, K.C.:

Q. Did Major Anderson, commander of that battery, request you to assist him in the purchasing of horses?—A. He did.

Q. In that connection, did you buy horses at Moncton and so on?—A. Yes.

Sir CHARLES DAVIDSON: What does that mean by being "commissioned"; was he on active service then?

Mr. THOMPSON: He is on the strength of the battery.

The WITNESS: I would not be commissioned on active service.

Sir CHARLES DAVIDSON: You would be put on active service pay; you must have been on pay of some kind.

The WITNESS: I was paid so much a horse; I was appointed as inspector of horses after that.

Sir CHARLES DAVIDSON: And you went under pay.

The WITNESS: Then I was put on pay.

Sir CHARLES DAVIDSON: You were first asked by the Major, you say, to assist in purchasing of horses; what was the date of that?—A. Some time in August; I do not know exactly the date.

By Mr. Thompson, K.C.:

Q. You were asked to assist in the purchasing of horses?—A. Yes.

Q. At the time Major Anderson made that request to you, were you receiving any pay?—A. Oh, no.

Sir CHARLES DAVIDSON: But you were to receive so much for every horse you inspected?

The WITNESS: Yes, that is after Major Anderson appointed me as veterinary inspector.

Sir CHARLES DAVIDSON: Were you receiving pay before that?

The WITNESS: I never received any pay except when I went to camp, before that.

Sir CHARLES DAVIDSON: But you must have been under pay when Major Anderson was commissioned to bring his battery up to strength.

The WITNESS: I was not on the strength of the battery then.

Mr. THOMPSON: You were in the 19th Battery for military purposes, and for overseas service you were not in the battery; is that so?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: But you were in the active militia?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: And you had not retired at that time?

The WITNESS: Oh, no.

Mr. THOMPSON: But he was dropped off the strength for overseas service.

The WITNESS: They had to volunteer for that.

Sir CHARLES DAVIDSON: The battery was not ordered out for overseas service.

Mr. THOMPSON: Not as a battery.

Sir CHARLES DAVIDSON: As I understand it, the enlistment for overseas service was purely voluntary; I understand Major Anderson, of the 19th Battery, was ordered to raise a battery for overseas service.

Mr. THOMPSON: I think that is it.

By Mr. Thompson, K.C.:

Q. And he requested you to assist in the purchase of horses?—A. Not then. After he got the appointment, or was ordered to mobilize the battery, then he got

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orders to buy horses, and then he came to me and asked me to act as the veterinary inspector for these horses.

Sir CHARLES DAVIDSON: And you went under pay.

The WITNESS: I suppose you call it pay; I was paid so much a head for each horse inspected.

By Mr. Thompson, K.C.:

Q. When did he ask you to assist in buying horses?—A. That would be in August.

Q. About when?—A. I think it was about the 12th of August.

Q. Why do you fix it at about the 12th of August?—A. I remember it was about the 12th of August that he got that order.

Q. What order?—A. To buy the horses.

Q. Approximately it was the 12th of August?—A. Approximately it was the 12th of August.

Q. Do you think he spoke to you as soon as he received his order?—A. Yes, he spoke to me.

Q. Do you know that he spoke to you as soon as he received the order to mobilize?—A. When he got the order to buy the horses he came to me.

Q. Did he show you the telegram?—A. He showed me the telegram.

Sir CHARLES DAVIDSON: That would not be regular service pay that you got?

The WITNESS: No.

Sir CHARLES DAVIDSON: Did you join the battery for overseas?

The WITNESS: No.

Sir CHARLES DAVIDSON: When did your appointment cease as inspector of horses?

The WITNESS: As soon as he stopped buying horses.

By Mr. Thompson, K.C.:

Q. And you say it started about the 12th of August?—A. About the 12th of August.

Q. When he asked you to assist in buying the horses did the question of remuneration come up in any way?—A. Yes, I asked him what remuneration I would get.

Q. What did he say?—A. He told me I would be on regular pay as officer of the battery.

Q. What did you say?—A. I said that would be all right.

Q. Was that arrangement ever altered?—A. Oh, yes, it was altered.

Q. When was it altered?—A. After we stopped buying horses. He told me to write the pay sheets out for the Militia Department at Halifax, and I did. They sent me the pay sheets and I filled them in and sent them back.

Q. That is to say, you filled in your own time?—A. Yes.

Q. And you sent that back to Halifax?—A. Yes, and Colonel Humphrey wrote again, saying that the regulation was one dollar per head for the first three horses inspected, and fifty cents after that.

Sir CHARLES DAVIDSON: What pay did you make out when you first filled the return?

The WITNESS: It was three dollars a day and field allowance, customs allowance. They said that was not the regulation pay in examining horses.

By Mr. Thompson, K.C.:

Q. That was not the system they were following at the time in purchasing horses?—A. No, they had a regular system.

Q. And you got a certain allowance?—A. Yes, one dollar a head for the first three horses inspected, and fifty cents a head for all horses after that.

Q. Did you receive travelling expenses?—A. Yes.

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Q. And you rendered your account to the headquarters at Halifax?—A. Yes.

Q. Did you receive a cheque for it?—A. Yes.

Q. How much did you receive?—A. \$126.

Q. What did that represent in the number of horses inspected or passed?—A. 249 horses.

Q. How many did you pass out of the 249?—A. 195.

Q. And you received a cheque for \$126?—A. Yes.

Q. What record did you keep to show what horses you had passed, or what horses you had rejected, or what horses you had examined?—A. I had the names of each man. If he only supplied one horse I would put it down.

Q. Where?—A. I kept it in a small book.

Q. Did you do the same thing if a man supplied seven horses?—A. Yes, just the number of horses and the man's name.

Q. Did you put down whether they were rejected or passed?—A. When I made out my report to the department, I did. I gave them the names of every man and the number of horses, but I did not name whether each man's horses were rejected or not, I just gave the total.

Q. You gave the total?—A. The total that were examined, the number accepted and the number rejected.

Q. Did you give the names of the men whose horses were accepted?—A. Not singled out. I put each man's name down as they came.

Q. Put each man's name down as they came, and what did you put opposite to the name?—A. The number of horses I examined.

Q. You did not, therefore, make any report as to the number of horses you had passed?—A. I told them that of this number so many passed and so many did not.

Q. You made out a list showing the names of the men who brought in horses?—A. Yes.

Q. And opposite to that you put down the number of the horses the man submitted?—A. Yes.

Q. And then you totalled up your list when you concluded and showed the number of horses submitted to you for examination?—A. Yes.

Q. And out of the total number you said: I have passed so many and rejected so many?—A. Yes.

Q. You would not show that John Smith, for example, had brought in ten worthless horses and that you had rejected them all?—A. No.

Sir CHARLES DAVIDSON: Did he enter on the list a description of the horses?

The WITNESS: No.

By Mr. Thompson:

Q. Did you keep any description whatever of the horses on that list?—A. No.

Sir CHARLES DAVIDSON: How could they be identified?

The WITNESS: They just asked for the number of horses.

Sir CHARLES DAVIDSON: Where are your instructions?

The WITNESS: Colonel Humphrey told me to give the number of horses.

Sir CHARLES DAVIDSON: You had written instructions, had you not?

The WITNESS: No.

Sir CHARLES DAVIDSON: You must have had written instructions?

The WITNESS: No. When I sent in the pay sheets they sent me a letter, showing I would have to give the number of horses I accepted.

By Mr. Thompson:

Q. Had you no written instructions?—A. None whatever.

Q. Did you not receive a roll-book from Halifax like this: (Mr. Thompson exhibited the official roll-book), showing the colour of the horse, the name of the vendor,

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the weight of the horse, and so on?—A. No, we get such a book as that in camp, but I did not get it this time.

Q. Do you say you received no instructions from headquarters along these lines?—A. No.

Q. Were you not instructed to keep any records?—A. There were no records given to me or anything like that.

Q. Was there anything in the way of literature supplied to you by the department in respect to the purchase of these horses?—A. The only thing supplied was posters.

Q. How did you keep a record, if you did keep any record, of the horses you would pass?—A. Major Anderson just had a book.

Q. Did you see his book?—A. Yes.

Q. What does it look like?—A. It was an ordinary little scribbling book.

Q. What would the size be, about 6 x 4?—A. A little bigger than that; it would be 8 x 10, I think.

Q. Did you see that book?—A. Yes.

Q. And you know it was an ordinary scribbling book?—A. Yes.

Q. Did he keep a record?—A. Yes, he wrote down the description of the horses.

Q. Did you see any of the descriptions he wrote down?—A. Yes.

Q. Do you think he kept a correct record?—A. I would call out and he would write that down.

Q. What would you call out?—A. The colour, the age, the sex, the height, the markings, and sound or unsound.

Q. And if you were going to reject a horse you would call out all that information to him?—A. No; if the horse was rejected he would just scratch it out.

Q. You would call this all off as you were looking at the horse and examining him, and if the horse was not sound you told him to eliminate that?—A. Yes, and he marked it off.

Q. Was Major Anderson with you during the time you bought the 195 horses?—A. Yes.

Q. Or, rather, when you passed the 195?—A. Yes, he was with me when he passed them.

Q. And during that time you rejected quite a number?—A. Yes.

Q. You rejected about seventy apparently?—A. Yes.

Q. And so far as you were concerned, it did not matter whether you passed or rejected them; you were paid anyway; it was all fish that came into your net?—A. Yes.

Q. It was a matter of indifference to you whether you rejected or passed them, so far as your pay was concerned?—A. Yes.

Q. You got the fifty cents per head anyway?—A. Yes.

Q. Do you know if that was the current rate of pay you got?—A. Yes.

Q. Did you keep any record of any sort of the list of horses you examined?—A. None whatever.

Q. And you did not keep a list of the names of the owners who brought in horses for examination?—A. I did not.

Q. When Major Anderson asked you to assist him in purchasing I presume you looked at the horses around Moncton first?—A. Yes.

Q. How did you come to cast your eyes on Prince Edward Island as a likely place in which to buy horses?—A. We could not get the number we required in Moncton.

Q. They were a little scarce there, were they?—A. Yes.

Q. And so you thought of Prince Edward Island?—A. He did.

Q. It was Major Anderson that thought of the Island?—A. Yes.

Q. What did he say?—A. He first asked me if I thought we would get some horses on the Island.

Q. What did you say?—A. I told him I thought we could.

[Summerside, P.E.I., Horses—Doyle.]

Q. What did he say?—A. I was going over to the island then, that was on Friday, and he told me to look around and see if there were any horses that could be bought there, and so I did.

Q. He told you to look around; did he tell you to speak to anybody?—A. No, not to any particular person.

Q. What did he say about looking around?—A. He meant to speak to any person and find out if any horses could be bought.

Q. And for that he was not paying you any money?—A. No.

Q. Did you pay the expenses of your own trip then?—A. Yes.

Q. Was that out of your own pocket?—A. Yes, I was over here on the island on private business.

Q. When did he speak to you about that; was it when you found that horses in Moncton were getting scarce?—A. It was just after we bought in Moncton.

Q. When did you buy in Moncton?—A. Right after he got the telegram.

Q. When would that be?—A. Some time after the 12th of August.

Q. And then you found the supply of horses running short in Moncton around the 15th of August?—A. Yes.

Q. Did you write to anybody on the island?—A. No.

Q. Did he write to anybody that you know of?—A. Not that I know of.

Q. Did he tell you he had written to anybody?—A. No.

Q. Did he show you any letter he had written to anybody?—A. No.

Q. Did he indicate in any other manner as to how far you should go with the buying of horses here?—A. No.

Q. When did you decide to come over to the island?—A. Do you mean the first time?

Q. Yes?—A. About that date.

Sir CHARLES DAVIDSON: How many did you buy here?

The WITNESS: 195. I was going over to the island before he got the telegram to buy the horses. Therefore, I do not know exactly what date it would be, but it would be shortly after that. I think it would be on the 12th of August.

By Mr. Thompson:

Q. You had already decided before that?—A. I was coming over on my own private business.

Q. And that visit had nothing to do with the horses?—A. No, not at the time.

Q. Your business here was entirely private then so far as military affairs were concerned?—A. It had nothing to do with horses.

Q. And had no connection with it in any way?—A. Not in any way.

Q. When did you come over to the island?—A. It was on the Saturday.

Q. What date would that be?—A. I cannot say.

Q. Would that be the following Saturday after he spoke to you?—A. Yes.

Q. Would that be the 15th of August?—A. Somewhere around there.

Q. Did he mention anybody in particular to you that you were to see on the island?—A. No.

Q. When you came over did you come to Summerside?—A. Yes.

Q. Did you stop overnight in Summerside?—A. Yes.

Q. To whom did you speak about the horses?—A. I asked W. B. McNeill if he thought any horses could be bought here.

Sir CHARLES DAVIDSON: Who is he?

The WITNESS: He is a livery-stable keeper.

Sir CHARLES DAVIDSON: Is he a well-known leading man in that business?

The WITNESS: Yes, I think he is a leading man here.

By Mr. Thompson:

Q. What did you tell him?—A. I told him Major Anderson wanted to buy some horses.

Q. Did you tell him how many?—A. No.

Q. Did he ask you?—A. I do not think he did.

Sir CHARLES DAVIDSON: How many did you need?

The WITNESS: At first they gave a limit of 100 horses, and afterwards he got a telegram to keep on buying until he was asked to stop. Major Anderson got his telegram to recruit the battery, and afterwards he got a telegram to keep on buying horses until he was ordered to stop.

By Mr. Thompson:

Q. When you came over did you tell McNeill you wanted some horses?—A. Yes, I told him we were to buy some horses.

Q. Did you tell him how many, did you tell him that?—A. Yes, I said so.

Q. Did he ask you any price?—A. He asked what kind of horses we wanted.

Q. What did you tell him?—A. I gave him a description of them.

Q. Did you give him any idea as to the weight of the horses?—A. Yes.

Q. Did he ask you what you were paying for horses?—A. No.

Q. Did you tell him what they were paying for horses?—A. No.

Q. Was he the only person you spoke to about horses here?—A. I think he was.

Q. Did you speak to any other person?—A. I do not think I spoke to any other dealer about horses.

Q. Did it occur to you there might be other dealers who could supply horses?—

A. It did not occur to me.

Q. How long were you on the island on that occasion?—A. From Saturday until Tuesday morning.

Q. One could do quite a lot of talking in that time if one wanted to; do you recollect whether you mentioned the question of horses to anybody else?—A. I do not think I did.

Q. Did any one suggest to you that you should go to McNeil?—A. No.

Q. Certain?—A. Certain.

Q. Did you do it on your own account?—A. Yes, I just thought of him.

Q. Had you thought of him before you left Moncton?—A. No.

Q. Did you have any information as to McNeill before you came here?—A. I knew he was a big horse dealer.

Q. How long have you known him?—A. All my life.

Q. You were born in Summerside?—A. Yes.

Q. Did you tell Anderson who would be a likely one to supply horses when he asked you if any horses could be got on the island?—A. Not then, but after I went back I did.

Q. Other than asking you to look around for horses, did Major Anderson ask you to make any special inquiries about horses?—A. No.

Q. And your curiosity was satisfied, therefore, when you spoke to McNeill?—A. Well, I thought some horses could be bought here.

Q. And I presume that McNeill told you he could buy some?—A. Yes.

Q. Are there any other horse-dealers here?—A. I do not know any.

Q. Are there any others on the island?—A. I know some by name at Charlotte-town.

Q. When, therefore, Anderson suggested the possibility of buying horses on the island, if McNeil was the only horse-dealer here, you evidently had him in mind?—A. Yes, when I came over. I did not have any idea when I left that I would meet him here.

Q. What was your idea about buying horses on the island when you left Moncton; what did you think could be done here?—A. I thought some could be bought here.

Q. How?—A. By getting some one who knew where the horses were.

Q. Who do you think would know about that?—A. I had no person in mind at the time.

[Summerside, P.E.I., Horses—Doyle.]

Q. McNeill had not occurred to your mind at that time?—A. Not at that time.

Q. And I suppose McNeill only occurred to your mind when you stepped ashore from the steamer?—A. I met him on the street.

Q. You met him on your way from the boat; that was on Monday?—A. That was a couple of days afterwards; I had other business to attend to.

Q. Important business that would take your mind off the horse business?—A. It was not that important but I would not let it interfere with my other business until after I was through.

Q. The horse business was only fifty cents a head and your special business might be more important than that—you got here on Saturday night?—A. Yes.

Q. And Sunday was a day of rest, and what time on Monday did you get here?—A. At noon.

Q. And when you got here you would meet a great many more people besides McNeill, would you not?—A. Yes.

Q. Especially as you were just over here on personal business you would be around the town a good deal?—A. No, not necessarily. I was talking to men of business in their offices.

Q. You were a native of the place and were more or less known, of course?—A. Certainly.

Q. Did any of these men to whom you were talking business bring up the question of horses?—A. No.

Q. Quite sure?—A. Quite sure.

Q. Will you swear to it?—A. Yes, I will swear to it to the best of my knowledge.

Q. And if horses were mentioned, they were not mentioned in a prominent way?—A. You see, there was nothing about horses then, they were not buying horses.

Q. And it was only after you stirred up activity here that horses came in in troops?—A. I suppose that would be it.

Q. And you did not stir the alarm through the island that horses were required in large numbers?—A. I did not.

Q. You spoke to McNeill?—A. Yes, I spoke to him.

Q. Did you speak in the same genial manner about horses to other persons?—A. I only spoke to McNeill.

Q. Did you give him any idea as to how many horses would be required?—A. No.

Q. If none of these with whom you were doing business asked you about buying horses, did any other person suggest McNeill as a likely person to buy horses?—A. Not that I remember.

Q. Try and think?—A. I cannot remember, they may have, but not that I know of now.

Q. It is possible?—A. It is possible, certainly.

Q. Think a little longer and see if you can recollect who suggested McNeill to you?—A. There is no person that I can think of that mentioned his name.

Q. Have you any one prominent in your mind at the present time, as having spoken to you on behalf of McNeill, as a buyer of horses?—A. No.

Q. You are quite sure about that?—A. Yes.

Q. If you had not met McNeill on the street would you have gone away from the island without mentioning horses to anybody?—A. No.

Q. And when did you intend to take up the business?—A. That day.

Q. You met McNeill on the street, you say, that must have been by accident?—A. Yes.

Q. And if you had not met him by accident you would have dropped all idea of buying horses?—A. Not at all.

Q. Did you set apart any particular time for the horse business?—A. About Monday afternoon.

Q. It was pretty close to the critical hour for buying horses when you met McNeill?—A. I suppose it was.

Q. You say you did not meet him by appointment?—A. I had no appointment with him at all. I did not write to him or send him any word, or anything.

Q. Did McNeill say anything to you about horses before you spoke to him?—A. No.

Q. Was he surprised?—A. He asked me how many I wanted, and I said I did not know.

Q. That was after you spoke to him?—A. Yes.

Q. He did not say anything about horses in the first instance?—A. No.

Q. You were the first one to broach the subject?—A. Yes.

Q. Did you tell him what they were likely to buy?—A. No.

Q. Did you tell him when you would be back?—A. No.

Q. Did you tell him you would be back at all?—A. I told him I would speak to Major Anderon and that the major would make arrangements with him.

Q. Did he tell you how many horses he had?—A. He said he had somewhere about twenty horses.

Q. At that time?—A. At that time.

Q. Do you know what he usually carried in the way of stock in horses?—A. Yes.

Q. You knew him all your life?—A. Yes, but I have been away from here.

Q. How long have you been away?—A. Seven or eight years.

Q. How many horses did he carry at that time?—A. Ten or fifteen, I think.

Q. Ten or fifteen, which?—A. Somewhere along there.

Q. And the horses which you inspected eventually were some of the same class which McNeill always carried in stock?—A. About the same.

Q. What did he use them for?—A. The first we inspected were draught horses.

Q. Does he keep draught horses in his stable?—A. Yes, he has a contract for hauling coal.

Q. Are these draught horses that he uses in that?—A. Yes.

Sir CHARLES DAVIDSON: You might ask him in reference to the different classes of military horses.

By Mr. Thompson, K.C.:

Q. What are the different classes of military horses required?—A. First, saddle horses.

Q. What weight would they be?—A. From ten hundred to eleven hundred pounds.

Q. What would be the weight of the draught horses?—A. From 1,100 to 1,400 pounds; they would be heavy artillery horses.

Q. Are there any other classes of horses?—A. There are artillery and heavy artillery.

Q. Is the heavy artillery horse different from the heavy draught horse?—A. Yes, they are lighter.

Q. What do they run?—A. From 1,150 to 1,200 pounds.

Q. The saddle horses would do as artillery horses?—A. Yes.

Q. Are they interchangeable, more or less?—A. Yes.

Q. You said you came over to the island on the 15th of August?—A. Yes.

Q. Did you see Roy Salliphant?—A. I do not remember.

Q. Do you know him?—A. Yes, I know him.

Q. Did you say anything to him about horses?—A. Not that I remember.

Q. Cannot you remember whether you did or not?—A. No.

Q. Did you tell him that horses were required?—A. I do not believe I met him the first time. I might have met him the second time.

Q. You think you did not meet him the first time?—A. I do not think I did; I would not say for sure.

Q. How long had it been since you were here on the island prior to the first visit here on this occasion?—A. It was only a week afterwards.

Q. How long had it been since you were here on the island prior to the first visit 15th of August; when were you here before that?—A. It was some time before; I cannot say.

[Summerside, P.E.I., Horses—Doyle.]

- Q. How long?—A. Early in the spring.
- Q. That would be eight months or so before?—A. Yes.
- Q. Are you in the habit of coming over more than once in eight months?—A. I do not come over very often.
- Q. Therefore, would you not recollect old friends whom you had seen?—A. Yes.
- Q. Can you recollect whether you saw Roy Salliphant?—A. I likely would see him; perhaps I would meet him on the street; I do not remember speaking to him.
- Q. And you say you did not speak to him about buying horses?—A. No.
- Q. Did you tell him you were going to get him to buy horses?—A. No.
- Q. Are you sure of that?—A. Positive.
- Q. And after the accidental meeting with McNeill on Monday you left on Tuesday?—A. Tuesday morning.
- Q. When did you report to Major Anderson; I suppose you did report to him?—A. Yes.
- Q. What did you report to him?—A. I told him McNeill had a lot of horses.
- Q. What do you mean by a lot?—A. Twenty or thirty horses in the stable.
- Q. You had seen them?—A. I walked through the stable.
- Q. You walked through the stable; McNeill took you through the stable?—A. Yes.
- Q. Did he say what prices he wanted?—A. No.
- Q. Did you examine the horses?—A. No, not at that time.
- Q. How many did he have in the stable about that time?—A. He told me he had about twenty.
- Q. How many did he actually have in the stable?—A. I do not know; I suppose he had about ten horses in.
- Q. And there were indications that he had another ten outside?—A. Yes.
- Q. Did it appear that the other ten vacant stalls were being used?—A. Yes, he was running a livery stable and he had horses in the stable and horses out.
- Q. What time of the day did you call?—A. Some time in the afternoon.
- Q. What time?—A. About two o'clock.
- Q. Were the livery horses out at that time?—A. The stalls were empty.
- Q. Is that the usual time for livery horses to be out?—A. I suppose they are out at all hours.
- Q. But I suppose some hours of the day are more active than others?—A. I suppose so, this was in the afternoon.
- Q. And the indications were that at night these ten stalls would really be occupied by horses?—A. Yes.
- Q. You were satisfied about that?—A. I was.
- Q. When you went back you reported that McNeill had about twenty horses?—A. Yes.
- Q. Is that right?—A. That is right.
- Q. Did Anderson ask you what class of horses they were?—A. Yes.
- Q. What did you tell him?—A. I told him he was running a livery business and that he had livery horses and some heavy horses.
- Q. And you told him there were about twenty altogether?—A. Yes.
- Q. And what did he say to you?—A. He said: I think we had better go over and see if we cannot buy some.
- Q. This conversation with Anderson would be about the 17th or 18th of August?—A. Yes.
- Q. When did you come over?—A. Shortly after that.
- Q. How long after that did you come to the Island?—A. It would be some days, not more than a week.
- Q. And that would be getting along to the 24th of August or so?—A. Yes.
- Q. Did you write to McNeill telling him you were going to buy his horses?—A. No.
- Q. Did you write to McNeill to tell him how many horses you would want?—A. No.

Q. Did you telegraph to him?—A. Not that I know of.

Q. Did you?—A. No.

Q. Did Anderson tell you that he had written, telegraphed, or telephoned to McNeill?—A. He did not tell me anything.

Q. Did he ask you who McNeill was?—A. Yes.

Q. What did you tell him?—A. I told him he was a livery stable keeper and a dealer in horses.

Q. Did he ask you if the horses could be purchased anywhere else on the island?—A. No.

Q. He did not make any inquiry as to that?—A. Yes, he asked me what about Charlottetown.

Q. What did you tell him?—A. I told him I did not know as I was not acquainted down there.

Q. Being a native of Summerside you were down on Charlottetown?—A. Certainly.

Q. That was quite natural?—A. Yes.

Q. And you tried to turn all the business into Summerside?—A. Oh, no, he wanted to go to Charlottetown himself.

Q. But being a native of Summerside you started him in Summerside?—A. He came to Summerside.

Q. You brought him there?—A. He brought me over.

Q. But you induced him to stay here by mentioning the distinction of McNeill's horses?—A. I did not put up any proposition to him.

Q. You told him if he was going to Charlottetown, he would have to look out for himself?—A. I did not tell him anything of the kind.

Q. What did he say about Charlottetown?—A. He asked McNeill.

Q. Did he expect to get high praise from McNeill about the Charlottetown horses?—A. No.

Q. That would be contrary to horse ethics, would it not?—A. I did not care where he got the horses.

Q. You came over with Anderson to Summerside, and that would be about the 23rd of August?—A. Somewhere around there.

Q. Was McNeill at the wharf to meet you?—A. No.

Q. He did not know you were coming?—A. No, we had to look for him.

Q. Was he not hovering around the wharf?—A. No, he was around town somewhere.

Q. You got over at night, did you?—A. Yes.

Q. Did you look at his horses that night?—A. Let me see now, I think we did go down to the barn.

Q. That would be pretty late at night?—A. No, it would be eight o'clock or half-past eight.

Q. Did you go to his stable that night?—A. Yes, I think we did.

Q. Are you quite sure?—A. Quite sure.

Q. How many horses were in his stable then?—A. They were all in.

Q. How many were in?—A. About twenty.

Q. Did you examine them all?—A. No, we did not examine any.

Q. You did not examine any that night?—A. No.

Q. When did you examine them?—A. The next morning.

Q. About what time?—A. We were there at seven o'clock.

Q. Had the number increased overnight?—A. Not that I know of. I do not think so.

Q. Did you go into the stable in the morning?—A. Yes.

Q. And was it still full of horses?—A. Yes.

Q. Was it overflowing with horses in the morning?—A. There were two stables, he has two stables.

Q. Did you look at both stables the night before?—A. No, only the one.

[Summerside, P.E.I., Horses—Doyle.]

Q. What did he say to you about the other stable?—A. He said he had a lot of horses at the other barn.

Q. How many would the other stable hold?—A. About ten.

Q. And that would make altogether how many?—A. About twenty.

Q. Each stable holds ten horses?—A. Approximately.

Q. I thought you said you looked over one of the stables and found he had about twenty horses there?—A. I was in the both stables the first visit.

Q. And being late at night then you only looked at one stable?—A. Yes, we just asked for him.

Q. And next morning what time did you call around?—A. About seven o'clock.

Q. Was McNeill on hand or did you have to find him again?—A. He was on hand.

Q. He was on hand this time because he knew you were going to do business?—A. Yes.

Q. Did you tell him to bring his horses out?—A. Yes.

Q. And did he bring them out?—A. Yes.

Q. One after the other?—A. Yes, with some of his men.

Q. How many men has he got there?—A. Two or three.

Q. Did they bring three horses out to you at once?—A. One at a time.

Q. Did he bring them out in a yard or in a field?—A. He has a yard on the street.

Q. What examination did you make?—A. I looked them over and looked to their age.

Q. How did you look them over?—A. I looked at their teeth and their legs, and I took a general look at them.

Q. Did you feel their legs?—A. Yes.

Q. Did you try their wind?—A. Yes, we trotted them up and down.

Q. You got their action?—A. Yes.

Q. Did you look for spavins?—A. Yes.

Q. Did any of them have the heaves?—A. No.

Q. Are you quite sure?—A. Quite sure.

Q. Suppose a horse was balky, could you tell that by the run you gave them?—A. Yes.

Q. Perhaps there are no spavins and heaves among the horses on the island?—

A. The climate is good here.

Q. Did any of them appear to be lame?—A. No.

Q. Did any of them appear to be balky?—A. No.

Q. Could you tell a horse was balky by the examination you gave?—A. You could not tell that; you might have to have him some time to find that out.

Q. Not always?—A. Generally.

Q. Have you ever seen a balky riding-horse?—A. A horse cannot balk very much when you are riding him.

Q. That is your experience?—A. Yes.

Mr. THOMPSON: It is not mine.

Sir CHARLES DAVIDSON: Nor mine.

Q. Did you make all the usual tests of those horses?—A. Yes.

Q. Did you do that with all the horses he submitted?—A. Yes.

Q. Are you quite sure?—A. Quite sure.

Sir CHARLES DAVIDSON: How many were there?

The WITNESS: I cannot remember the number he took out, but it was just in the morning when we were there.

By Mr. Thompson, K.C.:

Q. How many did you examine?—A. We kept at it all day; I suppose I examined fifty horses. We had them in a bunch.

Q. McNeill had twenty?—A. Yes.

Sir CHARLES DAVIDSON: Do you say you could examine fifty horses thoroughly in a day?

The WITNESS: Yes, if we had them together.

Sir CHARLES DAVIDSON: Were they all together in this case?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Were they all heavy draught horses, or were there some riding horses amongst them?—A. Some riding horses.

Q. Did you put a saddle on them and try them?—A. These were all heavy horses.

Sir CHARLES DAVIDSON: What age were these horses?

The WITNESS: We examined horses of every age; all we got were under eight years old.

Mr. THOMPSON: What age were they?

The WITNESS: They ran from six years to eight.

Sir CHARLES DAVIDSON: There were none of them seventeen years old?

The WITNESS: None.

Sir CHARLES DAVIDSON: There were none sold that were refused for the South African war?

The WITNESS: There were none that old.

Sir CHARLES DAVIDSON: And you say there was not a single horse over eight years old?

The WITNESS: Not one that we passed.

Sir CHARLES DAVIDSON: You say that every horse was sound?

The WITNESS: Every horse was perfectly sound.

Sir CHARLES DAVIDSON: You say they were all first-class horses?

The WITNESS: First-class horses.

Sir CHARLES DAVIDSON: Were there any of them blind?

The WITNESS: There were none of them blind.

Sir CHARLES DAVIDSON: Not even in one eye?

The WITNESS: Not even in one eye.

By Mr. Thompson, K.C.:

Q. Did you pass any saddle horses on the occasion of that first visit?—A. I do not think so.

Q. If there were any saddle horses passed later on, would you try them with the saddle on?—A. No, we did not; not here.

Q. But they were paid for here?—A. No, they were paid for in Moncton.

Q. Are you sure?—A. Certain.

Q. Did you arrange the prices with McNeill?—A. No.

Q. Did you discuss the prices with McNeill?—A. No.

Q. Did he discuss the prices with you in any way?—A. No.

Q. Did he ask you what they were paying for them?—A. No. He never asked me at all.

Q. Did he say how he had come to have the horses in his stable?—A. No.

Sir CHARLES DAVIDSON: Had you nothing whatever to do with the prices paid?

The WITNESS: I had nothing to do with the prices.

Sir CHARLES DAVIDSON: And you did nothing with regard to the prices?—A. I had nothing to do with the prices.

[Summerside, P.E.I., Horses—Doyle.]

By Mr. Thompson, K.C.:

Q. Did you hear Major Anderson discuss the prices with McNeill?—A. No.

Q. You were not interested in that?—A. No.

Q. But you called out the colour, the age, the sex, the markings and the price?—

A. Yes.

Q. Did Anderson take that down?—A. No.

Q. Were there any of the mares in foal?—A. Not to my knowledge.

Q. As I understand it, these horses that McNeill had were truck horses that he was using in his ordinary livery business?—A. Yes.

Q. They were horses such as one sees on the streets in Summerside now?—A. Yes.

Q. They were that class of horse?—A. Yes.

Q. And you say they were horses capable of doing military work?—A. Capable of doing this work.

Q. Were any of them under weight?—A. No.

Q. As far as you could judge?—A. As far as I could judge, no.

Q. According to you they would seem to be pretty well up to standard, were they?—A. Yes.

Q. What was the average weight of the horses you were buying here?—A. It was just according to the class of horse you wanted.

Q. But the class of horses you were buying here were heavy draught horses?—

A. Yes.

Q. What is their average weight?—A. 1,300 pounds.

Q. What would you pay for an average horse 1,300 pounds in weight, on the island if you were buying for yourself?—A. I suppose they would ask about \$250 or somewhere around there.

Q. Would the farmers ask \$250 for a horse of that kind?—A. Yes.

Q. You are sure?—A. Quite sure.

Q. Do you think that is the current price for such a horse on the island?—A. Yes.

Q. What is the average price on the island for a horse weighing 2,200 pounds?—A.

If they were good horses the price would be between \$225 and \$250.

Q. Do you think that a horse you see on the street here would fetch that price?—

A. A good horse would.

Q. An average horse?—A. Yes, an average horse.

Q. After all, the average livery man does not keep a prize stud, does he?—A. No.

Q. You were taking the run of his stable?—A. Yes, we were taking all the horses he had.

Q. You were taking what you considered fit, the run of his stable, and these were the kind used in ordinary truck business, and you say that class of horse runs on the island for from \$225 to \$250?—A. Yes.

Q. That is your opinion?—A. Yes.

Sir CHARLES DAVIDSON: What would the prices run at, in Moncton, in your own town?

The WITNESS: They would run at from two and a half to three hundred.

By Mr. Thompson:

Q. Now doctor, don't you remember making the statement that McNeill's horses the heavy draught, and all the others, could be bought for \$175 each?—A. No.

Q. You do not recollect making that statement?—A. No.

Q. You are quite sure you did not make it?—A. Positive.

Q. I am not referring to the heavy draught horses alone, I am referring to the general run of horses supplied, you are quite sure you did make that statement?—A. No.

Sir CHARLES DAVIDSON: He is entitled to know the name, Mr. Thompson, if you are going to question any person else with regard to that statement.

Mr. THOMPSON: Not just yet.

By Mr. Thompson:

Q. After you inspected them, what was done with the horses you inspected?—A. They were put back in the stable.

Q. Were there any tags put on them?—A. Yes, they were tagged to the boat.

Q. Did you finish them all that day?—A. Yes, we finished them all.

Q. You finished all the inspection that day, were they loaded on the boat that day?—A. We finished them in the morning; we only took six horses.

Q. Did you only accept six out of the twenty?—A. That is all.

Q. Did he parade the whole twenty horses for you?—A. No, we picked out the six of the heavy draught horses, he did not take any light ones out at all.

Q. Why?—A. Major Anderson said he wanted to get heavy horses.

Q. You inspected them early in the morning and took them right down to the boat?—A. Yes.

Q. And there cannot be any doubt about it that you took over with you on the boat only the horses you approved of?—A. No doubt at all.

Q. How many horses did you buy altogether from McNeill at different times?—A. Eighty-one.

Q. Did you and Anderson leave on the boat with the horses?—A. Yes.

Q. Were you and he the only ones to take charge of the horses?—A. Yes.

Q. There were six horses?—A. I think that was the number.

Sir CHARLES DAVIDSON: And you say you know nothing about their cost?

The WITNESS: No.

By Mr. Thompson:

Q. Did he tell you what he paid for them?—A. I think he did.

Q. What did he say?—A. Anderson?

Q. Yes?—A. He told me what he paid for them. I asked him what he paid for them and he told me at the time.

Q. Do you know now how much he paid?—A. No, I do not.

Sir CHARLES DAVIDSON: Ask him what he paid and how he paid.

By Mr. Thompson:

Q. Do you know how he did pay?—A. He paid him by cheque.

Q. When you were here?—A. I will not say whether he paid him here or in Moncton.

Q. What date was that?—A. That would be the first time we bought horses.

Q. That would be the 21st of August?—A. Somewhere around there.

Q. But he did not issue a cheque until the 25th of August and it was banked at Moncton on the 26th, you do not think you were here on the 25th?—A. No, I cannot say that I was.

Q. You came here about the 15th of August and you say that a week later you came over with Anderson?—A. Yes.

Q. That would be the 21st or the 22nd of August, was it a Monday or a Saturday you came?—A. It was on a Saturday.

Q. It must have been on a Friday?—A. It may have been on a Friday.

Q. That cannot be, because you returned on Tuesday the 18th, so that it must have been about Monday the 24th you came over?—A. Probably.

Q. And the cheque was issued on the 25th of August, would not that be some indication to you as to when they were paid for?—A. They would be bought on the morning we left.

Q. When you got them over in Moncton what happened, were they unloaded?—A. Yes.

Q. Did you take them along with you up to Moncton from Pointe du Chêne?—A. No, I think Major Anderson sent some of the soldiers after the horses over to Point du Chêne.

[Summerside, P.E.I., Horses—Doyle.]

Q. And when did you come back to Prince Edward Island again?—A. I think it was in September some time.

Q. Are you sure?—A. I am not sure.

Q. Are you sure it was not the day after your first visit?—A. No, it was not the day after, I am sure it would not be the day after.

Q. Was it two days after?—A. I do not think it. I am not sure about it but I am sure it was not that soon after.

Q. Are you sure it was not the following day?—A. Well, I do not think it.

Q. Are you sure you did not buy more than six horses on that occasion?—A. I am quite sure that is all we got that morning.

Q. You are quite sure?—A. Yes.

Q. Cannot you recollect the trip over and what happened on the mainland side as to whether there were six horses or whether there were a great many more than six?—A. I think there were only six.

Q. There would be a difference between six horses and twenty horses, would there not?—A. Yes.

Q. Cannot you recollect now?—A. No, I do not remember.

Q. When you came back here to the Island did you see McNeill again?—A. Yes.

Q. And you told him you would want more horses?—A. I think Major Anderson told him.

Q. Did you tell him?—A. No.

Q. Did you have any communication with McNeill about further horses?—A. No.

Q. Did you tell McNeill you were coming back for more horses?—A. I do not know.

Q. Was it on Major Anderson's suggestion that you returned for more horses?—A. Yes.

Q. And you think that was early in September?—A. I think so.

Q. Do you recollect how many horses you examined then?—A. There would be somewhere about sixty.

Q. Would it be in the morning that you started to examine?—A. Yes.

Sir CHARLES DAVIDSON: What was the quality of these six horses in the first lot?

The WITNESS: They were heavy horses.

Sir CHARLES DAVIDSON: What was their quality?

The WITNESS: They were a good quality of horses, perfectly sound.

Sir CHARLES DAVIDSON: Fit for service?

The WITNESS: Fit for the service.

By Mr. Thompson, K.C.:

Q. And you say you examined sixty horses on the occasion of the second visit?—A. Yes.

Q. How many did you pass?—We took 54.

Q. Did you get through the examination of that large number before the boat sailed in the morning?—A. No, we examined them the day before.

Q. You examined them during the whole day?—A. Yes.

Sir CHARLES DAVIDSON: Were they all in Summerside?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. You did not get them all in the twenty stalls in McNeill's stable?—A. No.

Q. Where were they?—A. Some were in a stable run by Matthews.

Sir CHARLES DAVIDSON: It is obvious McNeill must have had some notice because he got the horses together.

Mr. THOMPSON: Yes, he got them inside of a week, apparently.

The WITNESS: Whatever arrangement he made with Major Anderson I do not know.

By Mr. Thompson, K.C.:

Q. You had nothing to do with it?—A. I had nothing to do with it.

Q. Did you examine the sixty odd horses the day following the day of your arrival here?—A. Yes, including the morning of the day the boat sailed.

Q. What time does the boat leave in the morning?—A. Ten o'clock.

Q. You had all one day and two or three hours of the next day in which to make your examination?—A. Yes.

Q. After the first day's examination, when the horses were passed or rejected, what happened to them?—A. How do you mean?

Q. After a horse was passed by you, what was done with him?—A. We put a ticket on him.

Q. Who put the ticket on him?—I wrote the ticket and it was put on.

Q. What was on the ticket?—A. Any horses we took were marked "Major Anderson".

Q. Did you put them back in the stable?—A. Yes.

Q. Did you put them back into McNeill's stable?—A. Yes.

Q. Did you do that with the 54 horses?—A. Yes.

Q. Were they in McNeill's stable over night?—A. Yes.

Q. Did you place any guard on the door to watch your horses?—A. No.

Q. And next morning you shipped your horses?—A. Yes.

Q. Do you know that 54 were shipped?—A. Yes.

Q. Did you count them?—A. Counted them.

Q. How did you know they were the 54 that were passed the day before?—A. They were all ticketed.

Q. That does not matter the tickets could be changed?—A. They were all good sound horses.

Q. I am not saying now that the horses you bought were not sound, but there were lots of other horses in town, and the tickets could be shifted over night and put on other horses?—A. That is possible.

Q. That might have been done?—A. That might have been done.

Q. It could be done?—A. It could be done.

Q. And apparently there were quite a number of horses in McNeill's stable that you did not pass on the first visit?—A. Yes.

Q. And the tickets might have grown on them over night?—A. I do not think there is any danger of the tickets growing on them.

Q. They might have been shifted around?—A. It is quite possible, but it was not the horses we rejected that we took.

Q. How do you know?—A. Because I was there in the morning.

Q. Where?—A. In the stable.

Q. Which stable?—A. McNeill's stable.

Q. I thought he had them in several stables?—A. These horses were all there.

Q. But you did not go around to see if any of the rejected horses were revived over night?—A. I was in all the stables in the morning.

Q. And you still saw the rejected horses there?—A. Yes.

Q. Did any of them have tickets on them?—A. No.

Q. Did any horses you did not examine have tickets on them?—A. No.

Q. Did you have any means of verifying the horses that were passed the night before?—A. No, nothing particular.

Q. Your attention was not directed to them?—A. No.

Q. It was not directed to that matter in any way?—A. No.

Q. Were you on the look-out for any substitution?—A. Yes, I was on the look-out.

Q. Perhaps it is a trick they do not play in Summerside?—A. I never heard tell of it on the island.

Q. Has your attention ever been directed in any way towards that sort of fraud?—A. Well, of course, I watched out myself to see that only the horses we passed went on the boat.

[Summerside, P.E.I., Horses—Doyle.]

Q. You were just a little suspicious?—A. I had no suspicions.

Q. Then you mean that you were wide awake?—A. I was wise enough for that.

Q. You were wise enough to know that that sort of thing had to be watched?—

A. Yes.

Q. You are quite sure that the horses you bought the night before were the horses you got in the morning?—A. Yes.

Q. And that none were taken that were not marked by your blue ribbon of approval?—A. None.

Q. How did you get the 54 horses down to the ship?—A. We got men to take them down.

Q. How many men?—A. Several men.

Q. McNeill's men?—A. McNeill got the men.

Q. Did you get them all on the ship?—A. Yes.

Q. All the 54 horses?—A. Yes.

Q. Did you go over with them?—A. Yes.

Q. Did Anderson go over with them?—A. No, Anderson did not come over this time.

Q. He left you alone with the 54 horses?—A. Yes, McNeill came over with me.

Q. Did McNeill help you to unload on the other side?—A. Yes, he stayed there.

Q. Did you have soldiers to help you unload the horses?—A. Yes.

Q. Did McNeill come back in the boat?—A. No.

Q. Did he stay over night?—A. He came to Moncton.

Q. Did you take the horses back with you to Moncton?—A. No, I think we left them at Pointe au Chêne.

Q. Did the boat return to Summerside that night?—A. Yes.

Q. Did it take any of the horses back?—A. No, there were some soldiers there.

Q. But they were not in charge of the horses at Point du Chêne?—A. No.

Q. Did McNeill tell you what he got from Anderson?—A. No, he was not paid there.

Q. Had he been paid for the first lot?—A. Yes.

Q. Did he say anything about the pay he received for the first lot?—A. No.

Q. He did not mention it in any way?—A. No.

Q. Did you know he had been paid?—A. I saw the cheque he got for the first lot.

Q. When did you see that?—A. I signed the cheque.

Q. When?—A. When he got it. I think he was paid in Summerside the time we were over together.

Q. That was the first time?—A. Yes.

Q. Now your recollection is becoming fresh on that—he was paid before you and Anderson departed with the horses?—A. I am pretty sure he was.

Q. When did you pay him for the large batch of 54 horses?—A. He was paid in Moncton.

Q. Are you sure about that?—A. Yes.

Q. Did he follow you over in order to get his cheque?—A. I suppose so.

Q. When did you give him that cheque?—A. I think it was the next day.

Q. That would be about the 28th; it is dated the 28th; is it not in your handwriting?—A. Yes.

Q. The whole cheque is in your handwriting?—A. Yes.

Q. And it is on the 28th?—A. Yes.

Q. That is about right?—A. Yes.

Q. And it is payable to W. B. McNeill?—A. Yes.

Q. And you think you gave it to him that night when you went over to the mainland?—A. I think it was the next day Anderson gave it to him.

Q. Did Anderson tell you to make out a cheque for that amount?—A. Yes.

Q. Did McNeill tell you how much was coming to him on that cheque?—A. How do you mean?

Q. I mean the cheque for the 54 horses which you handed to him when you and he were going on together from Point du Chêne to Moncton with your horses left behind him at Point du Chêne, and with Anderson left further behind here at Summerside?—A. Anderson was not at Summerside.

Q. Anderson did not come over when you brought the 54 horses?—A. No.

Q. You bought the 54 horses?—A. He sent me over to examine the horses and bring them to Moncton.

Q. Who came with you?—A. No person.

Q. Did you keep a record of the horses you bought?—A. No.

Q. Then you were examining the horses here in Summerside without any assistance?—A. Yes.

Q. Did you keep a record of the age?—A. Not here; we took them in Moncton.

Q. Did you take any records here of the age and colour and so on?—A. No.

Q. What did you do with regard to the examination?—A. We took them over to Moncton.

Q. Did you make any examination here in Summerside?—A. Yes.

Q. What examination?—A. To see their age and to see that they were sound.

Q. Did you parade them all and put them through their paces here?—A. No, we did not.

Q. Therefore, it was a superficial examination that you made here, was it not?—A. McNeill was to come over with the horses and we took them to the trotting park in Moncton and examined them there.

Q. And were they able to do a mile in 2.02?—A. The battery was in camp at the trotting park.

Q. Did McNeill make any objection to shipping 54 horses over to Moncton without their first being examined?—A. I examined them, as I say, in the first place, at Summerside.

Q. But it was a superficial examination?—A. I made sure they were sound and of the right age.

Q. What further examination would you make or what other examination would you make if Anderson had been in Summerside?—A. We would not make any more, we did it to make sure that every horse was right.

Q. Did you examine that second batch of 54 horses in the same thorough manner at Summerside that you examined the first six horses?—A. Yes.

Q. You are quite sure of that?—A. Quite sure.

Q. And it was simply an extra test you were submitting them to at Moncton?—A. At Moncton, yes.

Sir CHARLES DAVIDSON: I understood the witness to say that he had nothing to do with the money part of the transaction.

The WITNESS: I had nothing to do with the setting of the price; I signed the cheques.

By Mr. Thompson:

Q. Is the first cheque for six horses, for \$1,425, made out in your handwriting?—A. No.

Q. Did you ask McNeill to go over with you to Moncton with the horses?—A. I understand that Anderson asked him to go there.

Q. Why did Anderson want him over?—A. He wanted him to deliver the horses there.

Q. Who paid the shipping charges?—A. I do not know.

Q. Did you pay them?—A. No.

Q. Who paid the shipping charges on the first batch?—A. I think Anderson did, but I cannot say for sure.

Q. You had nothing to do with it?—A. No.

Q. What time did you get the horses over to Moncton?—A. That afternoon.

Q. Did you sign the cheque the same afternoon?—A. No, I think it was the next day.

[Summerside, P.E.I., Horses—Doyle.]

Q. Did you hand it to McNeill?—A. No.

Q. What did you do with it?—A. I left it with Anderson.

Q. Did he hand it to McNeill?—A. Yes.

Q. As far as you know?—A. As far as I know.

Q. Did you examine the horses at Moncton that afternoon when you arrived?—A. No, the next day.

Q. Was McNeill there?—A. Yes.

Q. Did you confirm your examination which you made at Summerside that the horses were all sound?—A. Yes.

Q. Did you further confirm your opinion as to their soundness when you inspected them on the trotting track?—A. I found they were perfectly sound.

Sir CHARLES DAVIDSON: Do you mean to say these cheques are not in the same handwriting; are you quite sure of that, have you not made a mistake?

The witness was asked to write the word "Moncton."

Sir CHARLES DAVIDSON: Is the way in which you have written the word "Moncton" in pencil your usual way of writing it?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: That being so, neither of these words "Moncton" on the cheque would be in your handwriting, would they? The two cheques are identical with regard to the word "Moncton."

The WITNESS: I know I did not write the cheque for six horses.

By Mr. Thompson:

Q. And you say this is like Anderson's handwriting?—A. I am positive that is Anderson's handwriting.

Q. And the cheque for 54 horses, the amount being \$12,154, is not in your handwriting?—A. Yes.

Sir CHARLES DAVIDSON: How did you happen to write the cheque?

The WITNESS: Anderson was with me, and he was busy, and he told me to write it.

Sir CHARLES DAVIDSON: From the cheque book?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: These are Government cheques?

The WITNESS: Yes, these are Government cheques.

By Mr. Thompson, K.C.:

Q. Did you pay any other visit to the island for the purpose of purchasing horses?—A. I do not think I did.

Q. Are you sure?—A. I think McNeill brought the horses over.

Q. Now come, you have only sixty horses up to date?—A. Yes, there were two more lots.

Q. When did you come over again from the mainland?—A. It was after that; I cannot remember.

Sir CHARLES DAVIDSON: You came over to the island twice.

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Are you sure?—A. Yes, there were two more, but I think there were ten between the six and the fifty.

Q. You are quite right about that, and that is why I am trying to test your memory. When you bought the six horses, you apparently bought ten more on the same day, and that is why I questioned you as to whether there were only six horses on board the ship. I think you will find there were sixteen. One cheque was on the 25th of August and the other was on the 26th of August and then it was some considerable

[Summerside, P.E.I., Horses—Doyle.]

time before you bought the fifty-four horses, I was trying to see how good your memory was?—A. I know there were six horses and ten horses in two lots.

Q. Bought on the one day?—A. I do not think it. I cannot remember about that. I do not think they were bought on the same day.

Q. How many trips did you make across the Strait of Northumberland with horses in your possession?—A. I think there were only just two.

Sir CHARLES DAVIDSON: You have spoken of four already.

The WITNESS: There were four shipments of horses.

Sir CHARLES DAVIDSON: You came back twice again.

The WITNESS: I do not know that the horses were with us.

By Mr. Thompson, K.C.:

Q. Don't you recollect?—A. I cannot remember.

Q. Surely you can, you took the 54 horses over on the 28th of August and you went over with them.

Sir CHARLES DAVIDSON: I have a memorandum in my notes that the witness stated he came twice after that.

The WITNESS: Yes, I think so.

Sir CHARLES DAVIDSON: That would be four times altogether.

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. And you bought four lots altogether?—A. Yes.

Q. You bought the 10 horses before you bought the 54?—A. Yes.

Q. And do you remember about that?—A. I cannot remember.

Sir CHARLES DAVIDSON: I could quite conceive that you could not remember these things, but have you no memorandum whatever?

The WITNESS: No, Major Anderson kept all that.

By Mr. Thompson, K.C.:

Q. There is a cheque issued, dated 25th August, which you signed, for six horses, and I did not say anything to you but you made a jump to the 54 horses, when, as a matter of fact, on the following day, namely the 26th of August, you bought 10 horses; at any rate you issued a cheque on the 26th of August?—A. Yes, I remember the horses.

Q. And it was not until the 28th of August that you satisfied McNeill's hunger for the cheque for \$12,154?—A. The horses came over but I do not remember.

Q. The horses went over all right, but did you go over with them?—A. I cannot say.

Q. What happened the 10 horses, did they take their own passage across?—A. Some one went over with them.

Q. Who went over?—A. I think McNeill came over with those horses.

Q. Alone?—A. I am pretty sure.

Q. Did he have telegraphic instructions to bring the horses across?—A. Perhaps on Major Anderson's instructions, but not on mine.

Q. Do you think Major Anderson telephoned him to bring the 10 horses across from the island?—A. He might.

Q. But you don't recollect passing ten horses over here on the island?—A. No.

Q. You only passed six here you say?—A. Yes.

Q. And the 54?—A. And the 54.

Q. Now, do you remember passing ten horses at Moncton?—A. Yes.

Q. And you think McNeill brought them over to take chances on their being passed when they got to Moncton?—A. I suppose so.

Q. You did not inspect these horses here?—A. Not that I remember.

[Summerside, P.E.I., Horses—Doyle.]

Q. Now do you recollect doctor, whether McNeill, as he was bringing the horses across himself, unaccompanied, and without any instructions except to bring the horses, that he brought any discards among these ten horses?—A. No.

Q. Because you did not have an opportunity of going to the stable with respect to these ten horses?—A. No.

Q. And you did not make a note of the 54 horses you bought?—A. No.

Q. Do you think any of the discards were shipped in among the ten horses?—A. I am positive there were none.

Q. Were the discards outstanding in the matter of complications and diseases?—A. I remember one had quite a lump on his knee.

Q. You do not think that horse could get by you on a second occasion?—A. He could not, there was another one over age.

Q. How much was he over age?—A. I think he was 11 or 12 years.

Q. But he would be well within the Nova Scotia age limit of horses?—A. Yes.

Q. Were the other discards noticeable in any respect, so that you would spot them?—A. One had a little sore on his leg.

Q. Did he limp a little?—A. It was noticeable, one had a little sore in his leg and I remember there was another one undersized.

Q. You would spot them?—A. Yes.

Sir CHARLES DAVIDSON: What height were the horses to be?

The WITNESS: They were not to be under 15 hands.

By Mr. Thompson, K.C.:

Q. And you are quite sure that no horses you passed were under 15 hands?—A. Quite sure.

Q. Have you a distinct recollection of passing ten horses for McNeill at Moncton?—A. Yes.

Q. If that is the case, doctor, as you issued a cheque on the 25th of August for 6 horses, he must have followed over hot-foot the next day with ten more?—A. He must have.

Q. Does that correspond with your recollection?—A. I think that is right, I think he came over the next day, but I would not be positive.

Q. Did you know he was coming over with these horses?—A. Major Anderson did.

Q. Did you know?—A. Major Anderson told me.

Q. When did Major Anderson tell you?—A. When Major Anderson got word he would come to me.

Sir CHARLES DAVIDSON: Ascertain where Major Anderson is at the present time.

By Mr. Thompson, K.C.:

Q. As I understand it, Major Anderson is absent now on foreign service?—A. Yes.

Q. When did he leave?—A. He left some time in September.

Q. Major Anderson could hardly have got word about this extra stable that McNeill had discovered of ten horses, because you issued a cheque to him for six horses on the 25th of August?—A. Yes, that was when we were here in Summerside.

Q. Yes, when you were here, and the following day you issued a cheque for ten horses?—A. He could come over with ten horses the next day.

Sir CHARLES DAVIDSON: Where did you stop when you were in Summerside?

The WITNESS: I stopped with my own people.

Sir CHARLES DAVIDSON: Then there is no record to be found of when you were here.

The WITNESS: No. Major Anderson stopped at the Queen hotel.

By Mr. Thompson, K.C.:

Q. You gave a cheque on the 25th and you proceeded to the mainland with your six horses?—A. Yes.

Q. McNeill therefore, must have taken the next morning's boat across from Moncton with his horses examined to get his cheque, because you dated the cheque the 26th of August?—A. That must be right.

Q. It must have been by some arrangement, either on your part or on Major Anderson's part, that he collected ten horses and took them across to the boat?—A. I made no arrangement.

Q. Did Anderson tell you he had made an arrangement with McNeill?—A. He told me he had made arrangements to buy horses from McNeill.

Q. Did he tell you he had made arrangements with McNeill to bring horses across?—A. Not that I remember, he might have.

Q. Were you surprised when you saw McNeill marching in at the head of ten horses the following day?—A. Not at all.

Q. Did you expect him?—A. I do not know whether I did or not.

Q. I suppose you were past being surprised at that time, were you?—A. If Major Anderson knew he was coming he would tell me.

Q. Do you recollect now whether you were surprised to see ten horses tumbling into the camp the next day under McNeill?—A. I would not be surprised to see ten horses coming in.

Q. Would you not be surprised to see McNeill coming the next day with ten horses, after you had cleaned him out the night before?—A. No.

Q. Are horses so plentiful on the island that you could gather ten up within twenty-four hours?—A. Certainly.

Q. And did McNeill only bring ten over?—A. Yes.

Q. And you passed them all?—A. Yes.

Q. You did not reject any?—A. No.

Q. Did you set the price of those?—A. No.

Q. Who set the price?—A. Anderson.

Q. Did you sign the cheque afterwards?—A. Yes.

Q. Did Anderson tell you anything about the quality of the horses that McNeill brought over, did he discuss it with you?—A. Yes.

Q. On the occasion of these ten coming in?—A. Of course as a general thing we discussed about the horses that McNeill bought.

Q. What time did McNeill get to Moncton with these ten horses?—A. They got in some time in the afternoon.

Q. Do you recollect the horses arriving?—A. Yes, I think Major Anderson sent some soldiers after these horses to ride them in.

Q. You think so?—A. Yes.

Q. Ride them in from where?—A. From Point du Chêne.

Q. Where to?—A. To Moncton.

Q. That would be a long ride?—A. It would be about 15 miles.

Q. And you say you have a distinct recollection of these ten horses arriving?—A. I remember them arriving; he sent men over to bring them in.

Q. Did you pass these horses that same day?—A. Yes.

Q. After you passed them were they branded?—A. No.

Q. What was done then?—A. They were placed in the park.

Q. Under a guard of soldiers?—A. Yes.

Q. Now, you have accounted for the extra ten horses coming over in the manner you have described; but what about these eleven horses that you bought on the 31st of August, because you did buy eleven on the 31st of August?—A. Yes.

Q. Did you come over here again?—A. I do not know.

Q. Now you think that your recollection is wrong, is that correct?—A. About this.

Q. Now, you stated earlier in your testimony that you came over twice, and now, apparently, instead of your coming over here for one batch of horses, at least McNeill follows you over with his horses. Up to date you have only made two purchases on the island, one of six horses and one of 54 horses on these two visits. Now, what happened with regard to the 11 horses?—A. I think I was over for these horses.

[Summerside, P.E.I., Horses—Doyle.]

Q. You think so?—A. I think so, yes.

Q. Alone?—A. Alone.

Q. Did not Major Anderson come?—A. No.

Q. Did you examine all these horses in one day?—A. Yes.

Q. Were there any rejects?—A. I cannot remember.

Q. Where did you examine them?—A. All his horses were in the barn.

Q. Which barn?—A. His own barn.

Q. Were they all in his own barn?—A. I think so, yes.

Q. Did you notice the rejects still there?—A. No.

Q. What had he done with them?—A. I do not know.

Q. Did he tell you?—A. He told me he had sold one.

Q. To you?—A. No.

Q. To Anderson?—A. No, he told me he sold one to another party.

Q. Did he make a good profit on it?—A. He told me he was glad we did not take the horse.

Q. He was glad you did not take it?—A. Yes.

Q. Did he state he was glad you had expressed your disapproval of that horse?—

A. That was the one that was a little under size.

Q. Have you a distinct recollection of examining 11 horses?—A. I have a distinct recollection of examining these in Moncton.

Q. That was the bunch of ten you examined in Moncton?—A. No, and these here too.

Q. We are not up that far yet; were you over here around the 30th of August?—A. I think I was, I would not say for sure.

Q. Try and remember it now because I should think it would be an event for you to come to the island?—A. We had had a lot of events then; we were travelling everywhere.

Q. You were not travelling to the island often?—A. No.

Q. And you were coming home when you came back here?—A. Yes.

Q. Surely a visit to the island would stick in your mind, and you have only accounted for two trips so far, one when you came over with Anderson, and one when you had a lonely journey all by yourself and 54 horses to look after. Now, what about the 11 horses?—A. I cannot remember about the 11 horses.

Q. Did Anderson come over?—A. I do not think it.

Q. Do you think you came over about these 11 horses?—A. I would not say for sure.

Q. Did you examine the 11 horses which you bought around the 30th of August in Moncton?—A. Yes.

Q. You are sure?—A. Yes.

Q. Were there any rejects?—A. No.

Q. Did you examine in Moncton the six which you bought on the first occasion?—A. I was there when they came in.

Q. You brought them over with you?—A. We had to leave them at Point du Chêne.

Q. Did you examine the first six when you got to Moncton?—A. Yes.

Q. You are perfectly sure of that?—A. Yes.

Q. Did you make two examinations of all the McNeill horses?—A. Yes.

Q. Why?—A. With the exception of the ten.

Q. Why did you do that?—A. It was only just to satisfy myself that they were the right horses and that everything was all right.

Q. What do you mean by saying that everything was all right?—A. I mean that the horses we bought were sound.

Q. You mean to say that the horses that actually marched into camp were sound?—A. Yes.

Q. Because apparently you did not keep any means of identifying them as the horses which were passed by you in the first instance?—A. No.

Q. Were you a little doubtful about your examination of the horses on the island?
—A. Not at all.

Q. You were quite satisfied with it?—A. Quite satisfied.

Q. Then why did you make the other examination at Moncton?—A. To make sure they were the right horses.

Q. What do you mean by the right horses?—A. The ones we bought.

Q. You did not have any one with you except for the first lot; you were all alone with regard to the 54 horses you took over; do you think they might have put up some game on you with respect to these?—A. I had no suspicion.

Q. Just extra precaution?—A. Extra precaution.

Q. And when you examined the horses a second time, you found that your first impression was a good one and that you were a good judge, and that there was no mistake made by you?—A. The horses were all right.

Q. Did that apply to the 11 horses?—A. Yes, I examined them.

Q. You did not reject any of the 11?—A. No.

Q. Then McNeill himself must be a good judge of a horse?—A. He is.

Q. Especially when he runs the risk of shipping them across to the mainland from the island and takes chances on their being rejected?—A. Yes.

Q. And apparently there was a little doubt about some he submitted to you?—A. Every one he submitted was sound except some little blemishes.

Q. And you say there was not a single unsound horse submitted by McNeill?—A. No. one was undersized, and one had a lump on his knee, and so on.

Q. And you say you could tell any rejects if they tried to impose them on you?—A. Yes, because on the rejected horses there was something you could see, outstanding marks; for instance, the one with the lump on its knee, you could see that.

Q. And you considered them all first-class horses?—A. First-class horses.

Q. Including the rejects?—A. Including the rejects.

Q. This must be a wonderful place; what did you pay for the 11 horses, do you recollect?—A. I do not.

Q. Did you discuss the prices with McNeill?—A. No.

Q. Did he leave at once for the mainland, do you know?—A. I cannot say when he left.

Sir CHARLES DAVIDSON: Did you fix the price?

The WITNESS: No, Major Anderson did.

Sir CHARLES DAVIDSON: When you came over alone to the island, did you not fix the price?

The WITNESS: Oh, no, Major Anderson did that at Moncton.

By Mr. Thompson:

Q. You examined the six horses on the 25th of August, you remember buying six?—A. Yes.

Q. That was the occasion on which you had Major Anderson's valuable assistance in buying the horses?—A. Yes.

Q. And he had a note-book?—A. Yes.

Q. On the 26th of August McNeill evidently went over to Moncton with ten horses?—A. Yes.

Q. That is your recollection?—A. Yes.

Q. How did the horses which McNeill fetched over for you to examine at Moncton compare with the horses which you picked out of the stable when you came on the 25th of August?—A. They were just as good as the ones he took over.

Q. Every bit as good?—A. Every bit as good.

Q. Do you think any of the ten he brought over on the 26th of August were horses you had seen on the 25th of August when you bought your six?—A. I do not recollect that. Do you ask me if they were any I saw on the day before?

Q. Yes?—A. I cannot say.

[Summerside, P.E.I., Horses—Doyle.]

Q. You bought all in his stable that you thought would be satisfactory?—A. Yes.

Q. And you say he had about twenty horses there?—A. Yes.

Q. And you only bought six out of the twenty?—A. Yes.

Q. And you left him 14 in the stable?—A. Yes.

Q. Did any of these 14 horses come over with McNeill in the bunch of ten on the 26th of August?—A. No.

Q. You are pretty sure about that?—A. Pretty sure.

Q. And you thought that the horses he brought over on the ship were of the same value as the heavy draught horses which you selected out of the 20 when you were examining them at McNeill's stable?—A. Yes.

Q. You do?—A. I do.

Q. You are still satisfied about that?—A. Yes.

Q. Does that same remark apply to the 11 horses which you bought later?—A. Yes.

Q. Do you think they are all up to standard?—A. All up to standard.

Q. And all about the same quality?—A. Yes.

Q. After you had the horses in camp there was a further opportunity of studying their character, was there not?—A. Yes.

Q. And did you notice any defects about any of them?—A. None whatever.

Q. Either in harness or in the saddle?—A. Some in harness and some in the saddle; they had them all in the guns.

Q. And did all those horses behave themselves well?—A. As far as I know there were no complaints.

Q. You were with the battery for some time?—A. No, but I used to go up every day.

Q. To see how these horses were acting?—A. To see the horses, yes.

Q. Were you furnished with a certificate by the department to fill up, and also to have the vendor sign; were you furnished with anything like the certificate which I now show you, showing the date of purchase, the colour, the sex, the markings, and then your certificate of examination followed by the owner's name?—A. No.

Q. You had none of these official documents whatever?—A. No.

Q. Have you seen any?—A. I never saw one.

Q. They were not supplied to you, you say, at any time during your examination of these horses?—A. No.

Q. And you say that there was no other literature sent you by the department showing what forms had to be filled up?—A. I did not see any; there was none sent to me anyway.

Q. If they were sent to Major Anderson, would you have known anything about it?—A. I would, if I had to sign it.

Q. Major Anderson did not tell you that he had any official forms like this, but that on account of the rush he could not fill them up or could not pay much attention to them?—A. No.

Q. Where did you receive your remuneration from?—A. Halifax.

Q. And you say it amounted to \$126?—A. I think that is the amount.

Q. You still have your records of the horses which you examined?—A. Yes.

Q. And that record will show the names of the persons who submitted horses?—

A. Who submitted horses.

Q. But it will not show how many of each man's horses were passed or rejected?—

A. No.

Q. It just gives the total number of the horses submitted by each man?—A. Yes.

Q. Is that all?—A. Yes.

Q. Will you produce that when the Commission sits at Moncton?—A. Yes.

Q. Did you receive any sum of money either directly or indirectly from any other person than the Government for your services?—A. No.

Q. Was any inducement held out to you in any way to pass any of these horses?—

A. No, none whatever.

Q. Or was there any promise of anything made to you?—A. No.

Q. Was there any promise of a horse by way of a present made to you?—A. No promise whatever.

Q. And you say you received no other form of recompense whatever except what you received from the Government?—A. None whatever.

Q. And you got no recompense from Anderson for having bought such good horses?—A. No.

Q. And I suppose you received no recompense from other horse dealers on the island for not having bought their horses?—A. Not likely.

Sir CHARLES DAVIDSON: Will the doctor remain in Court, he may be needed.

Mr. THOMPSON: We may need him to-morrow.

The witness retired.

DOUGLAS GORDON, agent, Charlottetown Steam Navigation Company, sworn:

By Mr. Thompson, K.C.:

Q. I want your record to show what horses were shipped by McNeill or Anderson in August last year from Summerside to Point du Chêne, and in what order they were shipped?—A. The only records I have I brought them into Court.

Sir CHARLES DAVIDSON: What ship?

The WITNESS: The steamship *Empress*. The outward freight is billed on board the boats by the purser and the only record we have is the ship's copy of the bills of lading.

By Mr. Thompson, K.C.:

Q. They would show everything that went over on the ship?—A. Yes, unless something was sent down to the wharf too late. We do not use bills of lading for live stock we use special contracts.

Q. What is the first of these you find with reference to McNeill or Anderson?—A. On August 22 billed to W. B. McNeill, Point du Chêne, six horses, prepaid by him to Point du Chêne, \$12.00.

Q. These are billed by W. B. McNeill to W. B. McNeill?—A. Yes, these are the first I find.

Q. Are these in his name?—A. Yes.

Q. On August 26, what do you find?—A. Ten horses to Major Anderson, Point du Chêne.

Q. Shipped by whom?—A. By W. B. McNeill.

Sir CHARLES DAVIDSON: Is that prepaid?

The WITNESS: No, sir, that is not prepaid, that is collect. The first lot of six horses was prepaid, the second ones were collect.

By Mr. Thompson, K.C.:

Q. How could I find out who paid that freight?—A. We would have to trace it.

Q. Can you do that?—A. I suppose I could find out.

Q. Can you find out to-night from the purser on the ship?—A. Our offices in Charlottetown might tell.

Q. What is the next shipment?—A. August 31, 54 horses.

Q. Consigned by whom?—A. Consigned by W. B. McNeil.

Q. To whom?—A. To Major Anderson, Moncton.

Q. Do you think that was prepaid?—A. No, it was not.

Q. You don't know who paid the freight?—A. I do not. It might have been prepaid on the boat but I think that would be noted. These go to the purser and come back here in the afternoon.

Q. What next shipment was there?—A. That is all I can find shipped by Mr McNeill.

[Summerside, P.E.I., Horses—Gordon.]

Q. How many does that make altogether?—A. Seventy horses.

Q. But there are 11 more horses?—A. I have not got the shipping notes of them.

Q. Should you have them?—A. I would not have them if they came down too late to the boat for me to have them consigned.

Q. Where is your office?—A. Down at the end of the wharf alongside the boat.

Q. And do live stock ever come down to the boat so late that you cannot make out a shipping bill?—A. Sometimes it comes down late. Anyway I cannot find any further shipping notes for them.

Sir CHARLES DAVIDSON: He says the purser can give evidence as to that.

The WITNESS: The full records are in the head office at Charlottetown.

Sir CHARLES DAVIDSON: Do I understand that the purser keeps them too?

The WITNESS: I suppose he does, but everything goes to the head office in Charlottetown.

By Mr. Thompson, K.C.:

Q. Can you telephone out and ask them to get these shipping bills so that you may have them in the morning, because I would like to know about the freight, who paid the freight on these shipments, and also the record as to the 11 horses.

Sir CHARLES DAVIDSON: That shipment would be about the 25th of August.

The WITNESS: I will try and find out.

The witness retired.

The Commission adjourned until to-morrow morning, Friday, July 30, at half-past ten o'clock.

SUMMERSIDE, P.E.I., July 30, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.
At the sitting of the Commission.

DOUGLAS GORDON, agent of the Charlottetown Steam Packet Company, recalled:

By Mr. Thompson, K.C.:

Q. Have you looked up your records as to the shipment of horses last night?—A. Yes, sir.

Q. And how many horses do you find were shipped?—A. I find there were six shipped on August 22.

Q. By whom?—A. By W. B. McNeill to W. B. McNeill, Point du Chêne.

[Summerside, P.E.I., Horses—Gordon.]

Q. Was the freight paid?—A. Freight prepaid.

Q. How much?—A. \$12.60 freight and wharfage.

Q. What was the next shipment?—A. August 26th, shipped by W. B. McNeill to Major Anderson, Point du Chêne, ten horses.

Q. Was the freight prepaid?—A. There was \$20 freight and \$1 wharfage, making \$21 paid at Point du Chêne.

Q. Who paid that freight?—A. I do not know, I questioned the purser and he presumed it was paid by Major Anderson.

Q. What was the next shipment?—A. On August 21st from W. B. McNeill to Major Anderson, Moncton, 54 horses, which turned out to be 55 horses, when they counted them on the boat. There were 55 transferred and they went forward to Moncton.

Q. What was paid in the way of freight and wharfage on that lot?—A. \$5.30 wharfage and \$110 for the freight crossing, making a total of \$115.30 at Point du Chêne.

Q. When was the next shipment?—A. On September 3rd, from W. B. McNeill to Major Anderson, Moncton, ten horses.

Q. What about the freight and wharfage on that lot?—A. They went forward collect \$21 at Point du Chêne; \$1 wharfage and \$20 freight.

Q. How many horses all told were shipped?—A. 81 horses.

Q. You have a bill a lading for some horses shipped by McNeill this year, have you that statement here?—A. Yes.

Q. What do you find he shipped this year?—A. Two horses on May 17 to Fredericton to D. M. Surgeon, Fredericton.

Q. What was the next shipment made by him?—A. On May 21 another horse to D. M. Surgeon, Fredericton, and the same day a horse to Rogers, Miller & Company, Point du Chêne.

Q. That is all the shipment he made this year?—A. That is all.

The witness retired.

W. B. McNEILL, livery stable keeper, Summerside, P.E.I., sworn:

By Mr. Thompson, K.C.:

Q. Did you buy horses and sell them to Major Anderson last August and September?—A. Yes.

Q. How many?—A. Eighty-one.

Q. From whom did you buy the horses and what did you pay for each one?—A. I cannot say; I cannot give you that.

Q. We want the information?—A. I cannot give it to you.

Q. Do you want me to believe that?—A. You can please yourself about that.

Q. I am going to stay here until we get the information, Mr. McNeill; start off, now, with the names?—A. I do not know the names of the fellows I bought the horses from.

Q. Do you swear you do not know the name of any man from whom you bought a horse which you sold to Major Anderson?—A. I may know the names of some.

Q. That is not the question; answer me the question?—A. Yes, I know the names of some of them.

Q. Well, start off and give the names?—A. It is pretty hard for me to tell the names. Do you want me to tell as many names as I remember?

Q. Yes, and I want the names of all of them eventually?—A. Some names I do not know at all. I cannot say the names now sure. I do not know what you want me to do now.

Q. I want the names of the persons from whom you bought the horses that you sold to Major Anderson, and the prices you paid to the owners from whom you bought

[Summerside, P.E.I., Horses—McNeill.]

the horses?—A. I do not believe I can answer that. I might give you some. I bought one horse from J. D. Perry.

Q. How much did you pay for him?—A. \$165, but I am not positive of that.

Q. Did you pay by cheque or by cash?—A. I cannot remember.

Q. Do you swear you don't remember whether you paid for that horse by cheque or by cash?—A. I do not remember.

Q. Do you swear you do not remember?—A. I do not remember.

Q. From whom did you buy another horse?—A. J. A. Morrison.

Q. How much did you pay Morrison?—A. I am not sure what price I paid. Do you want me to swear to something that I do not know for sure?

Q. You are under examination, and I am not the witness; you will please answer the question?—A. I say I am not positive of the figures I paid for the horse.

Q. Do you swear you are not positive as to the amount you paid for the Morrison horse?—A. Yes.

Q. You swear that?—A. Yes.

Q. Did you buy that horse by cheque or by cash?—A. I cannot say.

Q. Do you swear you cannot say?—A. Yes.

Q. Approximately, how much did you pay for the Morrison horse?—A. I am not positive what I paid.

Q. I did not ask you that; answer the question, please?—A. I cannot answer the question.

Q. About how much did you pay for the Morrison horse?—A. I cannot say just what it was.

Q. Do you swear that you cannot give me the approximate amount you paid for the Morrison horse?—A. I cannot answer that question.

Q. About how much did you pay for the Morrison horse?—A. I would not be positive; it was somewhere about \$210, but I would not be sure.

Q. Did you buy the horse from Morrison yourself?—A. Yes.

Q. Did you pay Morrison the amount of the purchase? If it was a cheque, did you give the cheque to Morrison, and if it was cash did you give the cash to Morrison?—A. I must have. I do not remember paying him exactly, but it must be me who paid him.

Q. Well, you have told us about two horses, what other horse did you buy?—A. I bought another horse from Harry Salliphant.

Q. How much did you pay Salliphant for his horse?—A. I do not remember exactly what I paid for him.

Q. About how much did you pay Salliphant for his horse?—A. I think it would be about \$180.

Q. Did you pay him by cheque or by cash?—A. I am not sure.

Q. Do you swear that you do not know whether you paid him by cheque or by cash?—A. I do not know positively.

Q. What was the next horse you bought?—A. I bought a horse from Joseph Colbeck.

Q. Where does he live?—A. He lives near Summerside, I guess inside the town.

Q. What does he do?—A. He is a farmer.

Q. What did you pay Colbeck?—A. I am not sure of what I paid him.

Q. Do you swear that you do not know how much you paid Colbeck for his horse, speak up please?—A. I do not know for sure.

Q. Did you pay Colbeck by cheque or by cash?—A. I am not just positive, I think it was by cheque.

Q. Have you got the cheque there?—A. No.

Q. How much did you pay Colbeck?—A. I ain't positive of that either.

Q. About how much did you pay Colbeck?—A. I paid him about \$190.

Q. Do you swear you do not know exactly how much you paid Colbeck?—A. Yes.

Q. Where does Perry live?—A. In Summerside.

Q. Where does Morrison live?—A. In Summerside.

[Summerside, P.E.I., Horses—McNeill.]

Q. What is the next horse you bought?—A. I bought a horse from Pat Ryan.

Q. Where does Pat Ryan live?—A. In Summerside.

Q. What is his occupation?—A. He is a truck man.

Q. What did you pay Pat Ryan for his horse?—A. I do not remember what I paid him.

Q. Do you swear that you do not remember?—A. Yes.

Q. Cannot you give me the exact amount you paid Ryan for his horse?—A. No.

Q. Did you pay him by cheque or by cash?—A. I do not remember whether I gave him a cheque or cash.

Q. Cannot you tell me exactly whether it was by cheque or by cash that you paid Ryan for his horse?—A. No, I cannot tell you.

Q. How much did you pay Ryan for his horse?—A. I do not remember.

Q. About how much did you pay Ryan for his horse?—A. I do not know, I cannot say. I bought different horses from Ryan and I do not know the prices I gave him for them.

Q. What was the most you ever paid Ryan for a horse within the last year?—A. I cannot say that positively.

Q. About how much?—A. Do you mean how much was the most I paid him?

Q. Yes, what is the most you paid him for one horse in the past year?—A. \$220.

Q. What was the smallest amount you paid Ryan for a horse during the last year?—A. I cannot say.

Q. When did you buy the horse from Ryan that you paid \$220 for?—A. It was within the last year.

Q. When?—A. I do not know.

Q. What month?—A. I cannot say.

Q. Was it this year or was it before January last that you paid Ryan \$220 for that horse?—A. That is more than I can say just exactly.

Q. Was it before January, 1915, or was it after January, 1915, that you paid Ryan \$220 for this horse?—A. It was after.

Q. If it was after January, 1915, we can leave that horse out. What was the most you paid Ryan for a horse between August of last year and January, 1915?—A. I do not remember the amount I paid him.

Q. Don't you remember the top price you paid him for a horse?—A. I gave you that.

Q. No you didn't, that was after January of this year that you bought that horse, and I want to know with reference to before January of this year?—A. I do not remember it at all.

Q. Don't you remember?—A. No.

Q. What was the lowest you paid Ryan for a horse between August of last year and the first of January of this year?—A. I do not remember.

Q. How many horses did you buy from Ryan between the first of August last year and the first of January this year?—A. I do not remember, I think it was one or two but I am not sure how many.

Q. About how many?—A. One or two.

Q. Was it one or two, was it two?—A. I do not know, I might have bought two and I might have bought only one.

Q. Do you swear that you do not know how many horses you bought from Ryan between the first of August last year and the first of January this year?—A. Yes.

Q. You swear you do not know?—A. Yes.

Q. Did you buy more than two horses during that period from Ryan?—A. No.

Q. Did you buy two horses?—A. I do not know, it was either one or two but I do not know which. That is the same question over again, is it not?

Q. What did you pay Ryan for either one or both of these horses?—A. I do not remember how much I paid him.

Q. Did you pay Ryan yourself when you bought the horses?—A. I do not remember whether I paid Ryan myself or not.

[Summerside, P.E.I., Horses—McNeill.]

Q. If you did not pay Ryan who would have paid Ryan?—A. I do not remember whether I paid him or not.

Q. If you did not pay him, who would have paid him?—A. I do not know.

Q. Would any other person have paid Ryan if you did not pay him?—A. I do not know.

Q. Have you any agent or book-keeper whom you authorize to pay for horses that are bought?—A. Do you ask me if anybody else ever paid for horses I bought?

Q. Yes, have you any other person whom you authorize to pay for horses which you buy?—A. I do not understand that question.

Question repeated:

Q. Have you any other person whom you authorize to pay for horses that you buy?—A. I do not understand that.

Q. Do you give any other person money to buy horses for you?—A. I don't understand what you mean by that question.

Q. Question repeated: Have you any other person whom you authorize to pay for horses that you buy?—A. Between the first of August of last year and the first of January of this year, I may have given some person else money to buy the horses for me but I do not remember exactly.

Q. Will you swear that you did or did not give any person money to buy horses for you?—A. I cannot swear to that positively, I may or may not have done so.

Q. Cannot you swear to it positively?—A. No.

Q. Did you say that Ryan lives in Summerside?—A. Yes.

Q. Can you recollect whether you authorized anybody to buy Ryan's horses for you?—A. I don't understand what you are saying; have I authorized any one to buy the horses. I bought the horse from Ryan.

Q. Did you make the arrangement for the price?—A. Yes.

Q. When you made the arrangement as to the price, was the horse taken away by you and delivered to your stable?—A. No, he was not taken away by me.

Q. Who was he taken away by?—A. I do not remember now who delivered the horse.

Q. Did you leave him in Ryan's stable?—A. Yes.

Q. Was he in Ryan's stable when you arranged about the price?—A. I do not know where the horse was when I arranged about the price.

Q. Was he in Ryan's possession?—A. I expect he was.

Q. Was he or was he not?—A. I do not know.

Q. How did you know whether Ryan had such a horse or not?—A. I was talking to Ryan on the street and the horse was not there. I do not know where the horse was.

Q. When had you seen the horse before?—A. I had seen him with Ryan before.

Q. How long before you bought him had you seen him with Ryan?—A. I cannot say.

Q. Did you see him the day you bought him?—A. I do not know whether I did or not.

Q. Do you swear you do not know?—A. Yes.

Q. How much did you pay Ryan for his horse?—A. I do not know.

Q. Tell me as close as you can how much you paid Ryan for his horse?—A. I tell you I do not know.

Q. Did you pay him \$200 for his horse?—A. I do not know.

Q. Did you pay him over \$200 for his horse?—A. I do not know.

Q. Did you pay him over \$100 for his horse?—A. I do not know, I do not know what I paid Ryan for the horse.

Q. Did you pay him over \$100?—A. I do not know.

Q. When did you see Ryan last?—A. I do not remember the last time I seen him.

Q. Did you see him to-day?—A. No, sir.

Q. Did you see him yesterday?—A. No, sir.

Q. Did you see him the day before yesterday?—A. No, sir.

[Summerside, P.E.I., Horses—McNeill.]

Q. Did you see him within the last week?—A. I do not remember whether I did or not; no, I did not see him within the last week.

Q. What was the next horse you bought?—A. I bought a horse from John Kehoe.

Q. Where does John Kehoe live?—A. In Albany, P.E.I.

Q. How far is that from here?—A. I cannot tell you.

Q. About how far is it?—A. It is about 17 miles.

Q. What is Kehoe's occupation?—A. A farmer.

Q. That was a horse you sold to Major Anderson, was it?—A. Yes.

Q. What did you pay Kehoe for his horse?—A. I do not remember.

Q. Did you pay him by cheque or by cash?—A. I do not remember.

Q. Do you swear you do not know whether it was by cheque or by cash you paid Kehoe?—A. Yes.

Q. How much did you pay Kehoe?—A. I do not remember what I gave Kehoe for the horse.

Q. Did you negotiate with Kehoe yourself for the purchase of the horse?—A. Yes.

Q. Did you go to Albany to negotiate for the purchase?—A. Yes.

Q. Did you carry cash out with you or did you rely upon having cheques?—A. I carried the cash with me, yes.

Q. Is it probable that you paid Kehoe by cash?—A. I may have paid him by cash, I do not know.

Q. Is it probable?—A. Probable, yes.

Q. Is it more probable that you paid him by cash than that you paid him by cheque?—A. I do not know, I do not think it is.

Q. About how much did you pay Kehoe for his horse?—A. I cannot say very positively.

Q. As close as you can remember, tell me what you paid Kehoe for the horse?—A. I think it was about \$225.

Q. Did you buy more than one horse from Kehoe on that occasion?—A. Only one, I do not say positively what I gave him.

Q. Was it over \$200 that you paid him?—A. Yes.

Q. What was the next horse you bought?—A. I bought a horse from Sam Durant; I am not positive whether that was his right name or not.

Q. What was his first name?—A. I am not sure of his first name.

Q. What is his second name, then?—A. Durant.

Q. Where does he live?—A. They call it Eel Creek. I do not know whether that is the right name of the place or not.

Q. How far is that from here?—A. I do not know how far that is.

Q. About how far is it?—A. It is between 20 and 15 miles.

Q. Did you drive out to his place?—A. Yes.

Q. Did you negotiate for the purchase of the horse yourself?—A. Yes.

Q. Did you have anybody with you?—A. There was a fellow with me at the time.

Q. Who was with you?—A. The fellow's name was McGurk, I think.

Q. Where does he live?—A. He lives not far from there.

Q. How long have you known McGurk?—A. I do not know him very well.

Q. How did you come to take McGurk out with you?—A. I do not remember just how I took McGurk out with me.

Q. Did you call at his place?—A. I do not know if I did; I do not remember.

Q. Did you meet him on the street?—A. There are no streets out that way.

Q. Did you meet him on the road?—A. I do not remember where I met him.

Q. Did you call at any other house before you arrived at Durant's?—A. Yes, it was likely I called at other houses.

Q. How many?—A. I do not remember.

Q. Can you give me the name of any other house you called at?—A. I do not remember the houses I called at.

Q. Do you remember the name of any one house you called at on the way out to Durant's?—A. I called at Kehoe's.

[Summerside, P.E.I., Horses—McNeill.]

Q. Do you remember any other house?—A. I do not remember any other.

Q. Did you call at McGurk's house?—A. I do not believe I did; I do not remember.

Q. What does McGurk do?—A. He is a farmer.

Q. Did you drive McGurk with you to Durant's house?—A. Yes.

Q. How far did you drive with McGurk?—A. I do not know how far I drove with McGurk.

Q. Would it be a mile?—A. Yes.

Q. Would it be five miles?—A. McGurk drove from Summerside out to Durant's.

Q. Why didn't you tell me that in the beginning?—A. Why didn't you ask me?

Q. I did ask you. What did you pay Durant for his horse?—A. I do not remember exactly.

Q. About how much did you pay Durant for his horse?—A. I think it was about \$210.

Q. Did you pay him by cash or by cheque?—A. I do not remember.

Q. Do you swear you do not remember?—A. Yes.

Q. Do you swear you did not pay him by cash?—A. I do not remember whether I paid him by cash or by cheque.

Q. What was the next horse you bought?—A. These horses were all bought at different times.

Q. You know very well I am not asking you for the order in which you bought the horses; I am asking you to give me the names of the men you bought the horses from?—A. I am trying to recollect one now.

Q. Go ahead and try and recollect?—A. I do not believe I can remember any other horse I bought.

Q. Well, you will have time to think it over, because we are going to get the names of all the persons you bought horses from, eventually?—A. I bought another horse from James Stewart; I am not sure that is his right name, but I think it is.

Q. Where does James Stewart live?—A. Jetts Corner, but I am not sure that that is the name.

Q. How far is Jetts Corner from here?—A. I am not sure.

Q. About how far?—A. About twelve miles.

Q. What does Stewart do?—A. A farmer.

Q. Does he live at Jetts Corner?—A. I do not know that he does; he is the nearest house to the Corner, it is near there.

Q. How far from Jetts Corner does he live?—A. I cannot say how far.

Q. About how far?—A. I cannot hardly tell you.

Q. Does he live a mile from Jetts Corner?—A. About a mile.

Q. Is it on the Summerside side or is it on the other side of Jetts Corner—
A. The other side.

Q. Did you buy more than one horse from Stewart?—A. Only one.

Q. Did you drive out to see him from Summerside?—A. Yes.

Q. Did you drive alone?—A. Yes.

Q. How much did you pay Stewart for his horse?—A. I do not remember the price exactly.

Q. Did you pay him by cheque or did you pay him by cash?—A. I do not remember.

Q. About how much did you pay him?—A. I do not know.

Q. About how much did you pay him?—A. I cannot say about how much, I do not remember what I gave him, I have not much idea.

Q. Can you give any idea at all as to how much you paid him?—A. Somewheres around \$190, I think.

Q. Did you bring the horse in with you after you bought him?—A. He brought him in.

Q. He accompanied you into town?—A. No.

Q. How long after did he bring the horse in?—A. He brought him in the next day.

[Summerside, P.E.I., Horses—McNeill.]

Q. Did you pay him there and then?—A. I do not remember whether I paid him then or paid him the next day.

Q. Give me the name of a man from whom you bought another horse?—A. I bought a horse from Marchbanks.

Q. How do you spell his name?—A. Marchbanks.

Q. What is his first name?—A. I do not know.

Q. Where does he live?—A. New Annan.

Q. Where is that?—A. About four or five miles from the town.

Q. What does he do?—A. He is a farmer.

Q. Did you drive out to his place?—A. No, I met him on the road.

Q. Where did you meet him?—A. On the road between Summerside and his place.

Q. Were you walking out to his place?—A. I was going to his place, I was driving on the road.

Q. When you met him did you drive up to his place?—A. We stopped and talked about his horse on the road, I stopped and talked to him.

Q. He was driving his horse?—A. Yes.

Q. What did you pay Marchbanks?—A. I do not remember just exactly.

Q. Did you pay him by cheque or by cash?—A. I do not remember whether I paid him by cheque or by cash.

Q. How much did you pay him?—A. I think it was about \$190. I did not buy him there on the road, do you understand that.

Q. When did you buy him?—A. I tried to buy him on the road, but he would not sell him, and so he called me up that afternoon or the next day and he said he would take what he asked me for the horse.

Q. You remember his telephoning to you?—A. Yes.

Q. And that you had some negotiating about the price?—A. Yes.

Q. How much was he asking?—A. I do not remember what he asked.

Q. What were you offering him in the first instance when you met him on the road?—A. I don't remember just what I offered him.

Q. What price did you eventually arrive at with Marchbanks?—A. I do not remember just what I did give him.

Q. About how much?—A. About \$190.

Q. Don't you recollect whether you paid him by cheque or by cash?—A. I do not remember.

Q. Where did you pay him?—A. In Summerside or at his own place, no, it was not at his own place, because I was not there.

Q. Where did you pay him?—A. I do not remember but it must have been in Summerside.

Q. Did he bring his horse in?—A. Yes.

Q. Did he deliver the horse to you?—A. He did not deliver it to me.

Q. To whom did he deliver it?—A. To some of my men.

Q. He delivered him at your stable?—A. Oh yes.

Q. Well that is delivering to you, who else did you buy a horse from?—A. I bought a horse from John Maddox.

Q. How do you spell his name?—A. I do not know how to spell his name.

Q. Where does John Maddox live?—A. I do not know the name of the place he lives in.

Q. What do you call the place he lives in?—A. I do not know the name of it.

Q. How long have you known John Maddox?—A. Do you mean before I bought the horse?

Q. Yes?—A. I did not know him at all before.

Q. Had you ever seen him before to your recollection?—A. I may have seen him but I did not know him.

Q. Where did you see him when you bought the horse?—A. I seen him at the blacksmith shop.

[Summerside, P.E.I., Horses—McNeill.]

Q. Where was the blacksmith shop?—A. It was out in the country, I do not know what the name of the place is.

Q. What part of the country was the blacksmith shop in?—A. West from here.

Q. What place?—A. I do not know the name of the place.

Q. Where was it near?—A. It was near the road right at the corner.

Q. What village, or town, or cross-road was it near?—A. I do not know, it was the other side of Wellington West, I do not know how far.

Q. About how far west of Wellington?—A. I cannot say how far.

Q. Would it be a mile?—A. More than a mile.

Q. Would it be two miles?—A. I cannot say.

Q. Would it be three miles?—A. I cannot say.

Q. Would it be more than three miles?—A. I cannot say.

Q. Who owns the blacksmith shop?—A. I do not know.

Q. Who was running the blacksmith shop?—A. I do not know.

Q. Who was in the blacksmith shop when you were there?—A. I did not know any one besides Maddox the fellow I bought the horse from.

Q. Is he a blacksmith?—A. No, he is a farmer.

Q. Was any one else there when you were there with Maddox?—A. There was some one else there.

Q. Who was there?—A. I do not know.

Q. Do you know the name of any one other person who was there?—A. There was a fellow with me, I know his name.

Q. Who was he?—A. A fellow by the name of Perry.

Q. Was that the same Perry you bought the horse from?—A. Yes.

Q. How far is Wellington from here?—A. Twelve miles.

Q. Did Perry know him?—A. I do not know.

Q. How did you know if Maddox had a horse to sell?—A. I asked the man in the blacksmith shop if any one had a horse to sell.

Q. So that there was a man in the blacksmith shop?—A. Yes.

Q. Was he the blacksmith?—A. I think so.

Q. Was there more than one man doing blacksmithing work?—A. I do not know.

Q. Was Maddox there when you arrived?—A. Where?

Q. In the blacksmith shop?—A. Yes.

Q. Was he having his horse shod?—A. No, he did not have the horse there, the horse was at home.

Q. Did Maddox go down to the blacksmith shop to see you?—A. He was there having something done, I expect.

Q. Did you go to the blacksmith shop expecting to meet Maddox?—A. No.

Q. Is the blacksmith shop on the road or is it at the corner?—A. It is the corner of the road, I think.

Q. Is Maddox's place between the blacksmith shop and Wellington?—A. No, it is further on.

Q. About how far beyond the blacksmith shop?—A. I cannot say.

Q. Did you go to his place?—A. Yes.

Q. Is his place on the road that leads from Wellington to the blacksmith shop?—A. What is that?

Q. As you go from Wellington towards the blacksmith shop do you turn the corner or go straight on to get to Maddox's place?—A. I do not remember.

Q. Do you swear you do not know?—A. Yes.

Q. How much did you pay Maddox for his horse?—A. I do not remember just at present.

Q. About how much did you pay him?—A. I think it was about \$200.

Q. Did you pay him by cheque or by cash?—A. I do not remember.

Q. Did you pay him on his farm or did you pay him when his horse was brought into Summerside?—A. I do not remember that.

Q. What was your usual practice of paying for horses that you bought and that you sold to Anderson?—A. I paid for them differently.

Q. Did you pay some of the farmers or owners at their place when you closed the deal?—A. Yes.

Q. And did you pay others when they brought their horses into town to you?—A. Yes.

Q. What did you do in the Maddox case?—A. I do not remember whether I paid him out there or in Summerside.

Q. Did you go with Maddox or did Maddox go with you from the blacksmith shop to his place to show you his horse?—A. Yes.

Q. Did you buy more than one horse from him?—A. Only one.

Q. Did you bring the horse away with you?—A. No.

Q. Did Maddox bring him into town with you?—A. Yes.

Q. And delivered him at your stable?—A. Yes.

Q. What was the next horse you bought?—A. I bought a horse from a man of the name of Gardiner.

Q. What is his first name?—A. I do not know his first name.

Q. Where does he live?—A. I do not know the name of the place he lives in.

Q. Near where does he live?—A. Near Northam.

Q. How far is Northam from here?—A. About twenty miles.

Q. Does he live beyond that place or on the other side of that place?—A. On the other side.

Q. How far?—A. I do not know how far.

Q. Would it be a mile?—A. I cannot say.

Q. Would it be two miles?—A. I cannot say.

J. Would it be three miles?—A. I cannot say.

Q. Would it be less than three miles?—A. I do not know.

Q. How far do you think it is?—A. I have got no idea at all.

Q. Did you visit his place?—A. Yes, sir.

Q. Did you drive out to his place from Summerside?—A. Yes.

Q. Did anybody accompany you from Summerside?—A. A fellow accompanied me. But he did not go to Gardiner's with me.

Q. Who accompanied you from Summerside?—A. Perry.

Q. How far did Perry go with you?—A. To Northam.

Q. Did Perry drive you out to this man's house?—A. No.

Q. How did you find his house?—A. I did not find his house.

Q. Where did you meet him?—A. I met him on the road.

Q. Where?—A. Near his place.

Q. Were you on the way to his place?—A. No.

Q. Where were you going to?—A. I do not know where I was going to.

Q. Did you tell Perry where you were going to after you left Northam?—A. No, because I did not know myself.

Q. Were you just driving around there?—A. Just driving around to see if I could find some horses.

Q. How far from Northam did you meet Gardiner?—A. I do not know how far it was.

Q. Was it half a mile?—A. I do not know.

Q. Was it less than half a mile?—A. No, it was not less than half a mile.

Q. Was it more than half a mile?—A. It must have been.

Q. Was it more than a mile?—A. I do not know.

Q. Did Gardiner get into your rig?—A. No.

Q. Did you proceed to his place?—A. No, he had the horse there in the wagon and I bought the horse.

Q. Did you arrange the price there and then?—A. Yes.

Q. What did you pay him?—A. I do not remember what I gave him.

[Summerside, P.E.I., Horses—McNeill.]

Q. Did you pay him by cheque?—A. I do not remember whether it was cheque or cash.

Q. Did you pay him by cash?—A. I do not remember.

Q. Did you give him consideration money, either cash or cheque, there and then?—A. I do not remember that either.

Q. About how much did you pay him?—A. I do not remember how much.

Q. About how much did you pay him?—A. I do not know about how much.

Q. Do you say you do not know about how much you paid him?—A. I do not know.

Q. Can you give us an any idea about how much you paid him?—A. I can give you some idea.

Q. Give us some idea?—A. Somewhere around \$200, I would not be sure.

Q. What did you do when you closed the deal with him for the horse?—A. Drove off.

Q. Which way did you drive?—A. I do not remember that exactly which way I went, I do not know the direction anyway.

Q. What did he do?—A. I do not know.

Q. Did he go with you?—A. No.

Q. Did he bring in the Gardiner horse which you had bought?—A. He brought him in, I do not know when.

Q. Where did he bring him in to, was it to Summerside?—A. Yes.

Q. Now for the next horse, what horse did you buy next?—A. I bought a pair of horses from Bob Salliphant.

Q. Where does Bob Salliphant live?—A. Hunter river.

Q. Did you go out to Hunter river to buy these horses?—A. Yes.

Q. Did you see them at Salliphant's place?—A. No, I seen them on the railway.

Q. At the railway, at Hunter's river?—A. Yes.

Q. Were they hitched up to a rig or had be brought them in for your inspection?—

A. He brought them in for my inspection.

Q. Did you notify Salliphant you were going out?—A. I was talking to him the day before.

Q. Where?—A. I would not be sure where I was talking to him.

Q. Was it at Summerside?—A. I do not remember.

Q. Were you in Summerside the day before?—A. I do not remember.

Q. Were you out to the country the day before?—A. I do not remember.

Q. What did you pay Salliphant for his pair of horses?—A. I do not remember just exactly.

Q. Did you pay him by cheque?—A. I do not remember.

Q. Did you pay him by cash?—A. I do not remember.

Q. About how much did you pay him?—A. I think it was about \$350.

Q. For the pair of horses?—A. Yes.

Q. Did you pay him the same price for each horse?—A. Yes.

Q. They were both of the same value?—A. They were both of the same value.

Q. You paid \$350 for the two?—A. About that, but I would not be sure.

Q. Now for the next horse that you bought, what horse did you buy next?—A. I bought a horse from a man named Stead.

Q. What Stead?—A. I do not know his first name.

Q. Is that R. Stead?—A. I am not sure what his first name is.

Q. Where does he live?—A. I do not know where he lives.

Q. Near where does he live?—A. I do not know what is the nearest place to his place.

Q. Where did you see him?—A. I seen him in Charlottetown.

Q. Had you known him before?—A. No.

Q. Did you meet him in Charlottetown?—A. Yes.

Q. By appointment?—A. No.

Q. Accidentally?—A. Yes.

Q. Did he come to see you in Charlottetown?—A. I do not remember now, I do not think he did.

Q. How did you come to meet him in Charlottetown?—A. I do not remember how I came to meet him.

Q. Did you ask anybody to ask him to come to see you?—A. No.

Q. Did you meet him in Charlottetown as soon as you arrived?—A. No.

Q. How long after you arrived did you meet him in Charlottetown?—A. I do not remember.

Q. Was it the same day?—A. The same day.

Q. In the afternoon?—A. I do not remember whether it was in the afternoon or not.

Q. Where in Charlottetown did you meet him?—A. I do not remember.

Q. Did you meet him on the street?—A. I do not remember.

Q. Did you meet him in the hotel?—A. I do not remember where I met him.

Q. What did you pay Stead for his two horses?—A. I do not remember.

Q. About how much did you pay Stead for his two horses?—A. About \$410 I think.

Q. Was that paid by cheque?—A. I do not remember.

Q. Was it paid by cash?—A. I do not remember.

Q. Did you bring the horses back with you?—A. No.

Q. Did he drive them in to Summerside?—A. No, he freighted them in on the train.

Q. Did he do that the following day?—A. I am not sure but I think it was.

Q. Did he pay the freight?—A. No.

Q. Did you pay the freight?—A. I think so.

Q. Did you pay him at Charlottetown?—A. I do not remember where I paid him.

Q. Did you pay him before the horses were delivered at Summerside or after?—

A. Before, I think.

Q. Did you mail him a cheque for the amount?—A. I do not think so. I think I gave it to him.

Q. You gave him the purchase money there and then?—A. I am not sure whether it was a cheque or money, I do not know.

Q. What is the next horse you bought—before you go on to the next horse, cannot you recollect definitely whether you paid Stead by cheque or by cash?—A. I cannot remember.

Q. Will you swear that you did not give R. Stead a cheque in payment for his horses?—A. Oh no, I won't swear to that, I swore already that I do not know whether I gave him a cheque or cash. I ain't going to turn around now and swear I gave him a cheque.

Q. Are you sure you do not know?—A. I do not remember whether I gave him a cheque or cash.

Q. What was the next horse you bought?—A. I bought two horses from Aubrey Mutch.

Q. Has he any other initials?—A. I do not know.

Q. Is his name W. A. Mutch?—A. I do not know.

Q. Where does he live?—A. Southport.

Q. Where is Southport?—A. It is across the river from Charlottetown.

Q. Beyond Charlottetown?—A. Yes.

Q. How far?—A. I do not know how far.

Q. About how far?—A. I do not know.

Q. How long would it take you to drive there?—A. I do not know how long it would take me to drive there.

Q. Did you go there from Charlottetown by train?—A. Yes.

Q. Do you say you went by train?—A. No, I drove.

Q. How long did it take you?—A. I do not know.

Q. About how long did it take you?—I do not know.

[Summerside, P.E.I., Horses—McNeill.]

Q. Had you ever been there before?—A. Yes, sir, but not to Mutch's.

Q. Don't you know how far it is out to Mutch's?—A. No.

Q. How far does Mutch live from Southport?—A. He lives in Southport.

Q. What is his occupation?—A. Farmer. He may have some other occupation, but at all events he is a farmer.

Q. Do you know whether or not that is W. A. Mutch?—A. I do not know.

Q. How many horses did you buy from him?—A. This time I am speaking about the time that I drove over, I bought two from him.

Q. How much did you pay for them?—A. I do not remember.

Q. About how much?—A. I do not remember the price I gave him.

Q. About how much?—A. I cannot recollect, I cannot recall.

Q. About how much?—A. I cannot say just now what it was.

Q. I want you to give me as near as you can how much you paid him?—A. The brown mare I think was \$220 but I would not be positive, and the bay horse was \$175.

Q. Then you bought other horses from Mutch, didn't you?—A. Yes.

Q. How many more?—A. Three more.

Q. Now we are getting on better, how much did you pay for these three other horses?—A. I do not remember the price of these three exactly.

Q. How long after the first purchase did you make the other purchase?—A. I do not remember.

Q. Would it be the day following?—A. I cannot say exactly.

Q. Would it be less than a day?—A. No, it was not less than a day.

Q. You did not buy them on the same day?—A. No.

Q. Did you buy them the following day?—A. I do not know.

Q. Did you buy them before you returned to Summerside after buying the first lot?—A. No.

Q. You did not return to Summerside?—A. I did return to Summerside.

Q. Did you bring the two horses with you to Summerside?—A. No.

Q. Were they sent in by freight?—A. Do you mean the two horses I bought in Charlottetown?

Q. The first two horses?—A. Yes.

Q. Did you pay the freight?—A. I think so.

Q. Did you pay by cash or by cheque for these horses?—A. I cannot remember.

Q. Did you pay after the horses arrived in Summerside or before they arrived?—

A. Do you mean the freight?

Q. No, the purchase price?—A. I thought you were asking me about the freight?

Q. I was asking you about the purchase price? Did you pay Mutch for the horses after they arrived at Summerside or before?—A. I do not remember.

Q. Are you sure you do not remember?—A. Yes.

Q. Did you personally buy the other three horses from Mutch?—A. Yes.

Q. Did you go out to see him the second time?—A. No.

Q. Did he come to Summerside to see you?—A. About the other three horses?

Q. Yes?—A. I don't remember that.

Q. How did you come to buy them?—A. He sent the horses into Summerside.

Q. How many?—A. Three.

Q. Had you seen them before they arrived here?—A. No.

Q. Are you sure you had not?—A. Sure.

Q. Were these last three horses you have just spoken about on Mutch's property when you bought the first two?—A. I do not know, sir.

Q. You met Mutch, did you not, in Charlottetown?—A. Yes.

Q. And he had the first two horses with him?—A. No, he took me to his farm.

Q. Did you go into the stable?—A. I do not remember going into the stable, I do not remember whether I did or not but I think I did.

Q. Did you see the other three horses that he subsequently sold to you in the stable?—A. I do not know that I did.

Q. Did he tell you he had three more horses?—A. I do not remember.

Q. Did you ask him if he had any more than the two horses?—A. I do not remember.

Q. Did you tell him you wanted more horses?—A. I suppose he knewed I wanted to buy as many as I could get.

Q. Did you suggest to him that you wanted to buy more horses?—A. I do not remember.

Q. Did you intimate to him that you wanted to buy more?—A. I do not remember.

Q. How did he come to ship three horses in to you at Summerside?—A. I did not say he shipped them in to me.

Q. How did he send them to you?—A. There was a man brought them in, he sent them in some way.

Q. A man brought them in some way to you, where did he bring them to?—A. Summerside.

Q. From Charlottetown?—A. I do not remember.

Q. Did you tell us that you paid the freight on these three horses?—A. I did not tell you that, I said I paid on the first two I bought in Charlottetown.

Q. Did you pay the freight on the last three?—A. No.

Q. Were you surprised when the last three horses arrived?—A. No.

Q. Were you expecting them?—A. No.

Q. Did you know they were likely to come?—A. I did not know.

Q. Did Mutch say he would send in other horses to you?—A. I do not remember.

Q. Did you ask him to?—A. I do not remember asking him. I do not know whether I asked him or not.

Q. Do you know the name of the man who brought the horses into Summerside?—A. No, I do not.

Q. How much did you pay for these three horses?—A. I do not remember the prices I paid for these three horses.

Q. About how much did you pay for them?—A. I do not know.

Q. Can you give a guess?—A. I don't want to guess; I do not know.

Q. Have you no idea of how much you paid for these horses?—A. No.

Q. Did you pay by cheque?—A. I do not remember.

Q. Did you pay by cash?—A. I do not remember.

Q. Did you arrange with the man who brought the horses in as to what you would pay for them?—A. No, sir.

Q. When did you arrange how much you would pay for them?—A. I do not remember.

Q. Did you see Mutch a second time?—A. I must have seen him a second time.

Q. Did you see him a second time?—A. I do not remember.

Q. How did you get the purchase money to him?—A. I do not remember.

Q. Did you mail it to him?—A. I do not remember.

Q. Did you give it to another person to give to him?—A. I do not remember.

Q. Did Mutch come into Summerside to get his money?—A. I do not remember.

Q. How long after the horses came in did you pay for them?—A. I do not remember that at all.

Q. Would it be the day after?—A. I could not say.

Q. Would it be two days after?—A. I cannot say.

Q. Would it be more than two days after?—A. I cannot say.

Q. Would it be less than a week after?—A. I cannot say.

Q. Did you have any discussion with the man who brought the horses in?—A. I do not remember.

Q. Did you have any discussion with him as to what you would pay for them?—A. I do not remember.

Q. Did you examine the horses after they were brought in?—A. Yes.

[Summerside, P.E.I., Horses—McNeill.]

Q. Had you ever seen these three horses before they were brought into Summerside?—A. I do not know.

Q. Are you sure?—A. I am sure I do not know, yes.

Q. You are sure you do not know?—A. Yes.

Q. You might or you might not have seen them before?—A. I might not and I might.

Q. Do you recollect having seen any of the three horses before?—A. No, I do not.

Q. You don't recollect having seen any one of the three horses before?—A. No.

Q. Have you got a bookkeeper to fill out the cheques in your place of business, or do you fill out the cheques yourself?—A. I fill them out myself.

Q. In all cases?—A. It might not be in all cases.

Q. If you do not fill out a cheque with your signature, who would fill it out for you?—A. I do not think anybody would fill it out. I usually do that myself.

Q. Now, let us go on to the next horse you bought; what horse did you buy next?—A. I bought three horses from John Horn in Winslow; I would not be positive what number I bought from him, but I think it was three.

Q. Where does he live?—A. In Winslow.

Q. What is his first name?—A. John.

Q. Did you go out there to look at his horses?—A. No, I met him in Charlottetown.

Q. Did he have all three horses with him?—A. No.

Q. Did you drive out from Charlottetown to see them?—A. No.

Q. Where did you see them?—A. I seen them in Charlottetown.

Q. Did he have the three horses with him?—A. No, he had two horses.

Q. Had he driven in with them?—A. Yes, he was hauling coal with them.

Q. How much did you pay him for the two horses he had?—A. I do not remember what I paid him.

Q. About how much?—A. I cannot remember.

Q. About how much?—A. I cannot say how much.

Q. Can you give a guess?—A. I cannot. I do not feel like giving a guess on that.

Q. Well I want your opinion, as close as you can give it, as to how much you paid Horn for the two horses?—A. I do not remember; it was three horses I got from him.

Q. Did you pay him by cheque or by cash?—A. I do not remember.

Q. When did you get the three horses from him?—A. That same day.

Q. Did he say he owned a third horse at the time you were buying the first two?—

A. Yes.

Q. Where did he have it, do you know?—A. I think he had the third horse at home.

Q. Did he bring the third horse in the same day to you?—A. He brought it in the same day. He had several horses, he is a horse-dealer.

Q. Did he bring several horses in to you?—A. Yes, he showed me several horses.

Q. And you bought how many?—A. Three.

Q. How much did you pay for the three horses?—A. I do not remember.

Q. Are you sure you do not remember?—A. Yes.

Q. About how much did you pay him?—A. I cannot say.

Q. What class of horses were they?—A. They were draught horses.

Q. Were they pretty good horses?—A. Yes.

Q. What did you pay for a pretty good horse?—A. I cannot say what I paid for these horses that I got from him. He was using them trucking coal.

Q. What would you, as an experienced horse-dealer, give for such a horse taken out of a truck that was trucking coal?—A. It would be from \$200 to two and a quarter.

Q. Are you sure you did not pay \$185 for one of them?—A. I might have.

Q. Is not that probable?—A. Yes.

Q. Is it not very likely?—A. I do not know it may have been so.

Q. Does the mentioning of that price call anything to your attention?—A. I do not know.

Q. Are you sure?—A. No.

Q. Does not that revive your recollection in any respect?—A. No.

Q. It does not?—A. No.

Q. Do you recollect what colour horses they were?—A. No.

Q. Were they grey horses?—A. No, there were no grey horses.

Q. And you say you do not know what colour these horses were?—A. I do not know.

Q. Were they black horses that you bought from Horn?—A. I do not know.

Q. Are you sure you do not remember?—A. Yes.

Sir CHARLES DAVIDSON: Ask him if they were khaki colour.

By Mr. Thompson, K.C.:

Q. You are sure they were not kakhi colour?—A. They were not.

Q. Who else did you buy a horse from?—A. I bought a horse from Frank Hughes.

Q. Where does Frank Hughes live?—A. In Charlottetown.

Q. What is his occupation?—A. I am not sure; I think he is a liveryman.

Q. Where did you see Frank Hughes?—A. In Charlottetown.

Q. Was it on the occasion of your visit to Charlottetown when you bought the Mutch horses.

Q. How many horses did you buy from Hughes?—A. One.

Q. What did you pay him?—A. I do not remember just exactly.

Q. About how much did you pay him?—A. I think it was \$165.

Q. Did you pay him by cash?—A. I do not remember.

Q. Did you pay him by cheque?—A. I do not remember.

Q. Where did you inspect Hughes' horse?—A. In Charlottetown.

Q. Did you bring that horse back with you to Summerside?—A. He was shipped back with the rest.

Q. By train, did you pay the freight?—A. I think so.

Q. Did you ship him?—A. No, he was shipped next day. Hughes I think shipped him, but I am not sure who shipped him.

Q. Would that be the same day that you closed with him as to the price?—A. Yes, I guess that horse would come up the same day that I bought him.

Q. Don't you recollect whether it was by cash or by cheque that you paid Hughes for that horse?—A. No, I do not remember.

Q. What colour of a horse was he?—A. I do not remember.

Q. Did you examine him yourself?—A. Yes.

Q. As a practical horseman do you say you do not remember what colour that horse was?—A. No.

Q. What age was he?—A. I do not remember.

Q. What weight would he be?—A. I do not remember.

Q. What markings would he have?—A. I do not remember.

Q. What height would he stand?—A. I do not remember.

Q. What was the next horse that you bought?—A. I do not know, there is no other horse that I can remember now.

Q. I will give you an opportunity to think; you have given me 25 out of 81 horses, there is quite a long way to go yet but we will get there.

Sir CHARLES DAVIDSON: Well, witness, who else did you buy a horse from? If you bought horses you surely must remember the names of more than 25 persons from whom you got them.

The WITNESS: The trouble is that some of the horses I bought did not go.

Sir CHARLES DAVIDSON: That does not matter.

The WITNESS: You do not want me to say horses I did not buy to go to the war?

Sir CHARLES DAVIDSON: State any horse at all that you bought during that period. You surely must remember that.

The WITNESS: I got some horses from Bell.

[Summerside, P.E.I., Horses—McNeill.]

By Mr. Thompson, K.C.:

Q. What Bell?—A. D. W. Bell.

Q. Where does he live?—A. Outside Summerside.

Q. What does he do?—A. He is a farmer and a horse dealer.

Q. How many did you buy from him?—A. About six.

Q. Would it not be about ten horses that you bought from him?—A. I would not be sure about that.

Q. Don't you think it was about ten horses that you bought?—A. I would not be sure.

SIR CHARLES DAVIDSON: Witness, how many horses did you buy from Bell?

The WITNESS: I do not remember the number; I thought it was about six but I would not be positive, possibly it was more.

By Mr. Thompson, K.C.:

Q. How much did you pay Bell for these horses?—A. I do not remember.

Q. About how much did you pay Bell for these horses?—A. I do not remember.

Q. About how much?—A. I do not remember.

Q. Give a guess?—A. I cannot say, I can hardly recollect, I think I bulked the lot and bought the lot.

Q. Very well then, lumping the lot together, how much did you pay for them?—A. I would not be positive.

Q. About how much?—A. I am not sure. I thought his cheque was about \$1,205 but I ain't sure.

Q. Whose cheque?—A. Bell's. I paid him in the bank for the horses and I gave him a cheque for them but I ain't sure that that is his cheque.

Q. Did you pay him by cheque?—A. Yes.

Q. Was it at Summerside?—A. Yes, I am not positive of that.

Q. What month was it that you bought these horses?—A. I am not sure whether it was in August or September.

Q. Were any of these horses sold to Anderson that you got from Bell?—A. I do not remember.

Q. How many of them were so sold?—A. I do not remember.

Q. Were not all of them sold to Anderson?—A. No.

Q. Were not all sold to Anderson that Anderson would accept?—A. I do not know.

Q. Don't you think so?—A. I do not remember.

Q. Did you not ask Bell to buy horses for you for the purpose of selling to Anderson?—A. I do not remember.

Q. Is not that so?—A. I do not remember.

Q. Is it not probable?—A. I do not know.

Q. Did not you ask Bell how much he paid for the horses?—A. No.

Q. Did not Bell buy as your agent?—A. No.

Q. You say you did not ask Bell to buy these horses for you?—A. No.

Q. You say you did not ask Bell to buy on commission, what?—A. No, Bell did not buy horses for me on commission.

Q. What does Bell do?—A. He is a farmer and a horseman.

Q. Does he usually have as many as ten horses?—A. Yes, sir, he has thirteen or fourteen now.

Q. You say he has thirteen or fourteen at the present time?—A. Yes.

Q. Do you know where he bought these horses that he sold to you?—A. No, sir.

Q. Did you ask him?—A. No.

Q. You say that Bell did not buy as your agent?—A. No.

Q. Are you sure?—A. I said no.

Q. You are positive?—A. Yes.

Q. Did you inspect Bell's horses when he brought them in?—A. Yes.

Q. All of them?—A. Yes.

Q. Did you personally negotiate as to the price?—A. Yes.

Q. You think you paid him around \$1,000?—A. I am not sure what I paid.

Q. Would it be \$1,000 or \$1,200?—A. I think it would be. I have not got anything to show me.

Q. And that is the best guess you can give at the present time?—A. Yes, sir.

Q. You say you bought how many horses from him?—A. I ain't positive but I think it was six.

Q. Might it be more than six?—A. It might, I buy horses pretty often from him during the summer.

Q. And that time, how many did you buy?—A. I think it was six.

Q. How long after you bought the six did you buy any others from him?—A. It may not be long after.

Q. How long after?—A. I cannot say.

Q. Would it be a month?—A. It might.

Q. Would it be a week?—A. It might.

Q. Would it be the following day?—A. I was not here the following day.

Q. You see you have a recollection on some points—you recollect that you were not here the following day after buying these six horses; did you ask him to bring in further horses for sale to Anderson?—A. I do not remember.

Q. Did you tell him these horses were, to be sold to Anderson?—A. I do not remember telling him.

Q. Did he say these horses he was bringing in would be sold by you to Anderson?—A. I do not know what that question is.

Q. Did he say that these horses he was bringing in to you would be sold by you to Anderson?—A. I do not remember.

Q. Did you tell him you were selling to Anderson?—A. I do not remember.

Q. Did you tell him these horses were to be sold to Anderson?—A. I do not remember.

Q. Did he say these horses he was bringing in would be sold by you to Anderson?—A. I do not remember.

Q. Did he bring the horses in to Summerside?—A. Yes.

Q. Did you examine them here?—A. Yes.

Q. Did you take all he brought in?—A. I went out there and bought them.

Q. Did you examine them out there?—A. Yes.

Q. Were the six horses graded separate from the other horses that you got there?—A. What other horses?

Q. You said he had other horses out there?—A. They were not separated.

Q. Were they all in a field or in a barn together?—A. Some were in the field and some were in the machines mowing.

Q. Did he point out these horses or did you pick them out yourself?—A. I picked them out myself.

Q. Did he ask you buy other horses?—A. Yes.

Q. What was the matter with the other horses, were they not up to standard?—A. For some reason I would not take them.

Q. How many horses did he have at that time on the farm?—A. I do not remember.

Q. About how many?—A. He would have twelve or fifteen.

Q. You bought a little less than half of them?—A. I think so. I cannot positively say how many horses he had, I might not have seen them all.

Q. But you saw about fifteen horses you think?—A. I ain't positive on that.

Q. Are you sure you did not buy about twelve horses from him at that time?—A. At that time that I bought the six?

Q. Well within a week afterwards?—A. I did not buy twelve horses from him within a week.

[Summerside, P.E.I., Horses—McNeill.]

Q. When I say twelve horses I am including the six that you admit you bought, did not you buy five or six others within a week of the first purchase?—A. I do not think so, no.

Q. How long after the first purchase would it be that you bought the others?—A. What others?

Q. The five or six others?—A. I do not remember.

Q. Did you buy another batch from him or did you buy them separately?—A. I do not remember.

Q. Did you buy them yourself?—A. Yes, which others do you refer to?

Q. Any others that you bought from him?—A. Any others I bought from him I bought myself, any horses I bought from him I bought myself.

Q. Don't you recollect how long after it was that you started buying again from him?—A. No.

Q. With regard to the other horses you bought from him, shortly after the first six, did you tell him for what purpose you wanted them?—A. I do not remember.

Q. After the first six, did you tell him for what purpose you wanted them?—A. I do not remember.

Q. At the time you bought the first six did you tell him you would want more for military purposes if you could get them?—A. I do not remember.

Q. Do you think you told him that?—A. I do not remember saying so.

Q. Your have no recollection of it whatever?—A. No.

Q. Have you any recollection of any other conversation with him about horses being required for military purposes?—A. No.

Q. Who else did you buy horses from?—A. I cannot remember, it would take some time to recollect.

Q. Well I must give you a little assistance now, with regard to the horses you got, before adjournment, so that you will have the opportunity of thinking over a few of the others which you purchased during the hour for luncheon. Did you buy a horse from Jardine of Summerside?—A. Yes.

Q. That is Dr. Jardine?—A. Yes, but I am not positive that horse went to the war.

Q. You bought him about that time?—A. Yes.

Q. How much did you pay for him?—A. I think it was \$140.

Q. Was that paid by cheque?—A. I am not sure about that.

Q. Would it probably be paid by cheque?—A. Yes.

Q. You pay some of your large bills by cheque?—A. I pay a good many by cash.

Q. Would a sum of over \$140 be paid by cheque or by cash by you?—A. I think it would be paid by cash.

Q. Is not that very inconvenient?—A. Not when I have my pockets.

Q. Do you carry around a large amount of money like that?—A. Sometimes.

Q. Unless you are going to buy horses do you carry around several hundred dollars in your pockets?—A. No, not always.

Q. You bought a horse from Harkness?—A. Yes.

Q. Is that true?—A. Yes.

Q. What does Harkness do?—A. He works at the mill.

Q. What mill?—A. Robinson's mill.

Q. What is his first name?—A. John.

Q. How much did you pay Harkness for that horse?—A. I don't remember.

Q. About how much did you pay him for the horse?—A. I do not remember.

Q. What size of a horse was it that Harkness had?—A. I do not remember just exactly.

Q. He had that horse in Summerside, had he not?—A. Yes.

Q. And you used to see it very often?—A. I do not remember seeing it very often.

Q. You saw it every time you went down town, didn't you?—A. I could not say.

Q. How often did you see it, do you think?—A. I cannot tell you.

Q. Did you pay him by cheque or by cash?—A. I cannot say.

Q. How much did you give him?—A. I do not remember.

Q. Give a guess?—A. I cannot make a guess at it.

Q. Did you make an arrangement to pay him yourself?—A. I think so.

Q. Did you arrange the price?—A. I think so.

Q. Let us have an idea as to how much you paid?—A. I cannot give it.

Q. Yes, you can; do give us some information about that. Do you know what sort of a horse it was?—A. I do not remember.

Q. You examined that horse yourself?—A. Yes.

Q. And you are a good judge of a horse?—A. Fair.

Q. And you know something about the prices of horses on the island?—A. Yes.

Q. How much did you pay Harkness for that horse?—A. I do not remember.

Q. About how much, give a guess, now; I know you can give a very good guess at it?—A. I cannot give a guess.

Q. You didn't pay him \$200 for it?—A. No.

Q. Would it be over \$100?—A. I think it was.

Q. Would it be around \$150?—A. It might have been.

Q. Do not you recollect the exact amount?—A. I do not.

Q. Cannot you give a guess?—A. No, I have guessed now already.

Q. What is the guess?—A. What you said, the question you asked.

Q. What is your guess?—A. I do not remember.

Q. Did you put any figure on the horse?—A. I just answered the question you asked me.

Q. Was it not \$125 that you paid him?—A. I do not know.

Q. Was that horse sold to Anderson?—A. I do not know if it was sold to Anderson or not.

Q. If you did not sell him to Anderson, what did you do with him?—A. I do not know.

Q. Would you have him in your stable if you did not sell him to Anderson?—A. I do not recollect.

Q. Don't you recollect?—A. I do not recollect what I did with that horse.

Q. How long did you have him in your stable?—A. I do not remember.

Q. Did you buy a horse from B. Russell?—A. I do not remember.

Q. Did you buy a horse from Bernard Russell?—A. I do not remember buying a horse from him; you have got that down backwards; is it not Russell Bernard you are referring to?

Q. Well we are getting along well now; your memory is reviving and you know this man's right name; where does Russell Bernard live?—A. Near Kensington.

Q. Where is Kensington?—A. About nine miles east of Summerside.

Q. Where did you see that horse, did you see him here or out at his farm?—A. Out at his farm.

Q. Did you drive out to see the horse?—A. Yes.

Q. Did you arrange the price?—A. Yes.

Q. Was it a good horse?—A. Yes.

Q. That was sold to Anderson, was it not?—A. I think so.

Q. What did you pay Russell Bernard for that horse?—A. I do not remember just exactly.

Q. About how much?—A. I cannot say.

Q. Was he a light draught horse or a heavy draught horse?—A. He was a heavy horse.

Q. A pretty good horse?—A. A very good horse.

Q. About how much did you pay for him?—A. I cannot say.

Q. Did you pay by cash?—A. I do not remember whether I paid by cheque or by cash.

Q. Did you pay him by cash?—A. I do not remember.

Q. Did you bring the horse back with you or did the other man send him in to you?—A. He sent him in to me.

[Summerside, P.E.I., Horses—McNeill.]

Q. Did you pay him here or did you pay him out at his place?—A. I do not remember.

Q. About how much did you pay for the horse?—A. I do not remember.

Q. Did you pay \$150 for him?—A. More than that.

Q. Did you pay more than \$175 for him?—A. I think so.

Q. Did you pay more than \$200 for him?—A. I cannot say.

Q. Would it be about \$200?—A. I think it would, I do not say it was \$200.

Q. You think it would be near \$200?—A. Somewhere around there.

Q. Do you know a man named Alexander Cameron of Alberton?—A. Yes.

Q. You bought a horse from him?—A. I think so, but am not sure.

Q. Do you know what sort of a horse it was?—A. A good horse, I guess.

Q. What colour was it?—A. I cannot say for sure.

Q. Did you examine the horse yourself?—A. Yes.

Q. When?—A. At the time I got him.

Q. That was in August?—A. I do not know whether it was in August or in September.

Q. Did you go out to Alberton to see that horse?—A. No, I saw him in Summerside.

Q. You saw that horse in Summerside?—A. Yes.

Q. Had he driven him in here?—A. No, he shipped him on the train.

Q. To you?—A. Yes.

Q. Had you asked him to ship him down to you?—A. I do not remember.

Q. How did he come to ship you the horse?—A. I do not remember how it was.

Q. Well, the horse would not appear on the train and come here without you knowing something about it?—A. I do not remember.

Q. You were out at Alberton, were you?—A. I do not remember.

Q. Did not you buy other horses in Alberton?—A. I do not remember.

Q. About how much did you pay Cameron?—A. I do not remember how much I paid him.

Q. Did you pay him by cheque?—A. I do not remember.

Q. Did you pay him by cash?—A. I do not remember.

Q. Had you known Cameron any length of time?—A. I cannot say I know him long.

Q. How long?—A. I do not know.

Q. About how long?—A. I do not know.

Q. Did you know him a year?—A. I do not know.

Q. Did you know him a month?—A. I do not know.

Q. Had you known him more than a month?—A. I do not know how long I knew him.

Q. Did you have a discussion with Cameron as to what you would pay for the horse?—A. I do not remember.

Q. But it was you who arranged the price?—A. I do not remember about Cameron.

Q. Do you remember buying a horse from him?—A. I remember I think buying a horse from Cameron.

Q. And that horse appeared on the freight car in Summerside?—A. He shipped the horse in by freight.

Q. And he shipped the horse in to you?—A. I think so, I would not be sure about that.

Q. Did you pay the freight?—A. I would not sure about that.

Q. Had you written to Cameron to ask him to send the horse down?—A. I do not remember.

Q. Had you written to Cameron to ask him to send the horse down?—A. I do not appoint anybody to buy horses for me.

Q. Did you ask anybody to buy horses for you?—A. I do not remember.

Q. Did you ever hear of Cameron's horse before he arrived on the freight train?—A. I think I did.

Q. How?—A. I do not remember.

Q. From whom did you hear about him?—A. I do not remember.

Q. Who spoke to you about Cameron's horse?—A. I do not remember.

Q. How did you come to know of the horse?—A. I do not remember.

Q. Cameron is a horse trader is he not?—A. I do not know.

Q. Don't you know that he is?—A. I do not know.

Q. Do you know what occupation he has?—A. I do not know.

Q. Have you seen him since you bought the horse from him?—A. I do not know.

Q. How did you pay for the horse if you did not know and had never seen him, how did you come to buy it?—A. I do not remember.

Q. Did you give anybody else money to give to Cameron for the horse?—A. I do not remember.

Q. Did Cameron come into Summerside for his money?—A. I do not remember.

Q. Did you have any discussion with him as to the price?—A. I do not remember.

Q. Did you have any discussion with anybody else as to the price of Cameron's horse?—A. I do not remember.

Q. I will give you one more lift, witness, and then I will not help you much more, did you buy a horse from Haas Essery?—A. I bought a horse from a man of the name of Essery.

Q. Where does he live?—A. I do not know.

Q. Where did you buy the horse?—A. In Charlottetown, but I would not be sure.

Q. Was the horse brought in to Charlottetown?—A. I think so.

Q. Did you see him on the occasion when you were in Charlottetown buying horses from Mutch and the others?—A. Yes.

Q. Did he bring it to you or did you go to where the horse was stabled?—A. They brought him to me.

Q. Was he hitched up or was he in the saddle?—A. He was hitched up to a carriage.

Q. Did you negotiate with Essery as to the price?—A. Yes.

Q. What did you pay him?—A. I do not remember.

Q. Did you pay him by cheque?—A. I do not remember.

Q. Did you pay him by cash?—A. I do not remember.

Q. How did he get to Summerside, was he sent by freight or driven in?—A. Shipped by freight.

Q. By you?—A. No, by Essery.

Q. Did you pay the freight?—A. I think so.

Q. Did you pay it when the horse arrived here or before?—A. Before, I think.

Q. Did you pay Essery in Charlottetown?—A. I think so.

Q. Did you pay him by cheque or by cash?—A. I do not remember.

Q. You were buying a lot of horses in Charlottetown on that occasion?—A. I forget about that.

Q. You bought some from Mutch and some from others that you have told us about what did you pay Essery for his horse?—A. I do not remember.

Q. What sort of a horse was that?—A. I do not remember just exactly.

Q. What would he run in weight?—A. I cannot say.

Q. Was he a heavy draught horse or a light draught horse?—A. I cannot say.

Q. Did you pay as much as \$175 for him?—A. I do not remember.

Q. What do you think?—A. I do not know.

Q. Do you think you paid him as much as \$185 for him?—A. I do not remember.

Q. As a matter of fact was it not \$185 that you paid for him?—A. I cannot tell you, sir.

Q. You received a subpoena to come here?—A. Yes.

Q. Have you got that subpoena here now?—A. I have.

Q. Will you let me look at it?

The subpoena was produced.

[Summerside, P.E.I., Horses—McNeill.]

Mr. THOMPSON: This subpoena calls on you to produce your books, cheque-books, stubs, and other documents relating to your purchasing horses for the Government service and so on, will you bring us all your correspondence, your cheque books and so on and anything connected with this business?

The WITNESS: I have not any memorandum or cheque-book.

Sir CHARLES DAVIDSON: Bring all your books here.

The WITNESS: I have no books that will be of any benefit to you.

Sir CHARLES DAVIDSON: Never mind, bring them.

The WITNESS: What books will I bring?

Sir CHARLES DAVIDSON: Any books that you have in your establishment. If you do not bring them here you will have to go back and get them.

The WITNESS: I will bring all the books I have, I have only one.

Sir CHARLES DAVIDSON: Do you expect us to believe that you have no memorandum or no recollection about these transactions?

The Commission took recess for luncheon.

After the luncheon recess, the examination of the witness, W. B. McNeill, was resumed.

By Mr. Thompson, K.C.:

Q. The last horse we were discussing was that purchased from Essery, making a total of 25 out of 81; during recess have you thought over any more names?—A. Are you through with that horse of Essery's?

Q. I think so?—A. I bought another horse from Lou Leard.

Q. Where does Lou Leard live?—A. He lives in Summerside.

Q. What is his occupation?—A. He runs the Empress hotel.

Q. How much did you pay for his horse?—A. I just met him and asked him and he told me.

Q. What did he tell you?—A. \$165.

Q. Did he tell you whether you paid him by cash or cheque?—A. I never thought of asking him.

Q. Do you remember whether you gave him a cheque or not?—A. I do not remember whether it was a cheque or not.

Q. What other horses did you buy?—A. There is another man Essery of Kensington, I do not know his first name.

Q. Are you sure it was not a man called H. Essery?—A. I do not know, I am not sure, that is in Charlottetown.

Q. He used to be a section foreman on the railway?—A. That is the man I mentioned now.

Q. That man's name is Haas Essery?—A. I do not know his first name.

Q. You bought how many horses from him?—A. One.

Q. What did you pay him?—A. I do not remember exactly.

Q. Would that be about \$185 that you paid him?—A. It may have.

Q. It was about that?—A. Somewheres around that.

Q. Who was the other Essery that you bought a horse from?—A. He was the Essery in Charlottetown. I gave you that one this morning.

Q. The one you are now speaking of is Haas Essery?—A. I do not know his first name.

Q. I am told his name is Haas Essery, where does he live?—A. In Kensington.

Sir CHARLES DAVIDSON: Perhaps the witness can remember now what he gave Haas Essery of Charlottetown for his horse?

The WITNESS: I do not remember.

[Summerside, P.E.I., Horses—McNeill.]

By Mr. Thompson:

Q. Do you recollect whether you paid either of the Esserys by cash?—A. I do not remember whether by cash or cheque.

Q. Did you buy the horse yourself from these two men?—A. Yes.

Q. Was that on the occasion on which you inspected Mutch's horses?—A. At the time I bought Mutch's horses I bought from Essery.

Q. Do you recollect how many horses you bought?—A. About 14, but they are not all from Charlottetown.

Q. You bought them all on the occasion of that one visit?—A. I bought some on the way, I went down to Hunter River, I bought from Bob Salliphant.

Q. Who else did you buy from?—A. I bought three horses from Gorrell in O'Leary.

Q. Is O'Leary the name of a country place?—A. Yes.

Q. How far from here?—A. About forty miles, I do not know exactly.

Q. Was Gorrell living in the village?—A. He lives about a mile from it.

Q. Do you know his first name?—A. Edward Gorrell.

Q. Did you inspect that horse yourself at his place?—A. Yes, there were three horses.

Q. You bought three from him?—A. Yes.

Q. Do you know what you paid for these horses?—A. I have the blank of a cheque in my pocket, I must have given him a cheque, I think I paid \$550.

Q. \$550 for the three horses?—A. I think that is right.

Q. You can refresh your memory by looking at your cheque-book?—A. Some I told you this morning may not be correct, there is some I may have here now.

Q. As we go along you can refresh your memory from your cheque-book, I do not want to catch you, I really want to know what you paid for these horses and nothing else?—A. The trouble is I did not have this cheque-book this morning.

Q. You bought these three horses and you paid \$550 for the lot?—A. Yes.

Q. What other names have you got there from whom you bought horses?—A. Eddie Gaudet of Miscouche.

Q. Where does he live?—A. In Miscouche.

Q. Is he a farmer?—A. Yes.

Q. Did you pay him by cheque?—A. Yes.

Q. How far is Miscouche from here?—A. Six miles about, west.

Q. Did you buy only one horse from him?—A. Only one horse.

Q. Just look at your stub and let me know what you paid?—A. \$180.

Q. Just take another one now?—A. Another cheque was for Maddox, I told you about him this morning.

Q. What does your cheque-book show as having been paid by you to Maddox?—A. \$200.

Q. What other name have you there from whom you bought a horse?—A. John Wedlock.

Q. Where does he live?—A. I am not sure of the name of the place; it is south from O'Leary; I drove from O'Leary up there.

Q. Was that the occasion when you were up buying the other horses?—A. Yes.

Q. What did you pay him?—A. \$205 is the cheque.

Q. I suppose these were heavy draught horses?—A. Yes, sometimes I gave the fellows some money and a cheque, and it might be possible one of these two, but I do not know.

Q. What other name have you got there?—A. Manson McNeill.

Q. Where does he live?—A. In Farrellton, on Seven Mile Bay.

Q. Is that close to here?—A. Twelve or fourteen miles from here.

Q. Is he a farmer?—A. Yes.

Q. What did you pay him?—A. \$175.

[Summerside, P.E.I., Horses—McNeill.]

Q. What is the next one you have got there?—A. There do not seem to be any more than I have here. I got another horse in O'Leary when I was there at the same time. I do not know what the man's name is; I ain't sure of his name.

Q. Can you fix his name in any way?—A. I have tried and I cannot think. I got five horses there.

Q. You mentioned four horses that you got from a farmer there, and now you say you bought another one?—A. Yes.

Q. That is, near O'Leary?—A. He is six or seven miles from O'Leary.

Q. What did you pay him?—A. I would not be positive; I think it is \$185 or \$190.

Q. Have you any way of fixing that man's name; will this other man you spoke of recollect that transaction?—A. Gorrell will know the man.

Q. Did Gorrell refer you to him?—A. Yes, Gorrell drove me to his place.

Q. Did you buy the horse there and then?—A. Yes, I myself brought him in.

Q. Had you ever seen this man before?—A. No.

Q. Had you ever had any dealings with him before?—A. I do not remember of any others.

Q. What other name have you got now; perhaps I can help you a little?—A. Yes, I may know some that you mention.

Q. I see here an entry, "James McInnes, \$225, Queen street, Charlottetown, grocer"?—A. That must be McKenna.

Q. Yes?—A. I bought a horse from him.

Q. And you paid him how much?—A. It was \$150 or \$155.

Q. It was \$150, was it not?—A. I am not sure.

Q. It was probably \$150 or \$155, was it not?—A. It may be.

Q. If he says you got \$150 for the horse you would not contradict him?—A. The fellow that was driving me around may have got the \$5 from McKenna, but I do not know. I do not remember just what I did give McKenna.

Q. Who was driving you?—A. There was a man driving me around.

Q. Who was he?—A. I think he was W. H. McKie.

Q. He is a veterinary surgeon, is he?—A. No, he is a horse-dealer.

Q. Did you arrange with McKie that he should get something?—A. No, I did not arrange with him. I thought it was \$155, but I am not sure what I gave McKenna.

Q. Now we are getting on famously; that makes 45 horses we have up to date?—A. Are you waiting for some more?

Q. Yes?—A. I got a horse from Pat Farmer.

Q. Did you buy one or more than one from him?—A. I bought one.

Q. Where does he live?—A. In Kinkora.

Q. Is he a farmer?—A. Yes.

Q. Where is Kinkora?—A. It is east from here about 12 miles.

Q. What did you pay him?—A. I ain't just positive.

Q. Approximately, how much did you pay him?—A. About \$215.

Q. Did you pay him by cash?—A. I do not remember whether I paid him by cheque or by cash.

Q. If you paid him by cheque, would they all be in this cheque-book?—A. The stubs are not all filled out. When I wrote the cheques I may not have filled out the stubs; in fact, there were not very many of them filled out.

Q. Now we have got 46 horses?—A. I got another horse from John McCarvill of Kinkora.

Q. What did you pay for that horse?—A. I cannot say the exact figures but it was around \$200.

Q. Do you recollect that horse in particular?—A. Not very particular.

Q. Was he a heavy draught horse or a light draught horse?—A. Heavy.

Q. Did you inspect the horse yourself out on the farm?—A. Yes.

Q. Who else did you buy a horse from?—A. I bought a horse from Owen McCarvill.

Q. Is he a brother of the other McCarvill?—A. I do not know.

Q. Does he live in the same district?—A. Yes, both of them in Kinkora, they live three or four miles apart.

Q. He is a farmer?—A. Yes.

Q. Did you buy that horse yourself?—A. Yes.

Q. What did you pay for him?—A. I will not say exactly, somewhere around \$190.

Q. Do you recollect whether you paid by cash or by cheque?—A. I do not remember.

Q. What is the next horse you bought?—A. I bought one from John Kelly.

Q. Did you buy only one horse from him?—A. One horse.

Q. What did you pay for it?—A. I am not sure.

Q. About how much?—A. About \$165.

Q. Where does he live?—A. Kinkora.

Q. Did you pay for that horse by cheque?—A. I do not know whether I paid by cheque or by cash.

Q. What was the next horse you bought?—A. Have you got any others there before you that you can mention so as to help me?

Q. I want to exhaust your list first?—A. I do not know of any others just now, you might mention some.

Q. Do you recollect H. Deroche of Rustice near Hunter's river?—A. That must have been a horse I bought in Charlottetown.

Q. Do you recollect his name?—A. I do not believe I do. There is a horse I bought in the North American hotel and it may be that one.

Q. Where is the North American hotel?—A. In Charlottetown.

Q. Was that on the occasion on which you were buying the Mutch horses?—A. Yes.

Q. Do you recollect paying for him and what you paid?—A. I think it was \$125 or \$130.

Q. You are quite right, you paid \$130 for him apparently, do you recollect that horse now?—A. Not very well.

Q. I suppose as you were buying a lot and parting with them pretty soon they would pass out of your memory, now we have 50 horses; before we go on with the name of the persons from whom you bought horses—on the first of August you had a number of horses in your own stable, had you not, horses that you were using in your business?—A. Yes.

Q. And that you had owned, some for a long time and some for a short time?—A. Yes.

Q. Did Doyle, or Doyle and Anderson, buy any of these?—A. Oh, yes.

Q. How many of these did they buy?—A. I do not remember the number.

Q. About how many?—A. I think it would be from six to nine.

Q. Apparently the first batch that Doyle and Anderson bought amounted to six horses?—A. These were all my own horses.

Q. These were all in your own stable at that time?—A. Yes.

Q. And you had not bought them for the purpose of selling to Anderson?—A. No.

Q. Then did they subsequently take any others from your own stable which you had in stock, so to speak, at the beginning of August?—A. Yes, the first week they took my draught horses.

Q. These were from your own stable?—A. Yes.

Q. And you had a number of other horses in your stable at that time?—A. Yes.

Q. How many more?—A. I probably had 15 or 16 others.

Q. You had 16 others?—A. Besides the ones they took.

Q. That would make about 20 horses that you had in stock in your stable?—A. Yes.

Q. How many of the other 16 horses did they subsequently purchase?—A. I think it was three.

Q. What kind of horses would they be?—A. Cavalry horses.

[Summerside, P.E.I., Horses—McNeill.]

- Q. That would be nine horses they bought from your own stable?—A. Yes, I cannot be positive as to the number.
- Q. But that number is close to it?—A. Yes.
- Q. Those horses had been there in your own stable and they were horses which you owned before the war was declared?—A. Oh, yes.
- Q. And horses which you were using in your ordinary business?—A. Yes.
- Q. What did you pay for these horses which Anderson and Doyle bought from your own stable and which you were using in your own business?—A. About what would they average you?—A. The first lot would average about \$225.
- Q. These would be the heavy draught horses?—A. Yes.
- Q. You think you would pay as much as that for these horses?—A. About that.
- Q. What were you using these heavy draught horses for in your business?—A. We were trucking and hauling coal.
- Q. Is not that a pretty high price to pay for a horse for trucking coal?—A. I have got some horses dearer than that.
- Q. Were these horses better than the horses one sees on the streets of the town now?—A. There are some horses on the streets now as good as the ones I sold.
- Q. You think you would have to pay \$225 each for these draught horses?—A. I paid that for some of them.
- Q. What did you pay for the others?—A. These horses they took from me first of all were the best horses I had.
- Q. And you think these would average you about \$225 each?—A. About that.
- Q. What did the other three or four horses, which you call cavalry horses, average you?—A. I cannot say just exactly. Some of them I had for a couple of years. I think they would average about \$175 or \$180.
- Q. And you had been using these horses for a couple of years, you think?—A. I did not have them all that long.
- Q. What did you use the light draught horses for?—A. For the livery business.
- Q. That is for driving in rigs?—A. Yes.
- Q. You had a grey mare, did you not at that time?—A. A roan grey.
- Q. Yes?—A. An iron grey.
- Q. Yes? Did Doyle buy her?—A. Anderson bought her.
- Q. How much did he give you for her?—A. I do not remember the price exactly for her.
- Q. Is that one of the three cavalry horses?—A. Yes.
- Q. Did you have a horse known as the Mud Creek horse?—A. Yes.
- Q. Was the Mud Creek horse taken by Anderson?—A. No.
- Q. Have you still got him?—A. No, sir.
- Q. To whom did you sell him?—A. I did not sell him.
- Q. Did you kill him?—A. No, I traded him.
- Q. When?—A. Last fall.
- Q. About what time?—A. It may have been the time these horses were bought, I do not know what time I traded him.
- Q. Was it after Anderson had departed or before?—A. I cannot say whether it was or not.
- Q. You are sure you traded him?—A. I am sure I traded him.
- Q. Do you think you sold a horse to the battery in exchange for the Mud Creek horse?—A. I got the horse I got for the Mud Creek horse yet.
- Q. The Mud Creek horse did not go into the Anderson battery?—A. No.
- Q. We have still got about 22 horses to account for, have we exhausted your stable?—A. I got one horse from H. D. Muttard.
- Q. Where did Muttard live?—A. In Summerside.
- Q. What was his occupation?—A. He works in a store, he is clerk in a store or manager of a store.
- Q. Is that a cavalry horse?—A. Yes.

Q. What did you pay him?—A. I am not positive of what I gave him but I think it was \$190.

Q. Was that a saddle horse?—A. Yes.

Q. A good saddle horse?—A. Yes.

Q. Did you pay for him by cheque?—A. I do not know whether I paid for him by cheque or by cash.

Q. What other horses did you buy?—A. Have you got any others there that you can ask me about?

Q. Did you buy any horses in Sea View?—A. I may have bought a horse from Sea View in Summerside but I would not know whether the man was from there or not, I was not in Sea View buying horses.

Q. Have you any memorandum in your possession that will help you to recollect some of the other horses you bought?—A. You have got all I think.

Q. Did you run through your cheque book?—A. Yes, you have them all that I have.

Q. I have already got down these names which appear in the stubs of your cheque-book—A. Yes.

Q. And you have not got the cheques that you issued?—A. I have not got the cheques.

Q. You received them from the bank on the first of January?—A. I did not receive them personally, they may have been left there.

Q. Who did receive them?—A. I cannot say.

Q. Who did receive them for you?—A. I cannot say who got them, I do not remember having got them myself.

Q. If the teller of the bank produces a receipt signed by you will you deny you received them?—A. The messenger might deliver them at the house or at the barn and I would find them and I would sign for them the next time I would be at the bank.

Q. Did you look in the house for them?—A. Yes.

Q. Did you find them?—A. I cannot find them.

Q. Have you a desk in the stable?—A. Probably it would be left at Dr. Church's office, he went away.

Q. Who was Dr. Church?—A. He had an office in my barn and he went to the war.

Q. What was his occupation?—A. A veterinary surgeon.

Q. Are you in possession of his office?—A. No, another veterinary surgeon has it now.

Q. Did you ask him if he had your cheques?—A. I questioned him and he did not know anything about them.

Q. Have you any recollection of having destroyed them?—A. I do not remember of having destroyed them.

Q. Did you destroy them within the last month?—A. No.

Q. You are sure of that?—A. Yes.

Q. When did Dr. Church go to the war?—A. Some time around January.

Q. Do you recollect having seen your cheques at that time?—A. I do not recollect exactly.

Q. Do you recollect at all having seen your cheques after they were delivered to you either at the barn or at the bank?—A. I think I did see them at the bank in Church's office.

Q. Were they in Church's office at that time?—A. Yes.

Q. In his desk?—A. They were on the shelf in his desk.

Q. Is that where you keep your own cheque-book?—A. No, I keep my cheque-book at home.

Q. Did you take the cheques down to the barn?—A. No, they were left there I think.

Q. You have no recollection of having taken them down there?—A. No.

[Summerside, P.E.I., Horses—McNeill.]

Q. When you have occasion to sign cheques and to fill them out do you do so at your own house or at the barn?—A. I generally do so wherever I need them.

Q. Do you carry your cheque-book with you?—A. Yes, sir.

Q. Always?—A. Pretty much always, not always.

Q. Have you any books of account at the barn?—A. I carry them to the house back and forth.

Q. You have some books of account at the barn?—A. I have some books there, do you mean for the business I do at the barn?

Q. I am referring to your business generally?—A. I keep some books.

Q. Books which show payments made and moneys received?—A. I have got a day book and a ledger. I do not have a cash book.

Q. What books do you keep?—A. A day book and a ledger.

Q. Will there be in the note book and the ledger an entry as to the horses bought and sold?—A. We do not put them in the books.

Sir CHARLES DAVIDSON: Produce the books and we will see.

The witness produced the books.

By Mr. Thompson:

Q. What is this book we have here?—A. That is the trucking book, there is nothing in that about horses.

Q. Who keeps this book posted up for you?—A. I do that myself, the fellow that posts that up his name is Gaudet.

Q. Is this day book, it is called a day book, devoted exclusively to trucking?—A. There may be something else in it.

Q. Do you look through it much yourself to see that it is correct?—A. I enter most of the entries in it myself.

Q. The day book we are looking at is called a day book, apparently it is only small items of one dollar, two dollars, \$3.50 and so on that are entered in it?—A. Yes, just truckages.

Q. There is a book produced here called a journal, the journal starts off with small entries too, what are these, is that truckage also?—A. No, that is livery.

Q. For the hire of the horses?—A. Yes.

Q. Is the purchase of any horse entered here?—A. I do not know.

Q. Would there be an entry of the horses here if you bought and sold any?—A. No, I would hardly put that in a book. We seldom enter that up. If we buy a horse we pay the man and take the horse and if I sell the horse I take the money and give the man the horse and that is all.

Q. Are these items entered in the journal items which are charged or are they items that you get cash for?—A. There are some of each.

Q. I should think that to keep an account of your business you would have to enter the horse sales also?—A. No.

Q. How many horses do you buy in a year?—A. I cannot say, sir.

Q. How many?—A. I cannot tell you.

Q. 100 or 200?—A. It would not be more than 100.

Q. How do you know whether you are making money or losing money if you don't keep books with reference to that?—A. I would have to keep a horse two or three years perhaps, and then I would not know whether I made money by him or lost money on him. If I charged him up with his board from the time I bought him until I sold him I would not make any money on him you may be sure.

Sir CHARLES DAVIDSON: And you think if you do not make an entry of the transaction that you are sure to make money because you are not charging his keep against him.

The WITNESS: I would have to have a good many bookkeepers if I were to do that, I do this myself.

By Mr. Thompson:

Q. Let us take this ledger, who posts up this ledger?—A. Mr. J. B. Gaudet.

Q. I can congratulate him on his writing, it is one of the best kept books I have ever seen, is Gaudet here?—A. No.

Q. Now, this book which I have here looks more promising; for instance, I see Dr. Jardine's name entered up here; what is that entry for; is that for the purchase of his horse?—A. No, that is only teaming.

Q. Quite right; that is only teaming. If I looked thoroughly through this book here, would I find the names of any persons from whom you bought horses?—A. The names might be there, but I do not think you would find anything about the transaction. H. G. Muttart's name is there; I bought a horse from him, but I do not think we would enter that up.

Q. I find H. G. Muttart's account here, but the entries apparently are for the hire of horses?—A. Yes, I do not think there is anything else in it.

Q. Apparently you did a lot of teaming for him?—A. Yes, he has a good business.

Q. And you think that the rest of your books contain entries only in connection with your business, apart from the important item of buying and selling horses?—A. Yes.

Sir CHARLES DAVIDSON: What is that other book which you have in your pocket; I noticed it there this morning?

The witness handed over the book.

By Mr. Thompson, K.C.:

Q. This red bank book starts with July?—A. Yes.

Q. Let us take the old cheque-book?—A. I think you have got most of them.

Q. I see you have an entry about Maddox here?—A. Yes, I gave him \$140 cash and a cheque for \$60; \$140 was all the money I had in cash. I gave him a cheque and took the cheque back and destroyed it, because he could not get the \$200 in cash, as the bank was closed.

Q. What is that marked underneath his name?—A. That is \$200.

Q. There are a lot of blank stubs in this book?—A. Yes, I did not fill them in.

Q. You do not know what the amount of these stubs is?—A. No.

Q. Could we tell that from your bank ledger?—A. I do not know.

Q. Look at the bank ledger and you will see there "John Wedlock, cheque \$205"?—A. Yes.

Q. And here it appears in your bank ledger as cheque No. 704?—A. I think so.

Q. The full number of that cheque was 39,704, as appears on the stub, and apparently when the bank entered it they only entered the last three figures of the number of the cheque?—A. That is apparently so.

Q. Opposite the \$205 entry on the 26th of August, which is the day following the day on which you issued the cheque, we find the number entered by the bank as 704; that is likely the cheque?—A. Yes.

Q. Now we will go through the cheque-book, taking the cheque stubs and your ledger statement, and we will see if we can find the numbers of the cheques in your ledger statement corresponding with the stubs on the cheques, and then we will see if we can find in your ledger statement the number corresponding with the stub on your cheque-book; then we will have the amount of the cheque and that may help you to recollect from whom you bought the horses?—A. Yes.

Q. The first one we get is No. 39,706; that would probably be entered as 706; we will let 706 go for the present?—A. I think that may be a man named Waugh, who received a cheque for \$12, but that was in connection with other business.

Q. Let us take cheque 708; cheque 708 is a cheque for \$210, and that was cashed on the 27th of August. Would that be out around Charlottetown way; who would that be; would that represent a horse?—A. Most likely.

Q. It may be one of those horses you have already mentioned?—A. Yes.

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Q. You cannot work it out from that any closer?—A. No.

Q. We have No. 709 in the ledger, and opposite that number is a cheque for \$190, do you know who that was for?—A. I cannot say, there is nothing to indicate it.

Q. We have cheque 701 in the ledger statement, and that corresponds with a A. Gaudet, No. 701, and in your stub you have \$180, and that corresponds with a withdrawal from the bank. Then we have the number 710 on the ledger statement, and the cheque under that number was a cheque for \$390, that is what your ledger statement shows?—A. That was a fellow I did not mention, it was Roy Burns of Freeton.

Q. Did you buy two horses from him?—A. Yes.

Q. What is he?—A. He is a farmer.

Q. You bought two horses from him and gave him a cheque for \$390, the cheque being 710?—A. Yes.

Q. You bought these horses yourself, I presume?—A. Yes.

Q. And you paid him the cash?—A. I gave him that cheque.

Q. Now, No. 711 is the next?—A. That was cashed on the 27th of August.

Q. What is the amount of that?—A. \$160.

Q. Was that for a horse?—A. I think so.

Q. Do you think that included one of the horses we have been speaking of?—A. It may have, but I am not sure. There is a horse I thought of now I did not account for.

Q. Let us leave that cheque without the name, who do you recollect having bought a horse from that you have not mentioned?—A. Albert Panton of St. Eleonors.

Q. What did you pay him?—A. I am not sure but I think it was \$165, but it may have been \$160.

Q. Let us take cheque No. 712 for \$155 cashed on the 1st of September?—A. Yes.

Q. That would give us another horse which you bought for \$155?—A. I think that was the Harkness horse.

Q. Now, do you think the cheque in the bank ledger for \$155 would be for Harkness?—A. It might have been.

Q. Take cheque No. 713, which is the next cheque, that cheque was for \$170?—A. Yes.

Q. What was that for, that was cashed on the 29th of August?—A. I think that was a horse from John Lockhart.

Q. We have not heard of him yet, where does he live?—A. At French river.

Q. You paid him \$170?—A. Yes, I think so.

Q. Take cheque No. 714 on the same date, the 29th of August, another cheque for \$170, to whom would that be payable?—A. It might have been Lou Leard. I bought a horse from Lou Leard but I am not positive that that is the cheque.

Q. You bought three horses on the same day and you gave \$170 for each of them, do you think the others would be the Mutch horses?—A. The Mutch horses were not all the same price.

Q. What do you think you paid for the three Mutch horses now?—A. I think the three horses were \$510. The mare was \$180 and the other two \$165 each.

Q. Then we come to stub No. 715 on August 31, there was apparently cheque No. 715 cashed and that was a cheque for \$180, was it not, as appears by your bank account?—A. Yes.

Q. What would that \$180 be for?—A. It may have been one of the horses I have named already.

Q. We bought quite a number of horses around that time, and the cheques were all cashed on that date, and that would indicate that you issued them about the one day, the same day, though not perhaps on that very day?—A. They probably would cash their cheques when they brought their horses in.

Q. Let us find cheque 716, what amount do you find opposite that cheque?—A. It is a cheque for \$210.

Q. Do you recollect who that was for?—A. I cannot recollect that one.

[Summerside, P.E.I., Horses—McNeill.]

Q. Here is another horse, Frank Curtis, where does he live?—A. In Wilmot Valley.

Q. How far is that from Summerside?—A. Six or seven miles.

Q. Was that a heavy draught horse?—A. Yes, sir.

Q. Did you negotiate the price of that horse yourself?—A. Yes.

Q. In the case of Frank Curtis would he drive the horse to Summerside to get his cheque?—A. I gave him the cheque at home and then drove in the horse.

Q. Take cheque No. 718, where do you find that?—A. On August 28 there is apparently a cheque.

Q. What do you find there?—A. No. 719, it is for \$190.

Q. What would that be for do you recollect?—A. I do not recollect that.

Q. But I suppose you think that would be for a horse?—A. Yes, it might be for one of the horses I have named already.

Q. Here is No. 717, August 29, for \$170, do you recollect that?—A. I do not recollect that.

Q. Then take 719, the amount is \$180, do you recollect what that is for?—A. I do not recollect that.

Q. That figure does not recall any new name to you as the man from whom you bought a horse?—A. No.

Q. Then take cheque No. 720, what date is that?—A. The 29th of August.

Q. What is the amount of that cheque?—A. \$210.

Q. Do you know who that was for?—A. I think that was Thomas Humphrey's mare.

Q. Where does Thomas Humphrey live?—A. In Wilmot.

Q. How far is that from here?—A. That is the same place where Curtis lives.

Q. Did you examine that horse yourself?—A. Yes.

Q. Was it a heavy draught horse?—A. Yes.

Q. Was it a good horse?—A. Yes.

Q. Look at No. 210 on the next day, the 28th of August, how much is that for?—A. \$175.

Q. What is that cheque for?—A. I do not know.

Q. Does that recall to you the name of any other person from whom you bought a horse?—A. It does not; there are two of them there altogether.

Q. Would that be for a pair of horses you got?—A. No.

Q. Take cheque 722, what is that for, what date was that issued?—A. The 29th of August.

Q. What was the amount of that?—A. \$125.

Q. What would that be for?—A. I cannot say.

Q. Would that be the Harkness horse?—A. No, I do not think it was.

Q. The Harkness horse cost \$125?—A. I think it was more than that.

Q. What about the Jardine horse, was that for the Jardine horse?—A. No.

Q. Would that \$125 be for a horse?—A. No.

Q. Did you buy any horse as low as \$125?—A. I do not think so unless it may have been the Deroche horse in Charlottetown.

Q. That was issued during the interesting period, was it not, during the period of excitement in Summerside in the horse business?—A. That was in Charlottetown.

Q. Yes, but Charlottetown apparently was not very interested in horses, you were in command here—now take No. 723 which was apparently cashed on the same day?—A. Yes.

Q. And that was a cheque for how much?—A. \$150.

Q. Do you remember who that cheque was issued to?—A. No.

Sir CHARLES DAVIDSON: You fixed the price of the Deroche horse at \$125 or \$130.

The WITNESS: That was probably the cheque.

[Summerside, P.E.I., Horses—McNeill.]

By Mr. Thompson:

Q. There are quite a number of cheques on that date; may not these have come in from Charlottetown which was left out in the cold?—A. They might. There is a horse there from George McDonald.

Q. Where does George McDonald live?—A. He lives at Southport, but I bought him at Charlottetown.

Q. And you think you paid \$170 for each of the two horses you bought from him?—A. Yes, they were bought at different times, I am not sure about that.

Q. Let us take the next entry, No. 724, can you find a cheque for that, when was that cashed?—A. September 1.

Q. What is the amount of that cheque?—A. \$382.50.

Q. Would that indicate the purchase of two horses?—A. Yes.

Q. Do you think it would be two horses or three horses, taking in the Deroche horse?—A. No, it was for two horses.

Q. You had evidently some close bargaining with that man when you got him down to fifty cents?—A. I split the difference.

Q. Who did you split the difference with; you have not told us about splitting the difference yet, who did you beat out of fifty cents or who beat you out of fifty cents?—A. No one.

Q. Did you have a lot of bargaining with these men from whom you purchased horses, can you recollect that? This is really a significant cheque, it is not \$380, but \$382.50, and you evidently had a lot of bargaining about that. About that time you were buying heavily. We come now to a cheque for \$1,200 soon after. Does not the amount of that cheque indicate something to you. Let us take this cheque for \$382.50, it looks as if it might be a find of some sort?

Sir CHARLES DAVIDSON: They split the five dollars, it was \$385, and they split it so as to make it \$382.50, how does that strike you?

The WITNESS: That is likely what happened, but I cannot remember. I cannot think of the fellow I gave that cheque to.

By Mr. Thompson:

Q. Well, we will let that go. There is a cheque down here to a man named Cameron for \$175.50, is that Alex. Cameron of whom you have spoken already?—A. That may be.

Q. Did you give the price of his horse before?—A. I do not think so.

Q. You think that \$175.50 was the price of Cameron's horse?—A. Yes.

Q. Did he beat you out of fifty cents there?—A. I do not think so.

Q. That apparently is not the Cameron cheque. Cameron received a cheque apparently, unless you gave Cameron cash in addition to that cheque to the extent of five dollars or so, it cannot be the Cameron cheque?—A. I do not remember about that.

Q. Would you likely give him \$4.50 to boot in cash?—A. I do not think so.

Q. Let us see if we can find cheque No. 725, what date was that cheque issued on?—A. August 31.

Q. What was the amount of it?—A. \$150.

Q. Do you recollect who that was for?—A. No.

Q. You do not recollect?—A. No.

Q. Take cheque No. 726, can you find that cheque?—A. I cannot find that.

Q. Can you find No. 727, what day was that cashed on?—A. August 31.

Q. What is the amount of that cheque?—A. \$175.

Q. What was that for?—A. It is likely for a horse.

Q. You have that on your stub, to whom did you pay that?—A. I paid that to Essery of Union road.

Q. What is his initial?—A. W. L. M. Essery, \$175.

Q. Take No. 728, what day was that cashed on?—A. August 31.

Q. What is the amount?—A. \$205.

Q. To whom did you pay that?—A. I do not know, it may be S. A. McDonald of Charlottetown.

Q. What does he do?—A. He is a merchant.

Q. Did you buy that horse yourself?—A. I bought the horse but he did not go to the war.

Q. Was he refused?—A. Yes.

Q. He was rejected?—A. Yes.

Q. By Doyle?—A. Yes.

Q. Was he one of those rejected when Doyle and Anderson were choosing the six heavy draught horses?—A. Yes.

Q. What did you do with him?—A. I have him still.

Q. Could you get any one to pay \$205 for him?—A. Oh, yes.

Q. Why did they refuse him?—A. I cannot say exactly.

Q. What kind of a horse was he?—A. He was a saddle horse.

Q. What do you use him for, livery or trucking?—A. I am not positively sure that is the horse, but I think it is.

Q. Well, that may come off our list if it did not go to the war; the S. A. McDonald horse will not be counted in the list?—A. Very well.

Q. Take cheque No. 729; do you find that, and when was that cashed?—A. August 31.

Q. What is the amount of that cheque?—A. \$170.

Q. Does that help you to recollect the horse?—A. No, it was for a horse, but I do not recollect what horse.

Q. Then we come to cheque No. 730; when was that cashed?—A. On the 2nd of September.

Q. What is the amount of that cheque?—A. \$395.

Q. Who is that cheque issued to?—A. It is marked on it Aubrey Mutch.

Q. Would that be for the three horses?—A. No, that would be for the first two horses I bought.

Q. You have already given us the figures for the third horse?—A. Is that the same as the figure I gave you this morning for Aubrey Mutch's red horse and black mare?

Sir CHARLES DAVIDSON: That is what you gave this morning as the price of the two horses, \$220 and \$175.

By Mr. Thompson, K.C.:

Q. Let us take cheque No. 731; what day was that cheque cashed?—A. September 1.

Q. What is the amount of that cheque?—A. \$346.

Q. What was that for?—A. I think that cheque was given to Robert Salliphant, of Hunter River.

Q. You said this morning that you bought two horses from him and paid him \$175 for each horse, making \$350 for the two, but this cheque is for \$346?—A. He was to deliver them in Summerside.

Q. And he did not do it?—A. Yes, he did.

Q. And you docked it?—A. No, he did. I paid the freight up.

Q. Do you find cheque No. 732 on your list; on what day was that cashed?—A. September 2.

Q. What is the amount of the cheque?—A. \$410.

Q. Would that be for two horses?—A. Yes.

Q. Do you recollect whose two horses they were?—A. I think they were the Stead horses.

Q. What date was cheque No. 733 cashed?—A. On September 1.

Q. What was the amount of that cheque?—A. \$200.

Q. What was that for; do you recollect that?—A. I do not remember.

[Summerside, P.E.I., Horses—McNeill.]

Q. Look at your list for cheque No. 734; when was that cashed?—A. On August 31.

Q. What is the amount of that cheque?—A. \$195.

Q. What is that for?—A. It is for a horse we got from George Gunnion.

Q. Where does George Gunnion live?—A. In Sherbrooke.

Q. Is that far from here?—A. Four miles.

Q. Did you inspect that horse yourself?—A. Yes.

Q. Did you sell him to Anderson?—A. Yes.

Q. The next one is cheque No. 735; what date was that cashed?—A. September 1.

Q. The amount of that cheque is what?—A. \$165.

Q. Who was that cheque issued to?—A. I do not remember that one.

Q. There is cheque No. 736; what date was that cashed?—A. 31st of August.

Q. What is the amount of that cheque?—A. \$165.

Q. Do you recollect to whom that cheque was payable?—A. No.

Q. That seems to be a common price for you to pay for a horse?—A. I do not know about that but it was the price of these two, two of the horses I bought were around that price.

Q. When was cheque No. 737 cashed?—A. On August 31.

Q. What is the amount of it?—A. \$195.

Q. Do you recollect that?—A. That was to another Gunnion, Dougald Gunnion.

Q. Where does he live?—A. In Sherbrooke.

Q. What is his occupation?—A. Farmer.

Q. Did you inspect his horse?—A. Yes.

Q. Was he a good horse?—A. Yes.

Q. Did you drive him in?—A. Yes.

Q. Was he sold to Anderson?—A. I think so.

Q. When was cheque No. 738 cashed?—A. On September 1.

Q. What is the amount of that cheque?—A. \$1,200.

Q. Who was that cheque for?—A. I cannot remember unless that would be for G. W. Bell for six horses I bought.

Q. \$1,200 is a pretty large amount?—A. I think that is the cheque for the six horses.

Q. Did you only buy six horses from Bell?—A. I bought them at that time, I may have bought some more at another time.

Sir CHARLES DAVIDSON: You had a cheque for \$1,205 for Bell?

The WITNESS: Probably that is it, I am not sure that was Bell's cheque.

By Mr. Thompson, K.C.:

Q. Were Bell's horses all heavy draught horses?—A. Not all.

Q. Did you pay him \$200 apiece?—A. I think they would average about that.

Q. Do you think you took \$1,200 with you to Charlottetown when you went to buy?—A. I may have done so.

Q. Is it not a large amount?—A. I do not remember taking \$1,200 in cash to Charlottetown.

Q. Did you say this morning that Bell's horses would run about \$200 each?—A. I think that would be the average price.

Q. Were Bell's horses good horses?—A. Yes.

Q. Exceptionally good?—A. Yes.

Q. And you picked these six horses out of a bunch of about 20?—A. Out of a large number, I cannot say how many.

Q. Take cheque No. 739, can you find that one?—A. Yes, it was cashed on September 3.

Q. For how much is that cheque?—A. It is for \$155.

Q. Does that figure recall anything at all to your mind?—A. I bought a horse in Kensington, but I do not know the name of the man I bought him from.

[Summerside, P.E.I., Horses—McNeill.]

Q. What were you doing in Kensington, did this man come in with his horse to you?—A. Yes, I met him there.

Q. Did you take the horse away from him?—A. No, he came to Summerside with him.

Q. And you say you do not know who that man was?—A. No, I do not remember his name.

Q. What did you pay him?—A. I think that is the cheque I paid him, it was about \$155.

Sir CHARLES DAVIDSON: Cannot this be worked out later; perhaps the witness and one of your assistants, Mr. Thompson, could go through the cheques and see what they are for. The witness is obviously quite a ready witness this afternoon and if we could do that it would save an hour or two. You can try it anyway, Mr. Thompson. Mr. McNeill might sit down after the adjournment and work that out so that you can now proceed with the general examination.

Mr. THOMPSON: Very well.

Sir CHARLES DAVIDSON: You have some other questions I understand, to put to the witness. Obviously, the witness this afternoon is more ready to answer the questions and he has made a much more favourable impression than he did in the morning. The Commission might sit to-night after dinner and perhaps the case would be closed. Probably that is the more satisfactory thing to do.

Mr. THOMPSON: I would rather put the general questions this evening than now, if that course is going to be pursued, and then I can make an end of the examination of this witness, instead of going half into it now and half later.

Sir CHARLES DAVIDSON: Very well.

Mr. THOMPSON: I think if I took the witness again to-night after dinner, that would enable Dr. Doyle to leave town to-morrow morning.

Sir CHARLES DAVIDSON: Yes, it would be better to get rid of Dr. Doyle here.

The Commission then took recess for dinner.

The Commission resumed at eight o'clock in the evening.

EMMERSON EUSTIS, Ledger-keeper of the Bank of Nova Scotia, Summerside, P.E.I., sworn.

Examined by Mr. Thompson, K.C.:

Q. You are in the bank of Nova Scotia, I understand, Mr. Eustis?—A. Yes, sir.

Q. What is your position there?—A. I am acting teller at present.

Q. The manager of the Bank of Nova Scotia told us yesterday that W. B. McNeill received his cheques for the year 1914 at the end of the year or on the 1st of January?—A. At the end of the year.

Q. Is that correct?—A. Yes, sir.

Q. McNeill did not have the receipt for the cheques, which it is usual for a customer to sign, have you got that receipt?—A. Yes, sir.

Q. Would you let us see it please?

(The receipt was produced.)

Q. Would you read it to the court?

(The receipt signed by W. B. McNeill for his cheques, up to the 31st of December, 1914, was read.)

By Mr. Thompson, K.C.:

Q. Mr. McNeill stated this morning that he did not get his cheques at the bank, that they were probably delivered by your messenger at his house or at his stable, do you know anything about that?—A. So far as I know these cheques would be given to him at our office.

[Summerside, P.E.I., Horses—McNeill.]

Q. Do you ever send any cheques out to be delivered?—A. No, sir.

Q. Supposing he signed the receipt at your bank would you, in order to get rid of the cheques, send the cheques out by a messenger?—A. No, sir, I would keep them there until the next time he called.

Q. Do you recollect ever having sent them out to a customer's place of business?—A. No, sir.

Q. Will you look at the document in your hand and state whether that is an original document containing original entries in the Bank of Nova Scotia, showing McNeill's account?—A. Yes, sir, that is an original copy of W. B. McNeill's account.

Q. I will borrow that for the evening and you might take the copy which I am using.

The witness retired.

W. B. MCNEILL, livery stable keeper, Summerside, P.E.I., already sworn.

The examination of this witness was resumed.

By Mr. Thompson, K.C.:

Q. Did you find any more horses which you bought, since we left off in the afternoon?—A. Yes, I found some others.

Q. You and Mr. McKinley found some others in going over the book together, do you recollect now which they were?—A. They are marked all there.

Q. Did you buy a horse from Linksetter?—A. Yes.

Q. How many did you buy from him?—A. Two.

Q. What did you pay for them?—A. I am not positive of the figures, but I think it was \$170.

Q. There is a cheque here, No. 759, dated September 10, for \$170?—A. Yes, but I am not sure that is it, although it may have been for one of his horses.

Q. Then there is another cheque here, dated September 3, cheque No. 755, for \$187.50, would that be to Linksetter?—A. It may be Linksetter's cheque, but I am not sure.

Q. Do you think that amount would be the price you paid Linksetter for his horse?—A. Yes.

Q. Where does Linksetter live?—A. Summerside.

Q. What does he do in Summerside?—A. He deals in horses, I do not know what his other business is exactly, but he has got a farm.

Q. I think you found four horses this afternoon, after I left off examining you?—A. I think so.

Q. Cheque No. 764 issued on the 3rd of September, for \$170, would that be for a horse?—A. Yes.

Q. Who was that cheque issued to, would you know?—A. I cant remember that, it may have been one of the horses that I mentioned to you before.

Q. You have only accounted for two horses, where are the other two which you found this afternoon?—A. He marked them down there.

Q. Did you buy a horse from Calvin Reeves?—A. I bought a horse from him, but I do not know for sure whether it was within the dates or not, I remember buying one from him last summer some time. But I am not sure whether it was within the dates you mentioned or not.

Q. How much did that horse cost?—A. I think that cheque was \$228.50.

Q. You think that was the horse that was sold to Anderson?—A. I am not sure.

Q. It is bought at a good deal higher price than the others, then there is cheque No. 747 on the 2nd of September for \$190, would that be for a horse?—A. Yes, that would likely be for a horse.

Q. Do you know whose horse that would be?—A. I cannot say, I did not think of any names since I left your clerk this afternoon.

[Summerside, P.E.I., Horses—McNeill.]

Q. Did you buy any horses around the 26th of August, the 27th of August, the 28th of August, the 29th of August, the 30th of August, and the 1st and 2nd of September, except those which you sold to Major Anderson?—A. Did I what?

Q. Did you buy any horses during these interesting later days in August and the 1st, 2nd, or 3rd days in September, except horses that you sold to Anderson?—A. Except what I sold to Anderson.

Q. Let us take the last ten days of August and the first three days of September, you bought a large number or horses?—A. Yes.

Q. Did you sell all the horses you bought during that time to Anderson?—No, I do not think so, I did not sell all to him. They would not take all the horses I offered them, some of the cheques may have been for horses they did not take.

Q. How many horses did they reject on you?—A. I do not know exactly how many it was.

Q. About how many did they reject?—A. I cannot say offhand how many. They looked at all my horses but they did not take some I showed them. There would probably be six or seven that they did not take but I do not know just how many.

Q. There is a person named McLeod of St. Eleanors, did you buy a horse from him?—A. Yes.

Q. In this memorandum you put down \$180 as to the price of that horse, is that right?—A. I cannot say for sure if that was right.

Q. Do you think it would be right?—A. I think it would be. He was in the last shipment I took away.

Q. And you bought one horse from Linksetter at \$185, and another at \$170 or \$175, is that correct?—A. As near as I can give them.

Q. I have now got four horses more, which still leaves six horses to be accounted for, does it not?—A. I did not keep count of them.

Q. That is what we work it out at. There are still six horses unaccounted for.

Sir CHARLES DAVIDSON: I make it more than that; you took four horses just now and that makes 77, however, it does not make much difference.

By Mr. Thompson:

Q. There are a few more horses unaccounted for, as we make it up?—A. Yes.

Q. As you cannot remember the names of these horses, they are not what one would call outstanding horses, that is horses that would call for special attention or special remarks?—A. They were ordinary horses.

Q. What would you think would be the average price which you would pay for these horses, would \$175 be a fair price?—A. It is likely they would be on the average with the other horses.

Q. But in the beginning of September were they buying draught or saddle horses?—A. Both kinds.

Q. So that your average price to the farmers was about \$175 for cavalry horses?—A. I think it was, I could not say without making it up.

Q. You did buy a large number around \$165, \$170 or \$175?—A. Yes, a good many.

Q. And you bought a number around \$200?—A. Yes, quite a number.

Q. So that with regard to the horses which you cannot find names for, it would be fair to say, would it not, that the average price might be around \$185 for those you cannot account for?—A. I think that would be all right, \$185 or \$190, of course they might be some of the dearest horses I bought.

Q. They might be, but what would be a fair average to be allowed for the missing horses?

Sir CHARLES DAVIDSON: He has to account for the purchase in all of 87 or 88 horses, because some were rejected.

[Summerside, P.E.I., Horses—McNeill.]

By Mr. Thompson:

Q. How many were rejected?—A. I have not put the rejects in here, the reject horses I did not mention.

Q. You say you mentioned none of the rejected horses?—A. The only rejected horses I know as a positive fact was the one I mentioned this afternoon.

Q. What one was that?—A. S. A. McDonald's horse.

Q. The Mud Creek horse was out of your own stable?—A. I did not pay money out for him.

Q. Let us come back to the John Harkness horse, you did not give any price for him?—A. He was a light draught horse.

Q. Would his price be around \$125?—A. I think he was \$140 or \$150.

Q. Then let us put him down for the present at \$150, which is the top price?—A. I do not say for sure that was the price of him.

Q. I think you sold nine horses from your stable to Anderson?—A. I think that is right.

Q. I think you said you sold six draught and three cavalry horses; how many did you have in stock at that time when the buying commenced by Anderson?—A. When I started to sell them first?

Q. Yes?—A. I would not be positive; from 20 to 25.

Q. I am referring now to how many you had in your stables before you began to buy for the purpose of selling to Anderson?—A. From twenty to twenty-five.

Q. Would that be your average stock of horses?—A. Do you mean last year?

Q. Yes?—A. About that.

Q. And you keep from 20 to 25 horses on hand?—A. Yes.

Q. After Anderson stopped buying how many horses did you have on hand?—A. I would not be sure.

Q. About how many?—A. About 18 or 19, but I would not be sure.

Q. So that you only filled up to the extent of one or two after Anderson took that draught of nine away?—A. Yes, I do not know how many.

Q. If you had 18 or 19 horses in your stable after Anderson stopped buying, and if you had 25 when he started to buy, that would be the result?—A. I did not say that; I said from 20 to 25, and I cannot say exactly.

Q. What do you think you had; remember your stable room and remember the appearance of it before Anderson started buying, and cannot you picture to yourself about how many horses that you had?—A. I am giving you as near as I can go to it.

Q. That is between 20 and 25 horses?—A. Yes.

Q. So that when Anderson stopped buying you were a few short of what you had in your stable before he started buying?—A. Yes.

Q. About how many less had you when he stopped buying than you had before?—A. I cannot say exactly.

Q. Would it be within five horses less?—A. Something like that.

Q. Which shows that you probably had two or three rejects on hand, would it not?—A. Yes, but I might have sold them horses during the time to other people, but I am not sure.

Q. And that would mean that you would have to buy others to fill up still more?—A. Yes.

Q. You kept on buying and selling?—A. Do you mean all the fall afterwards?

Q. Yes?—A. Yes.

Q. You kept on buying and selling to other people and for other people?—A. Yes.

Q. Anderson came over to Summerside with Doyle, did he not?—A. I think so.

Q. Did Doyle come over on a visit by himself to the island early in August and meet you on the street, didn't he?—A. I think he did; I would not be sure.

Q. Don't you recollect his meeting you?—A. No, I do not recollect where I met him.

Q. Perhaps you did not meet him on the street; did you meet him in the house?—A. I do not remember.

Q. Don't you recollect meeting Doyle here before the buying started, a week or so before it started?—A. I have not got very much of a recollection of that; I met him, but I do not know where.

Q. If Doyle says you met him in Summerside, would you object to that?—A. It was in Summerside.

Q. What was your conversation with him then?—A. I do not remember what it was.

Q. Surely you do, don't you?—A. No, I do not remember what conversation we had.

Q. What did he say to you?—A. I do not remember.

Q. Did not he tell you he would be wanting some horses?—A. I do not remember just exactly what it was.

Q. Did he not say anything about buying horses on that occasion?—A. He may have said something about them wanting horses.

Q. Don't you recollect that he did?—A. I do not recollect much about it.

Q. Don't you recollect him saying anything about the horses?—A. I do not recollect.

Q. Don't you recollect him speaking to you about their wanting horses for the military service?—A. He was over different times, and I do not remember that time from any other time.

Q. I am recalling your memory to the first occasion on which you met him about buying horses?—A. I do not remember that at all.

Q. What was the first intimation you had that Major Anderson might require horses?—A. It must have come from him.

Q. From whom?—A. From Doyle.

Q. If he intimated to you that Anderson would require horses, what did he say as to the class of horses required?—A. I do not remember about that, but I had a circular letter of some kind.

Q. You had a circular letter from whom?—A. I do not know.

Q. Who signed it?—A. I do not know, it was not signed, I do not think.

Q. When did you receive it?—A. I do not know whether it was before I was talking to Doyle or after.

Q. Don't you think it was after you saw Doyle?—A. It may have been.

Q. Is it not very likely it was after you saw Doyle that you got this circular?—A. I think so.

Q. In fact there is a strong probability, is there not, that it was after you saw Doyle?—A. I cannot say positively.

Q. Have you got that letter?—A. No, I have not the letter.

Q. Would you recollect the letter if it was read to you?—A. I might, yes.

Q. Do you recollect receiving a letter as follows:—

“MONCTON, N.B., August 14, 1914.

“MR. WILLIAM MCNEILL,

“Summerside, P.E.I.

“DEAR SIR,—

“The Militia Department require a number of horses immediately, and as the time is short it is doubtful if we will be able to get the required number around here, so I am writing you on this line to see what the chances are for getting enough of them around Summerside, colour, all except greys, to be sound in wind and limb and good eyesight.”

A. Yes, I think that is the letter.

Q. That is probably a copy of the letter?—A. I think so.

Q. It is very close to it at all events?—A. Yes.

Sir CHARLES DAVIDSON: And one of these horses which was purchased was an iron grey?

The WITNESS: Yes.

[Summerside, P.E.I., Horses—McNeill.]

By Mr. Thompson, K.C.:

Q. Was that horse accepted?—A. Yes.

Q. Perhaps he was a little off colour?—A. An iron grey colour, that is what he was.

Q. Was he grey with age?—A. No, he was about seven years old.

Q. Do horses turn grey with age?—A. I do not know about black ones but a grey one gets grey when it gets older.

Q. That letter was received by you apparently, a little after the 14th of August, probably the next day?—A. I think there was some more in the letter, it to'd the kind of horse, the age and the weight, and the different prices, and the like of that.

Q. Did you receive that letter before Doyle spoke to you?—A. I cannot say for sure.

Q. Did you make any inquiries as to what they would likely pay for horses?—A. Yes, when I sold them the horses.

Q. But not before you started in to buy the horses?—A. Before I started to buy, I sold them my own horses.

Q. You mean you sold Major Anderson your horses?—A. Yes.

Q. Did Major Anderson or Doyle notify you they were coming over to look at your horses?—A. At the first time, Major Anderson and Doyle came over?

Q. Yes?—A. No.

Q. Did they send you any word that they were coming to Summerside?—A. No.

Q. Don't you recollect Doyle meeting you on the street and telling you they would be wanting some horses and you said: I have a barn full, come up and look at them; and Doyle said: I won't go just now, I will come back?—A. I do not remember that.

Q. You do not recollect that at all?—A. No.

Q. And you don't recollect the quotation about you being able to dispose of a stableful of horses?—A. I do not recollect Doyle saying that to me, it may be so but I do not recollect that.

Q. You were looking for them to come over to Summerside, were you not, to buy your horses, you were rather expecting Doyle and Anderson to come over?—A. This letter indicated they wanted to buy horses.

Q. Who wanted to buy horses?—A. Anderson.

Q. How did you know it was Anderson, there is no signature on the letter?—A. Well, the military people, I did not know Anderson when I got the letter.

Q. You had a strong suspicion it was he?—A. I did not know Anderson then.

Q. That does not matter, had you not a strong suspicion that it was Major Anderson who wanted the horses?—A. I did not know him and how could I have a suspicion that he wanted horses.

Q. Doyle may have told you?—A. I do not remember.

Q. You say they did not advise you in any way, by telegram, or telephone, or letter, that they were coming over?—A. I do not remember.

Q. Were you surprised when they walked in on you one fine day in August?—A. I cannot say that I was.

Q. Were you prepared for them?—A. How do you mean?

Q. Were you expecting them?—A. I do not remember.

Q. Did you have your horses all groomed up expecting them?—A. I do not remember about that; this is the first trip you allude to now?

Q. The first trip of Anderson and Doyle, or are your horses always groomed up ready for inspection?—A. Yes, I try to keep them pretty well cleaned up.

Q. Major Anderson and Doctor Doyle would probably arrive in Summerside on the evening steamer?—A. Yes.

Q. As a matter of fact that is the only time they could arrive?—A. Yes.

Q. Did they go up and see you the night on which they arrived?—A. I do not know.

Q. After receiving your letter of the 14th of August, and before Major Anderson and Dr. Doyle arrived, did you buy any horses to fill up your stable with?—A. I may have bought some.

Q. How many?—A. I do not know.

Q. About how many?—A. I do not know whether I bought any or not but I may have bought some.

Q. You do not recollect?—A. I don't recollect.

Q. You have no recollection whatever of that?—A. No.

Q. Were Major Anderson and Dr. Doyle both present when they were inspecting your horses—the first lot?—A. I would not be sure but I think they were.

Q. That is the batch of six which they bought?—A. Yes.

Q. Were you present?—A. Yes.

Q. Don't you recollect whether Anderson and Doyle were both present?—A. I think they were.

Q. Tell me the procedure, did they inspect them outside your stable or in the stable?—A. It was outside the stable that they inspected the horses.

Q. Did you have one of your men bring the horses out?—A. Yes.

Q. And did Doyle feel the horse all over?—A. Yes, he inspected the horses all over.

Q. Did he examine their teeth in all cases?—A. Yes.

Q. Did he feel their legs?—A. Yes.

Q. Did you make your man run the horse up and down?—A. Yes.

Q. And how long did it take to examine the six horses?—A. I cannot say how long.

Q. When did they start examining them?—A. They examined more than six but they bought six out of what they examined.

Q. How many did they examine altogether?—A. I cannot say.

Q. About how many?—A. I cannot tell you.

Q. Did they examine all in your stable?—A. Not all.

Q. They were only after heavy draught horses that time?—A. That is about all they bought the first time.

Q. They did not do anything else then?—A. I cannot say that for sure, I think it was all heavy draught horses.

Q. That is what you told us this afternoon, that they were all heavy draught horses?—A. I think so.

Q. Anderson arranged the price, did he not?—A. Yes.

Q. What did he agree to pay you for the six horses?—A. I cannot remember the figures exactly.

Q. Surely you do remember that?—A. I do not remember the figures offhand; the cheques that I got for the first 16 are all together in my book.

Sir CHARLES DAVIDSON: How much did you get for the first 16?

The WITNESS: \$3,800 I think is in the book.

Sir CHARLES DAVIDSON: Look at it and see.

By Mr. Thompson, K.C.:

Q. That was not one cheque, you got \$1,425?—A. I likely deposited them both together.

Q. I will show you the cheque, look at that cheque "Remount Department, Summerside, P.E.I., August 29, 1914, to W. B. McNeill or order \$1,425, being value for six horses (\$1,425). S. B. Anderson, Purchaser, L. S. Doyle, Veterinary Inspecting Officer." Did he buy these horses in a batch or did he bargain with you for each horse separately?—A. He bargained for each horse separately.

Q. And what did you arrive at in regard to each horse in the way of price?—A. I cannot remember the figures separately, you see.

Q. You are quite sure he bargained with you separately with regard to each horse?—A. Each horse was priced separately, yes.

Q. Was the price of some horses higher than the price of others?—A. Yes.

Q. Are you quite sure about that?—A. Yes.

[Summerside, P.E.I., Horses—McNeill.]

Q. Now, what price did you value the first horses at?—A. I cannot say.

Q. About what was the price of the best horse you sold him?—A. About \$250.

Q. What was the price of the worst horse you sold to him in that batch?—A. I do not remember just exactly.

Q. About what?—A. Probably \$190 or \$200?

Sir CHARLES DAVIDSON: What is that?

The WITNESS: I cannot say, I do not know, it would be about \$190 or \$200, but I would not be sure as to that.

By Mr. Thompson, K.C.:

Q. It is a great deal more than that, I think?—A. I would not be sure.

Q. You were sure you were entering on a pretty exciting and extensive business, selling horses to the Department by wholesale practically do you not recollect?—A. I do not remember the price of the first horses although they were priced separately.

Q. You are perfectly certain in your mind that you bargained with him for each horse?—A. I think that was the way it was, but I am not certain.

Q. Was there any limit of price fixed by Major Anderson, beyond which he would not go?—A. I do not know.

Q. Did he tell you there was a limit beyond which he would not go in paying for a horse?—A. I do not remember him telling me anything about that.

Q. Surely you do?—A. No, I do not, I do not think he told me any limit, I do not remember him telling me about any limit.

Q. And you are quite certain that when you brought the horses out and he inspected them and Doyle passed them, that he bargained with you for the price of each horse?—A. I think that is the way it was done.

Q. Then I suppose he would talk to Doyle about that?—A. I am not certain just what was done.

Q. Then you would bring another horse out and you would bargain with him about that horse?—A. Yes, I think that was the way it was done.

Q. Can't you make your recollection a little better on that, can you not be a little more certain on that part?—A. I cannot remember that.

Q. Now, Mr. McNeill, he paid you on an average \$237.50 for each of these six horses; that is what they average?—A. Yes, I suppose it is.

Q. And that was about the 21st of August, was it not?—A. I do not remember the date.

Q. Because the horses were shipped on the 22nd of August, that is quite clear, that is on record; did you go over with these horses to Pointe du Chêne?—A. I do not remember about that, I went over several times.

Q. Did you go over with the first batch of horses?—A. I do not remember whether I did or not.

Q. Your memory is not as good this evening, Mr. McNeill, as it was this afternoon, I thought we would be able to close your examination today, but I am afraid it is going to last some time, and if you cannot do a little better in the way of recollection you will have to stay here; you got a rattling good price from Major Anderson, and it is a very extraordinary thing that you cannot recollect whether you accompanied him and the horses to Pointe du Chêne on that occasion, I am referring now to the first six horses that were shipped?—A. I may have gone over but I am not sure, I do not remember exactly.

Q. There are so many things you do not remember that I should like to get something definite from you?—A. I do not remember that, I cannot tell you.

Q. What did he say to you about buying further horses?—A. I do not remember what he said about other horses, he gave me an idea of the amount of horses he wanted to buy.

Q. Did he say he would buy more horses from you?—A. Yes, I think he did.

Q. It is probable that he did?—A. I think he did.

Q. Because you went on at a pretty fast rate buying horses did you not? Is that so?—A. Yes, I bought a lot of horses.

Q. Then two or three days afterwards, either Doyle or Anderson, or both of them, came back, do you remember that, and bought 10 horses from you?—A. I don't remember about that, I did not know they came back, I think I took the horses to Moncton.

Q. You think you may have taken the horses to Moncton before they were inspected at all?—A. Yes, I am not sure whether they were inspected in Summerside or Moncton or in both places.

Q. If they were inspected in Summerside they would have to be inspected by Doyle?—A. Yes.

Q. Were they inspected by Doyle here in Summerside?—A. I do not know, I do not remember whether they were inspected the second time or not.

Q. Cannot you recollect that?—A. No.

Q. You shipped ten horses on the 26th of August, and your recollection is that you went over to Pointe du Chêne with them?—A. I am not positive about that; I think I did go over with them.

Q. Did you go up to see Major Anderson at Moncton with the horses?—A. I think I did.

Q. And were they inspected by Doyle at Moncton?—A. Yes, I think so. I am not positive whether they were inspected at Moncton or at Summerside.

Q. You recollected how the first batch of six horses was inspected by Doyle, and you recollected bringing the horses out and you recollected his examining them, and you state now your memory fails you about the ten horses?—A. I think that the ten horses were inspected in Moncton, but I ain't positive.

Q. And that they were not inspected in Summerside?—A. I do not know whether they were or not.

Q. But you rather think they were not inspected here?—A. That is what I think; they may not have been inspected here.

Q. You take them over to Pointe du Chêne on chance, apparently?—A. It must have been, if I took them over.

Q. You surely recollect whether you were taking these horses over on speculation, or whether it was by arrangement with Anderson?—A. Well, if there was an arrangement it was that the horses had to pass an inspection in Moncton.

Q. You think that was the arrangement with Anderson?—A. I think so.

Q. You think that probably was the arrangement?—A. That was probably the arrangement, and that if they did not pass the inspection I would take them back.

Q. You took ten horses over on the 25th of August?—A. I do not remember the date.

Q. They were shipped on the 26th of August; I can tell you that myself, because the record is here to show it, and you had them inspected evidently by Major Anderson on the same day?—A. Probably so.

Q. Did you bargain with him again as to what he would pay you for each horse?—A. I think so.

Q. Are you pretty sure about that?—A. I think so, yes.

Q. Did you pay the freight over on the first batch of six horses?—A. I think I did; I ain't sure about that.

Q. Did you pay it on the second batch of ten horses?—A. I am not sure about that.

Q. You are pretty positive you bargained with Anderson as to the price of each horse?—A. I think so.

Q. What is the top price you got for the best horse of that lot of 10?—A. I cannot remember that; I do not know.

Q. What is the topmost price you got for a horse?—A. I cannot remember; I could tell you by following that amount I got out.

[Summerside, P.E.I., Horses—McNeill.]

Q. No, you cannot; you could tell the average, and I can tell that myself, but I want to know what is the best price you got for one of these horses?—A. I do not remember that.

Q. Your memory is getting very poor to-night; I am afraid your examination will have to go over until Monday?—A. It may get better in the meantime.

Q. I think it will have to be better before we conclude the examination in Summerside; your recollection is that you bargained for each horse, is that a fact?—A. Yes.

Q. That would be a businesslike way to conduct such a transaction, would it not?—A. Yes.

Q. That would be a reasonable thing to do?—A. Yes.

Q. Now, Mr. McNeill, it is a very curious thing that that second batch of horses, ten in number, works out to a cent at exactly the same average as the first batch of six horses; how do you account for that?—A. I do not know; I cannot account for that.

Q. Do you think it was mere chance?—A. It may have been.

Q. You got \$237.50 on an average for the six horses shipped over in the beginning; some days later, you shipped over ten more horses and after bargaining, and after haggling over the price with Anderson, the price of these ten horses shipped by you averaged \$237.50. Now in the face of that do you say Anderson bargained with you for the price of each horse?—A. Do you ask me if Anderson bargained with me for the price of each horse separate?

Q. Yes?—A. I think he did.

Q. Look at the cheque for the 10 horses, you got \$2,375, did you not?—A. Yes.

Q. So that on the face of these cheques, for two batches of horses, sold at different times, each priced separately, there is only a difference of fifty cents per head on the average price, and in the face of that are you still prepared to say that he bargained with you as to the price of each horse separately?—A. Yes, I think that is the way it was done.

Q. Now, is it not a fact that he placed a flat rate on horses which he would pay you for each horse?—A. No, I do not remember that.

Q. Are you sure about that?—A. I do not remember him doing that and I do not think he did.

Q. Did Doyle arrange for a flat rate per horse with you?—A. No.

Q. Did any person arrange with you that you should be paid a flat rate for each horse your produced?—A. No.

Q. Do you swear that positively?—A. Yes.

Q. Did anybody intimate to you that you would be paid a flat rate for your horses?—A. No.

Q. Do you say then that it was just a chance that two batches of horses sold by you would work out at \$237.50 on the average, considering that you bought them all around the Island and then afterwards shipped them over and bargained with Anderson as to what you should receive for each horse?—A. It must have been that it worked out the same, it comes out the same anyway.

Q. You have no explanation to offer for that?—A. No.

Q. None whatever?—A. None whatever.

Q. Can you give us any explanation?—A. No.

Q. Do you know of any explanation?—A. No.

Q. Do you know exactly how much you received from Anderson?—A. I know by the cheques here.

Sir CHARLES DAVIDSON: How much?

The WITNESS: Whatever figures he mentioned there it is the same, I have them here separated in different places.

By Mr. Thompson, K.C.:

Q. Was it \$18,429 that you received from Anderson?—A. Yes.

Q. Have you often totted up the amounts you received from Anderson?—A. Not often.

Q. Did you tot it up several times?—A. Not often enough to keep it in my mind.

Q. You must be in a pretty big way of business if you do not total up what a windfall like that would amount to?

Sir CHARLES DAVIDSON: How did that average out?

Mr. THOMPSON: I have not got to that yet, there are some more cheques to be accounted for.

By Mr. Thompson, K.C.:

Q. Doyle or Anderson or both came over just about the end of August, did they not?—A. I think Doyle came alone.

Q. Either they found a gold mine at Summerside, or you found a gold mine, one of the two, because one or the other of them came back?—A. I think Mr. Anderson told me that if I had enough horses he would send the inspector to the Island.

Q. Did you tell him you had enough horses?—A. I wired him.

Q. How many did you tell him you had?—A. I think it was 47.

Q. And you improved the number a little later when the inspector came?—A. That was Friday night.

Q. You improved the number you had?—A. Yes, I am not positive about the day but I think it was Friday night that he came across.

Q. You went over with your ten horses and you got your two cheques did you not?—A. I think so.

Q. That is, you got your cheque for the six horses and you got your cheque for the ten horses when you accompanied the ten horses over?—A. I do not remember about that.

Q. Are you sure you do not remember?—A. Yes.

Q. You shipped the ten horses on the 26th of August, and you went over with them, and you got a cheque from Anderson dated the 26th of August which was the very day you shipped your horses and went to Moncton?—A. Yes.

Q. And then when you came back to Summerside you put the cheque for the six horses and the cheque for the ten horses in the bank in one deposit?—A. That may be so, but I do not remember.

Q. Don't you recollect that?—A. I don't remember that I got the two cheques the same time or not, I put them in the bank the same time.

Q. There is no doubt you brought the two cheques back with you?—A. Yes.

Q. Doyle came over to Summerside about the 31st of August?—A. I cannot say the date.

Q. Approximately at that time, and he selected 54 horses, did he not?—A. Yes.

Q. Did anybody help Doyle to examine the horses?—A. To do the examining of them?

Q. Yes?—A. No, I think he done that all himself.

Q. Did you see him examine them?—A. Yes.

Q. Were you there all the time?—A. Yes.

Q. How long did it take him to examine the 54 horses?—A. I cannot say.

Q. About how long?—A. I cannot tell you.

Q. When did he start in to examine them?—A. I cannot say just when it was.

Q. Did he look at them at night when he arrived from the steamer?—A. No, he examined them in the daytime.

Q. If he inspected them in the morning, did he finish the inspection of them all that night?—A. That is more than I can tell you.

Q. Was he one day or two days on the work?—A. He stayed over one day and went away the next day.

[Summerside, P.E.I., Horses—McNeill.]

Q. So he must therefore have examined all the horses during the greater part of one day and possibly a little in the morning, just before he left on the boat?—A. It would be two or three hours before he left on the boat.

Q. He was up bright and early I suppose and got up in the morning, and the horses were shipped on the 31st of August, did you go over with the horses?—A. Yes.

Q. There were 54 horses, according to your statement?—A. There were 54 that were bought, but there were 55 in the bunch.

Q. Did you slip in one horse that Doyle did not examine?—A. No, it was slipped in.

Q. How did there come to be 55 horses there?—A. I do not know how that happened. I cannot say just how that did happen.

Q. Had that extra horse the tag of approval of Doyle on it?—A. I think there was one of them horses that was not tagged.

Q. And, therefore, that would not have been examined by Doyle?—A. It would be examined in Moncton.

Q. But it was not examined here in Summerside?—A. I do not know.

Q. Did that horse have a tag on it?—A. It could not have been examined here.

Q. So that while you shipped 54 horses there were really 55 horses in the bunch?—

A. Yes.

Q. And you shipped these horses on the 31st of August?—A. Yes.

Q. And you followed them through?—A. I went with them.

Q. And they were examined in Moncton, were they?—A. I think so.

Q. Were you present when they were examined?—A. I do not remember whether I was present or not.

Q. Was it not rather a critical job to ship 54 horses at Summerside?—A. They were examined at Moncton I think.

Q. By Doyle?—A. Yes.

Q. You think they were examined over there?—A. I think so.

Q. Were you not interested enough in them to watch and see when they were being examined?—A. I do not remember.

Q. When you got to Moncton did you go to see Anderson?—A. I saw him while I was there.

Q. Did you get your cheque from him?—A. Yes.

Q. For \$12,154?—A. Yes.

Q. Which stated that you were selling 54 horses?—A. Yes.

Q. That cheque, therefore, was not correctly stated?—A. That was the cheque for the 54.

Q. What did you do with the other horse?—A. The other horse went in with the next horses I took over.

Q. Did you deliver him to Anderson?—A. They kept him there in Moncton when I went back with the next lot.

Q. Why did they not put him in with that lot of 54 horses?—A. They did not buy him.

Q. Why did not they buy him?—A. I do not know, there were 55 and I got paid for 54.

Q. You knew there were 55 horses there?—A. I did not know.

Q. How did that horse get away from the stable?—A. That horse might not be in the stable. Some horses came from the country and went to the boat direct.

Q. Did some of the others ever go to the boat without being examined?—A. No. This horse might have got on board the boat that way without coming to my stable.

Q. You mean you might have put him on board the boat without examination?—A. No, the farmer that brought him in would put him on board, they brought that extra horse down to the boat.

Q. They would not bring him down to the boat without being paid for him?—A. I would tell him to have the horse at Summerside for the boat, and that is possibly the way it did happen. That is the only way I know for that extra horse to get in on the boat.

Q. What horse was it?—A. Thomas Humphrey's horse, I think.

Q. What did you pay Thomas Humphrey?—A. \$210, but I ain't positive.

Q. Have we Thomas Humphrey's horse on the list you gave us?—A. I think we have but I ain't positive. That is my idea of the way that happened.

Q. You took your horses over there and they were examined or inspected evidently by Anderson when he got over, he looked them over?—A. I suppose so.

Q. Did you with Anderson look over these horses at Moncton?—A. I do not remember that.

Q. How did you arrive at the price?—A. I had the horses numbered down and the price with the horse.

Q. On a list?—A. Yes, I just had a piece of paper.

Q. Did you show it to Anderson?—A. Yes.

Q. Where did you show it to him? was it in his office?—A. In his office.

Q. Had he seen the horses at that time?—A. He may have seen them, likely he had.

Q. What time of the day did you call to see Major Anderson?—A. I do not remember.

Q. And the horses would arrive from Pointe du Chêne some time after you had arrived in Moncton?—A. I ain't positive as to that, but I think—

Q. You may have sent them the following day to Moncton?—A. Yes.

Q. The following day would be the first of September?—A. I ain't positive of that whether I sent them that same day that I got there.

Q. You shipped the horses on the 31st of August and it must have been not earlier than the 31st of August, is not that so, you could not have seen Anderson before the 31st of August about that bunch of 54 horses?—A. No.

Q. Did you and Anderson go out and look at the horses?—A. When was that?

Q. On the occasion of your shipping the 54 horses?—A. I do not remember.

Q. Don't you recollect that?—A. No.

Q. You mean to say that Anderson paid you for the 54 horses without bargaining with you as to the price?—A. Do you mean bargained without going up and looking at them?

Q. Yes?—A. I do not know about that.

Q. Mr. McNeill, you will have to refresh your memory a little bit before we get through or we are going to be a long time at this examination—what discussion was had between you and Anderson when you went to his office about the 54 horses?—A. What discussion do you ask?

Q. Yes, as to the price?—A. I do not remember what the discussion was, it may be I brought him in the prices of the horses.

Q. Did he pay you the prices you asked?—A. I think so.

Q. Without discussion?—A. There must have been some discussion, but I do not know.

Q. Did he cut down the price you asked?—A. I do not know, he might.

Q. Now, Mr. McNeill, you are a horse-dealer?—A. I do not remember about that.

Q. You are a horse-dealer, Mr. McNeill, and you horse-dealers know the price that you pay for any one horse that you buy and you are no exception to anybody else in the horse-dealing business; I want you to recollect what took place between you and Anderson when you met about the 54 horses?—A. I cannot remember that.

Q. Just take your time and try to think?—A. I would if I could sit down.

Q. I am standing, and you will stand up too, please, what did you say to Anderson about the 54 horses?—A. I do not remember.

Q. What remark did he make to you about the price of your horses?—A. I do not remember.

Q. How did you arrive at the price?—A. I had it down and gave him the price.

Q. What do you mean by saying: "I had it down and gave him the price", be more explicit than that?—A. I had it down on a piece of paper, I told him the price of the horses and he paid me.

[Summerside, P.E.I., Horses—McNeill.]

Q. You told me the sum total of the prices of the 54 horses?—A. No, I told him the price of each different horse for the 54.

Q. Did he pay you?—A. Yes.

Q. If he paid you the price you had on your list he did not beat you down?—A. I do not know whether he beat me down or not.

Q. Now, Mr. McNeill, you are not telling a consistent story, and you may as well understand that. I want to tell you that you are not fooling me a bit?—A. I am telling you to the best of my knowledge.

Q. You told us you had the price of the horses down that you paid?—A. He paid me all I had down. I am not sure whether he paid me all or not, he may have beaten me down. I got the prices down here and he gave me a cheque.

Q. That was not the answer you gave me before?—A. Then I did not understand your question.

Q. You answered my question in a very clear manner, I asked you how you arrived at the price and you said you had the prices of the horses down and that he paid you?—A. That is likely the way it was.

Q. I wanted to know whether it was or not, and you shifted your ground?—A. I did not say he did beat me down, did I, you asked me if he did.

Q. Did he pay you the price you had on your list or did he not?—A. I do not know, I think he did.

Q. You think he did, is that the best you can say?—A. Yes.

Q. If that is the best you can say, we will be some time, Mr. McNeill, with your examination—did he on this occasion tell you that he would pay you a flat rate for the horses?—A. No.

Q. Were these 54 horses as good horses as the 10 horses or the six horses that you shipped previously?—A. I cannot say.

Q. What do you think?—A. They may not have been.

Q. What do you think?—A. There may not have been as many heavy horses.

Q. What do you think about it yourself?—A. They must have been a little cheaper because I did not get as much for them, did I?

Q. And you think they must have been a little cheaper?—A. Probably so.

Q. What do you think about it anyway?—A. I think they were a little cheaper horses.

Q. What did he pay you?—A. You have the cheque there.

Q. How much is that cheque?—A. \$12,154.

Q. Now, Mr. McNeill, here is another curious thing about that cheque—what was the date of it?—A. August 28.

Q. For how many horses?—A. Fifty-four.

Q. And the cheque is dated what date?—A. August 28.

Q. And yet you did not ship your horses until the 31st of August?—A. That may have been a mistake in the dating of the cheque.

Q. You are sure you did not get the cheque before you shipped the horses?—A. I am sure.

Q. There are several more curious things about this—that bunch of 54 horses which you shipped over and which he kindly paid you according to your price list, averaged \$225.07 per horse. I call your attention to that because we are coming back to something else after this. What did you do with that one horse, the fellow that slipped in on board without paying his passage?—A. He remained on board until I got back with the others, until I came back with the next ten horses.

Q. Did you ask Anderson to keep him?—A. I did not.

Q. Why didn't you have him inspected and paid for then?—A. I do not know how that was.

Q. Can you give us some explanation of that?—A. No.

Q. That would be the businesslike thing to do, would it not: to tell Major Anderson that there was an extra horse in there which you did not have examined, which was worth over \$200, which had not been inspected, which had come over as

[Summerside, P.E.I., Horses—McNeill.]

a stowaway, and which you would like to have a cheque for?—A. What is the question?

Q. Would it not be businesslike to ask for the payment of such a horse at the time?—A. I do not know, I suppose it would.

Q. Then why did you not do it?—A. I do not remember the circumstances.

Q. Where did you leave that horse when you got him over to Pointe du Chêne?—A. He went along with the rest.

Q. Along where?—A. With the 54 horses, he went to Moncton with the others.

Q. Did you see him there?—A. I saw him over there afterwards.

Q. Did you see him with the 54 horses in Moncton?—A. I do not remember about him at all.

Q. Did you see the 54 in Moncton?—A. I do not know that I seen the 54 in Moncton or not?

Q. Did you see any bunch of horses in Moncton?—A. I may have seen them but I do not know.

Q. What do you think; do you think you did or did not see that batch of 54 horses in Moncton?—A. I do not know whether I saw them or not.

Q. Do you swear that you don't know whether you saw them or not?—A. Where is that, in Moncton?

Q. Yes?—A. Yes.

Q. If you did not see them in Moncton, where did you see them after they came into Anderson's charge?—A. I do not know.

Q. Did you see them after they came into the possession of the soldiers?—A. I do not know.

Q. Did you see them after they came into Doyle's possession?—A. I do not know.

Q. Did you see them on the other side of the mainland?—A. I do not know.

Q. Did you see them at any time on the other side?—A. When I was in the boat, yes.

Q. Did you see them when they got to Moncton?—A. I do not know whether I saw them or not.

Q. Did you have any curiosity about that valuable horse that slipped in as a stowaway?—A. No.

Q. You had no curiosity whatever about him?—A. No.

Q. You did not even mention it to Anderson?—A. I do not know; I may have.

Q. What do you think about that?—A. I do not know.

Q. Would you leave such a horse as that to take care of himself?—A. No.

Q. What arrangement did you make about the feeding of that horse?—A. I did not make any.

Q. What did you expect would become of him?—A. I did not expect anything about him.

Q. Did you tell Anderson that horse was for himself?—A. No.

Q. Did you tell him that it was not for himself?—A. No.

Q. Did you tell him it was for Doyle?—A. No.

Q. Did you tell Doyle it was for himself?—A. No.

Q. Did you tell Doyle it was not for himself?—A. No.

Q. Did you say that horse was a present for anybody?—A. No.

Q. Did you tell anybody you expected to get paid for him?—A. I do not remember telling anybody anything about him.

Q. Do you say that you returned to Prince Edward Island without having told anybody anything about that horse?—A. I do not remember telling anybody anything about him.

Q. Is that the truth?—A. Yes.

Q. You sold some more horses around the 3rd of September, did you not?—A. Yes.

Q. How many?—A. There would be eleven. Ten I took over and the one that was there.

[Summerside, P.E.I., Horses—McNeill.]

Q. But you did not know what had become of that horse which you left on the other side?—A. I knew he would be all right.

Q. What give you the impression that he would be all right?—A. They were pretty good people who had him.

Q. Who had him?—A. I think he was with the rest of the horses.

Q. You said he was all right with the people who had him; how do you know the soldiers had him; you neglected him and you said you did not know anything about him?—A. I was not worried about him; I knew he was all right.

Q. How did you know that?—A. I took it for granted.

Q. Did not Anderson say to you: "I will look after him until you bring the next lot over?"—A. I never heard anything about that.

Q. Did Anderson not say to you that he could not pay for that horse, that having made out the cheque already for 54 horses he could not alter it?—A. I do not remember anything about that.

Q. Is it not likely that something like that happened?—A. I do not know; it might have been.

Q. What happened when you were getting your eleven horses, minus one; did Doyle come over and look at them?—A. No, I took them over to the mainland.

Q. Were they examined by anybody at Summerside?—A. I do not know of anybody.

Q. Did Doyle examine them?—A. I do not think so, but I am not sure.

Q. You see you recollect the parade that you had of the first six horses, when they were examined, but you do not give us any definite information about the rest of them. I would like to know whether there was any inspection of the eleven horses, minus one, making ten, before you shipped them across to the mainland?—A. You want to know if there was any inspection made of them?

Q. Yes?—A. By who?

Q. By Doyle?—A. I do not think Doyle inspected them here.

Q. Are you pretty sure about that?—A. I am not sure, no.

Q. What do you think happened?—A. I think they were inspected at Moncton but I am not sure.

Q. How is it you recollect the first inspection of the six horses, but you do not recollect anything about the other inspections?—A. I recollect about the inspection of the 54.

Q. By Doyle?—A. Doyle inspected them at Summerside.

Q. And you think you took the other horses over on spec?—A. I think they were inspected in Moncton.

Q. You brought 10 horses over on the boat?—A. Yes, the last time.

Q. And you brought them up to Moncton from Pointe du Chêne?—A. Yes.

Q. Then did you claim the horse that strayed on the boat?—A. Yes.

Q. From whom did you claim him?—A. I did not claim him from anybody, I told them there was a horse over from the last time.

Q. To whom did you tell that?—A. I do not remember whether it was to Doyle or to Anderson.

Q. Did you forget about that horse?—A. No, I knowed he was there.

Q. Had you written to anybody to tell him that the horse was over there?—A. No.

Q. Did they say anything to you about having a horse extra and about charging you up with his feed?—A. No, they didn't.

Q. Did you have your price list made up for Anderson?—A. For the horses?

Q. Yes?—A. No.

Q. Did you show it to him?—A. Yes.

Q. Did you discuss the prices?—A. We may have, but I do not remember.

Q. Do you mean to tell me that he just paid you the amount you claimed?—A. I think that was the way it was done.

Q. Well, I think that is true—is it not a fact that he paid you just what you brought in your bill for?—A. I think that is the way it was done.

Q. And that is probably true, is it not, with regard to the 54 horses?—A. Probably so, yes.

Q. He just paid you what you billed him at?—A. I would not be positive for one of these cases.

Q. But it is very likely true?—A. It may be true.

Q. Is it not probably true that that is what he did?—A. I cannot say positively for sure.

Q. Is it not likely that he looked at your list and looked at the sum total for 11 horses and paid your bill?—A. I do not know for sure.

Q. Do you think that he discussed the price of each horse with you?—A. I do not remember, he may have each horse's price.

Q. And you say that each of your horses had the price attached to it on your bill to him?—A. Yes.

Sir CHARLES DAVIDSON: Did you have a regular written bill?

The WITNESS: No, I had a list of the horses, No. 1, No. 2, No. 3, and so on. I knew what horses they were and I put the tickets on them.

By Mr. Thompson, K.C.:

Q. And then you submitted the sum total to him and he paid you?—A. Yes.

Q. Now, here is a very extraordinary thing, Mr. McNeill—you took 54 horses over to Major Anderson without having arranged for the prices at Summerside, and you got \$225.07 per horse. Some days later you took another bunch of horses over, which had not been examined at Summerside, and you submitted them to Major Anderson, and you submitted your prices to Anderson, and he again paid you \$225.07 per horse, or rather \$225 per horse, there being a difference of seven cents per horse?—A. There is nothing extraordinary about that.

Q. Look at that cheque dated the 31st of August, signed by Anderson, and state how much it is for?—A. \$2,475.

Q. For how many horses?—A. Eleven horses.

Sir CHARLES DAVIDSON: Were these horses only shipped on the 3rd of September?

Mr. THOMPSON: They were shipped on the 3rd of September and that is what I am coming to. (To the witness):

Q. Did you receive that cheque on the 31st of August, four or five days before you shipped your horses over?—A. No, I received it after I shipped my horses over.

Q. Are you sure?—A. Sure.

Sir CHARLES DAVIDSON: And that amounts to \$235 for each horse?

Mr. THOMPSON: Yes.

By Mr. Thompson, K.C.:

Q. Now, the 54 horses cost \$225.07 each, so that the 54 horses cost seven cents more each than the other horses. How did that extra \$4 on the 54 horses creep into that cheque for \$12,154?—A. That is more than I can say.

Q. Is not that an allowance for your expenses, coming and going?—A. I do not know.

Q. And if you take off something like \$4 we will arrive at something like \$225 as an average per horse for these 54 horses, did he allow you \$4 for your trouble in coming and going or your expenses, or something like that?—A. I do not remember.

Q. Did you have any discussion with him about that?—A. No.

Q. None that you remember?—A. None that I remember.

Q. How did you check up the price of the 54 horses to the extent of only a difference of seven cents per horse, unless there was \$4 made to you for an allowance of some kind?—A. I do not know how that was.

Q. Is it not the truth now, Mr. McNeill, that Anderson arranged to pay you, as a matter of fact, around \$225 per horse?—A. No. Do you mean before the horses were bought?

[Summerside, P.E.I., Horses—McNeill.]

Q. Yes?—A. No.

Q. Before Anderson bought the horses did he not arrange with you to pay you something around \$225 for each horse?—A. Before Anderson bought the horses there was no arrangement made as to the price of the horses.

Q. Did Anderson at any time tell you he would pay you around \$225 or \$227 for any horse you would bring over?—A. No.

Q. Did Doyle tell you that?—A. No.

Q. Did anybody in authority tell you that?—A. No.

Q. Did any person whatsoever tell you that?—A. No.

Q. Are you positive?—A. Quite positive.

Q. Did any person whosoever tell you that you would receive a certain stated price for your horses from Anderson?—A. Nobody told me that about any stated price for the horse.

Q. Did you sell them to Anderson at any stated price?—A. I do not quite understand that.

Q. Did you sell them at any fixed price?—A. Do you mean an even price?

Q. An even price for each horse?—A. No.

Q. There was no even price or fixed price arranged with you per bunch of horses or for each horse?—A. I sold each horse at a different price, there was no stated price for a bunch of horses that I remember of.

Q. You did fix your price at \$225 per horse for the last lot of horses, did you not?—A. That is what the cheque came to?

Q. Yes?—A. I guess that is what it came to, but I did not figure it up as close as that.

Q. How did you figure out the price of each horse so that the average came to \$225.07 per horse, how did you work that out?—A. I did not have the horses in at the one price, is that what you mean?

Q. Yes?—A. The horses were not at the one price.

Q. Who worked it out so that each horse would come to about \$225?—A. I did not work it out; it was the prices of the horses that worked it out that way.

Q. But you made the price of the horses?—A. I made the price of the horses.

Q. And the average worked out at \$225; did you see Anderson make out any of these cheques?—A. I do not know that I did.

Q. Did you?—A. I cannot say whether I did or not.

Q. When you discussed the price with him, and he agreed to pay you what you asked, did he make out the cheque there and then?—A. I do not remember about that.

Q. Did you see him make out any cheque?—A. I do not remember.

Q. Did you see Doyle sign any cheque?—A. I do not remember about that.

Q. Who handed you the cheque?—A. I do not remember exactly.

Q. Who handed you the cheque on the 31st of August?—A. I do not remember.

Q. Who handed you any one of these cheques?—A. I do not remember, either one of them, Doyle or Anderson, I do not remember which one.

Q. Are you sure one of them did hand you these cheques?—A. I am not positively sure.

Q. Did anyone other than Doyle or Anderson hand you any cheques for the sale of horses to the Government?—A. I do not remember. I do not think so.

Q. Are you sure it was either Doyle or Anderson who handed you these cheques?—A. Yes.

Q. And if Doyle did not hand you one of these cheques, it must have been Anderson who handed it to you?—A. It must be, I cannot say for sure.

Q. It was either one or the other?—A. One or the other.

Q. You say you did not see either Doyle or Anderson make out any of the cheques?—A. I do not remember that.

Q. When you settled the price, did you get the cheque there and then?—A. Quite likely, or a short time after.

Q. What do you mean by a short time after?—A. I set the price one evening, and got the cheque the next day.

Q. You think you set the price one evening and got the cheque the next day?—A. I do not know, I might have got it right then and I may have got it later on.

Q. Now, you were over in Moncton about the 31st of August, were not you?—A. I think so.

Q. And are you sure you did not receive that cheque on the 31st of August for the eleven horses before the horses were shipped?—A. Yes, sir.

Q. You are perfectly sure you did not?—A. Yes.

Q. And that being so, you say there must be a mistake in the date?—A. I think so, yes.

Sir CHARLES DAVIDSON: Mr. Thompson, do you think you will finish tonight?

Mr. THOMPSON: Not nearly so, sir, unless we sit very late.

Sir CHARLES DAVIDSON: Do you want Dr. Doyle to remain here after tomorrow?

Mr. THOMPSON: He will have to remain. Do you wish to adjourn now, sir, there is no possibility of my closing with McNeill tonight; it may take another two or three days.

Sir CHARLES DAVIDSON: I think we might close now, it is getting late.

Mr. THOMPSON: Just before we close, I would like to ask the witness one or two more questions, so that I can give the bank receipt book back.

By Mr. Thompson, K.C.:

Q. Did you hear what the ledger-keeper of the bank stated about the cheques?—A. I think I did.

Q. Were you in Court then?—A. Yes.

Q. Did you hear what he said?—A. Yes.

Q. He said that the bank never sends out cheques to its customers and that as you signed the receipt and got the cheques you must have taken them from the bank, what do you say about that?—A. I do not know what to say about that. I said today that there was a possibility that the clerk might have brought them over and that I might have signed that at a different time when I was in the bank, but still I was not positively sure. It may be that I got the cheques there myself and brought them over.

Q. He states that the bank never sends out cheques to their customers, and that they only give them to them at the bank when the receipt is signed?—A. I cannot say whether I got the cheques at the bank or not.

Q. In view of that evidence, do you now think that the bank messenger delivered these cheques at your house or at your barn?—A. I am not sure whether he did or not.

The examination of the witness was adjourned to be resumed tomorrow morning.

The Commission adjourned at half past ten p.m. to resume at half past ten tomorrow morning, Saturday, July 31.

SUMMERSIDE, P.E.I., Saturday, July 31, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half past ten o'clock.

At the sitting of the Commission:

HARRY SILLIPHANT, butcher, of Summerside, P.E.I., sworn:

By Mr. Thompson, K.C.:

Q. What is your occupation, Mr. Silliphant?—A. Butcher.

Q. Where do you reside?—A. Summerside.

Q. Do you recollect W. B. McNeill purchasing a horse from you last August or September?—A. I do.

Q. What did he pay you for that horse?—A. \$180.

Q. Did he pay you by cheque or by cash?—A. By cash.

Q. Was the horse a sound horse?—A. He was, as far as I know.

Q. Was he a cavalry horse or a heavy draught horse?—A. He was about 1,100 pounds.

Q. Did McNeill tell you for what purpose he was buying him?—A. He did not.

Q. What colour was that horse?—A. A bay.

Q. Did you get that \$180 yourself?—A. I did.

Q. Did you pay any part of it to any person or persons?—A. I did not.

Q. Did you give any part of it to Dr. Doyle or Major Anderson?—A. I did not.

Q. Did you rebate any part of the purchase price of the horse to any person whomsoever?—A. No.

Q. It was entirely your own money, and you kept it?—A. Entirely my own.

Q. What was the age of the horse?—A. Seven years.

The witness retired

JOSEPH D. PERRY, truckman, Summerside, P.E.I., sworn:

Examined by Mr. Thompson, K.C.:

Q. What is your occupation?—A. Truckman.

Q. Where do you reside?—A. Summerside.

Q. Did you sell a horse to W. B. McNeill last August or September?—A. Yes, sir.

Q. What class of horse was he?—A. It was a draught horse weighing about 1,150 pounds.

Q. What was his age?—A. Five years old.

Q. What colour was the horse?—A. Red.

Q. Was that horse sound so far as you know?—A. Sound, so far as I know.

[Summerside, P.E.I., Horses—Perry.]

Q. How long had you had him?—A. I had him about three months, I guess.

Q. What did McNeill pay you for him?—A. Well, I would not swear what he paid me, but I think it is \$160 or \$165, or somewhere there.

Q. Did he pay you by cash or by cheque?—A. By cheque.

Q. Why do you have some doubts to how much he paid you?—A. I sells and buys three or four every year and I do not recollect exactly. I know what I asked for the horse.

Q. What did you ask?—A. I asked \$170.

Q. He was a little shrewd with you in the bargain?—A. We generally ask five or ten dollars more than we expect to get.

Q. And I suppose a horse-dealer offers five dollars or ten dollars less than he expects to give?—A. Yes.

Q. I suppose you sold the horse for just what you expected to get for him?—A. I would have taken \$170 if I could get it.

Q. You mean if McNeill pressed it on you?—A. Oh well, yes.

Q. Did you keep the \$160 that you received, for your own use?—A. I bought another horse right away.

Q. You did not pay any part of that \$160 or \$165 to Major Anderson or Dr. Doyle?—A. No, I did not see none of them. Dr. Doyle may have come to my place, but I did not see him, and after that it was Bill McNeill bought the horse.

Q. Did Doyle go to your place?—A. He was with McNeill the first day.

Q. At your place?—A. He was inspecting the horse with Bill McNeill.

Q. At your place?—A. Yes.

Q. Were you stabling horses for McNeill?—A. No, when they came to buy my horse, the two of them were together.

Q. Doyle and McNeill were at your place?—A. Yes, but they did not buy that day.

Q. Did Doyle look your horse over?—A. Yes.

Q. Did he examine him pretty carefully?—A. Yes.

Q. Did he feel his legs?—A. Oh, yes.

Q. Did he make the usual tests that a shrewd horseman would?—A. He made the tests that is usually made when a horse is for sale.

Q. And it was after that that your horse was bought?—A. A couple days after that Bill McNeill bought him.

Q. Was there any discussion between you and McNeill as to the price when Doyle was there?—A. They just ask me what I would take and I told him.

Q. Was Doyle standing there?—A. He was overhauling the horse.

Q. How far was Doyle away when McNeill asked you about that?—A. Five or six steps away.

Q. Was he busy at the time or do you know whether he heard that remark?—A. I cannot say.

Q. At any rate it was the day after Doyle examined your horse that McNeill came down and paid for him?—A. A day or two after.

Q. Do you know what date it was they examined your horse?—A. No, I know the two of them just came there and looked at the horse and asked me what I would take.

Q. Did you see the bunch of horses that McNeill sold to the Government on that occasion?—A. I seen some of them.

Q. Your horse was sold to McNeill, and just that day or the day after he shipped a lot of horses across to Moncton?—A. Yes.

Q. Do you know how many he shipped with your horse?—A. No, I do not remember seeing any of that lot at all.

The witness retired.

JOHN JARDINE, medical doctor, Summerside, P.E.I., sworn :

By Mr. Thompson, K.C.:

Q. Where do you reside?—A. In Summerside.

Q. Do you remember selling a horse to W. B. McNeill last August or September?
—A. I do.

Q. How much did he pay you for that horse?—A. \$140.

Q. Did he pay you by cheque or by cash?—A. By cheque.

Q. Did you keep the proceeds for your own use?—A. Yes.

Q. You did not pay any to Major Anderson or to Dr. Doyle?—A. To nobody.

Q. How old was the horse?—A. Eight years old as far as I know.

Q. What colour was the horse?—A. He was a light bay.

Q. He was lame a little was he not?—A. He had been, but he was over it.

Q. What was the nature of the lameness?—A. I do not know.

Q. How long had he been lame?—A. I think the horse was lame when I got him first.

Q. How long had you had him?—A. I had him in the vicinity of a year.

Q. How long during that period was he lame?—A. He was lame when I got him first.

Q. How long did he remain lame?—A. I think about, I hardly know how long, it gradually wore away, I can hardly tell.

Q. Would he be lame for four months?—A. Yes, he would be a little lame for that length of time.

Q. For six months?—A. I think about that.

Q. Was he perfectly sound at the end?—A. Yes, as far as I could tell.

Q. What leg was he lame in?—A. The left hind leg.

Q. Was that because of a spavin?—A. I had him examined by the vet. and they could not locate any spavin.

Q. What did the vet. tell you was wrong with him?—A. I do not know that he knew, he never gave me a satisfactory explanation.

Q. What did that horse weigh?—A. I had him weighed, somewhere from 1,020 to 1,040 pounds.

Q. Was Doyle present when McNeill was buying that horse?—A. No, sir.

Q. Just McNeill was present?—A. Yes, sir.

Q. Did you see Doyle examine that horse?—A. No, sir.

The witness retired.

JOHN HARKNESS, labourer, Summerside, P.E.I., sworn :

By Mr. Thompson, K.C.:

Q. What is your occupation?—A. Labourer.

Q. Where do you reside?—A. In Summerside.

Q. Did you sell a horse to W. B. McNeill last August or September?—A. Yes, sir.

Q. Did you sell only one horse?—A. Only one horse.

Q. What colour was that horse?—A. Bay.

Q. What was the age of the horse?—A. Six years.

Q. Was he sound?—A. Sound, so far as I know.

Q. Had that horse ever been lame while you had him?—A. No, sir.

Q. How long had you had him?—A. A couple of months.

Q. How much did McNeill pay you for that horse?—A. \$140.

Q. Did he pay you by cheque or by cash?—A. By cheque.

Q. Did you give any part of the proceeds of that cheque for \$140 to any person?
—A. No, sir.

[Summerside, P.E.I., Horses—Harkness.]

Q. Did you give any of it to Major Anderson?—A. No, sir.

Q. Or did you give any of it to Dr. Doyle?—A. No, sir.

Q. Did you rebate any part of it to any person?—A. No, sir.

Q. You used the proceeds of that cheque entirely for your own purposes?—A. Yes, sir.

Q. Was Dr. Doyle present when you were negotiating about the price of that horse with McNeill?—A. No, sir.

Q. Did you see Dr. Doyle on that occasion?—A. No, I did not.

Q. Are you quite sure about that?—A. Yes, sir.

Q. You did not see Dr. Doyle examine your horse?—A. No, sir.

Q. What was the weight of your horse?—A. Somewhere between 900 and 1,000 pounds.

The witness retired.

LOUIS LEARD, hotel-keeper, Summerside, P.E.I., sworn:

By Mr. Thompson, K.C.:

Q. What is your occupation, Mr. Leard?—A. Hotel-keeper.

Q. Where do you reside?—A. In Summerside.

Q. Did you sell a horse to W. B. McNeill last August or September?—A. Yes.

Q. What was the age of that horse?—A. Five years old.

Q. What colour was he?—A. A red, a dark bay.

Q. What weight was he?—A. He would be about 975 pounds.

Q. Was that horse sound?—A. Yes.

Q. Quite sound?—A. Yes.

Q. How long had you had him?—A. I only had him a couple of months about.

Q. Did you find any trouble with him?—A. No.

Q. Did McNeill pay you by cheque or by cash?—A. By cheque.

Q. What was the amount of the cheque that he paid you for that horse?—A. \$165 or \$160, I ain't sure which.

Q. McNeill says he thinks it was \$165, is that about right?—A. Yes, sir.

Q. Did you pay any part of that money that you got for the horse to Dr. Doyle or to Major Anderson?—A. No.

Q. Did you pay any part of it to any person whomsoever?—A. No.

Q. Did you keep all that money for your own purposes?—A. Yes.

Q. Was there anything out of the ordinary about your horse?—A. No, he was a good horse.

The witness retired.

HILLARD G. MUTTART, of Summerside, P.E.I., sworn.

By Mr. Thompson, K.C.:

Q. Where do you reside?—A. In Summerside.

Q. Did you sell a horse to W. B. McNeill last August?—A. Yes.

Q. What age was that horse?—A. I think about five years, between five years and six years, I cannot say which.

Q. What colour was he?—A. A dark red.

Q. What did the horse weigh?—A. Somewhere between 1,100 and 1,200 pounds.

Q. Was he sound?—A. As far as I knew he was.

Q. How long had you had that horse?—A. About three months.

Q. Had you any trouble with him during that time?—A. No real trouble, I had a little runaway with him, it was nothing because the horse got scared, and any horse would do the same thing.

[Summerside, P.E.I., Horses—Muttart.]

- Q. He was not lame so far as you know?—A. No.
 Q. What did McNeill pay you for that horse?—A. \$190.
 Q. Did he pay you by cheque or by cash?—A. By cash.
 Q. Did you keep all of that money for your own purpose?—A. Yes, sir.
 Q. You did not give any money to Anderson or Doyle?—A. No, sir.
 Q. Or to any other person?—A. No, sir.

The witness retired.

GEORGE W. BELL, of Summerside, P.E.I., sworn:

By Mr. Thompson, K.C.:

Q. Did you bring your bank book with you, Mr. Bell?—A. No, sir, I did not, the bank keeps an account of all that.

Q. Yes, but the bank does not keep your cheque book?—A. No, I do not keep any stubs. I do not mark the cheques on the stubs. I let the bank do that once a fortnight, that is the way I do business with the bank. I was looking over the cheques that I have, but I could not find any cheque from Mr. McNeill. I looked over all the cheques with the bank return.

Q. And you kept all these cheques did you?—A. Yes, the bank keeps them all and they sent them back to me.

Q. But they got rid of all those cancelled cheques on the first of January?—A. Yes.

Q. Did they send these cancelled cheques to you or did you go to get them?—A. When I am in the bank doing business, they give them to me.

Q. And you have looked through these cheques?—A. Yes.

Q. Have you them all there?—A. All the cheques tied up in a bunch.

Q. You looked through all these cheques and you found nothing whatever from McNeill?—A. Yes.

Q. What bank do you do business in?—A. The Bank of Nova Scotia.

Q. You keep a bank book do you not?—A. Yes, I keep a bank book, and sometimes I take it and sometimes I forget it. This money which I got for the horses was put to my credit.

Q. By yourself?—A. Yes.

Q. Did you give any cheque to McNeill for any horses?—A. No, I did not give no cheques to Mr. McNeill.

Q. That is what I want to find out, whether you gave any cheque to McNeill which would be returned to you?—A. No, I did not give any cheque to him.

Q. McNeill bought some horses from you?—A. Yes.

Q. He bought them in August of last year?—A. Yes.

Q. In August or early in September of last year?—A. Yes.

Q. How many did he buy?—A. I think as far as I remember he bought seven or eight, but I would not be positive.

Q. Do you keep books?—A. If I am selling a horse I keep books a kind of a way; if I sell a horse he is gone and I keep an account of the horse that comes in.

Q. You don't keep any account of the horse that goes out?—A. No.

Q. Your books would be crowded with horses that come in; I do not see how your books can tally when you do business in that way?—A. Sometimes we mark and sometimes we do not when a horse comes in, we do not run our business the way you imagine.

Sir CHARLES DAVIDSON: How do you run it?

The WITNESS: We run it in a rough way.

By Mr. Thompson, K.C.:

Q. You trust to your Prince Edward Island memory?—A. Yes, I have a good memory.

Q. Did McNeill go out to your place alone to look at your horses?—A. Yes.

Q. He was quite alone?—A. Yes.

Q. He drove out?—A. Yes, I only live a little piece out of the town.

Q. How many horses did you have at that time?—A. I guess I had twelve or thirteen.

Q. Were they all in the barn or were they out on pasture when McNeill called?—A. Some were out in the field and some in the barn.

Q. And you rounded them up for him to look at?—A. No, we could not catch some of them. The day we took them in he came out in the morning and he looked at them.

Q. Did you know he was coming out?—A. Oh, yes, I knew he was coming out.

Q. He told you he was coming out?—A. Yes, he told me he thought he would look at the horses.

Q. What horses?—A. The horses I had.

Q. Did he say he would take the horses?—A. Yes.

Q. Did he say he would take all the horses you had?—A. No, I think there were only six that he took that day.

Q. Did he say how many horses he would take from you?—A. No, he did not.

Q. Why did he only take six or eight horses from you?—A. I guess perhaps he had his number at that time, I think he had about 44 horses that morning.

Q. Was that all he wanted?—A. As far as I know.

Q. Did he tell you how many he wanted?—A. No. Well, he did, he had a certain order, but he did not tell me.

Q. But he told you he had an order for horses?—A. He stated there were so many horses he had to get, or something to that effect.

Q. He told you he had to get a certain number of horses?—A. Yes.

Q. And when he closed with you for seven or eight horses he said: that makes up the number I want, or something like that?—A. I do not know that he did say that, I would not say that.

Q. And six or eight horses was quite a bunch of horses for you to sell?—A. Yes, but he took them at three different times.

Q. I thought he bought six or eight at one shot?—A. Yes, I think he did, I can tell you in a minute.

Q. Take your time to think it over, Mr. Bell?—A. Yes, he bought six then.

Q. And you had how many on hand?—A. I had some left but we buy them in every day.

Q. And when he called out there and took your six horses?—A. I had some left.

Q. Why didn't he buy the rest of them?—A. I don't know. That is all he would have, anyhow.

Q. How long after that did he come back again?—A. He was back before that and took one. He took one the first, and then the six, and that would be about a fortnight or three weeks before that.

Q. About what date did he get the one horse?—A. I do not know, it would be a fortnight or three weeks before, they went away, I had either one or two, I would not be positive which.

Q. How often was he out to your place altogether?—A. A good many times. I sell Mr. McNeill horses sometimes. Sometimes I bring them in and sometimes he drives them in himself, sometimes a man wants a horse and he brings him out to my stable.

Q. If a man wants a horse where does McNeill come in on the bargain?—A. The other man pays him for his trip out.

Q. Does he just pay him for looking up the horses?—A. Yes.

Q. What do you pay McNeill for bringing you out a good customer?—A. I do not pay him anything.

Q. Nothing at all?—A. No, sir.

[Summerside, P.E.I., Horses—Bell.]

Q. Do you mean to say that you won't pay a man anything when he brings a good customer to you?—A. We do not do business that way at all.

Q. Then when he comes out and finds six horses, then what does he do?—A. He pays me the cash just the same as he would any other man.

Q. Would you sell the horses to him at a little less than you would sell them to another man?—A. No.

Q. Nothing like that?—A. I have to have so much money for my horses or I hold them, that is the way I do business.

Q. Are you very stiff on your prices?—A. You try me and you will find out.

Q. I am not a horse-dealer, and I don't wander away out to your place to buy six horses, but perhaps a man like McNeill would soften your heart?—A. McNeill or nobody else would soften me. I ain't bound to let my horses go, I get my price or I don't let them go.

Q. You are well off if you have 15 or 16 horses running wild about your place?—A. I have more than that sometimes.

Q. What is the average number of horses you carry?—A. Twenty-five about.

Q. You sell horses on the mainland?—A. Yes, 120 or 130 a year.

Q. So that McNeill was a comparatively small purchaser?—A. Yes.

Q. What do your horses run in prices as a rule?—A. They run all prices. We have sold them as high as \$260.

Q. I have heard of a horse being sold for \$25,000 and I have also heard of a horse being sold for five dollars?—A. We do not handle them kind of horses here at all.

Q. Yours is a good average horse?—A. Yes.

Q. What do you say the average run of prices of horses would be?—A. \$200.

Q. You think they would run around \$200 in price?—A. Yes.

Q. You don't keep any cheap trash?—A. No, but when a man wants a cheap horse I buy him sometimes.

Q. You would not keep any \$125 on your place?—A. No, not unless I got an order for one.

Q. And these horses that you had on hand at that time, were they ordered?—A. No, they were bought on speculation.

Q. They were bought entirely off your own bat?—A. Yes.

Sir CHARLES DAVIDSON: How does the price of horses on the Island compare with the price of horses in Moncton?

The WITNESS: I have not went across to Moncton for eight or ten years and I do not know.

Sir CHARLES DAVIDSON: Are the prices higher on the Island do you think?

The WITNESS: Oh no, the prices are just as high here as on the mainland. The horse-dealers come over here sometimes and they tell me that they can buy them as cheap on the other side.

By Mr. Thompson, K.C.:

Q. But that is only to try and persuade you to keep down your prices?—A. I think so.

Q. And have you been persuaded by the eloquence of these horse-dealers?—A. No, I stick to my prices.

Q. You say that none of these horses which McNeill took from you were on order?—A. No.

Q. You are quite sure about that?—A. Yes.

Q. You did not buy them from McNeill and he called out to you to get them?—A. No, I bought them with my own money and he bought from me.

Q. And you did not buy them on any suggestion from McNeill?—A. No, sir.

Sir CHARLES DAVIDSON: I suppose he did not buy from you unless he had to.

The WITNESS: No, he did not.

By Mr. Thompson, K.C.:

Q. Do you say it is only when he is stuck for horses that he comes to you?—
A. Yes.

Q. Do you sell many horses to McNeill?—A. Horses, yes, I have always been selling him a horse.

Q. Apart from this avalanche of horses which he bought from you in August last, how many would McNeill buy from you in the course of a year?—A. He buys three or four in the run of a year and sometimes more.

Q. How many do you buy from McNeill?—A. I do not buy any from him, I go out in the country and buy them.

Q. Have you bought any horses from him?—A. I do not know that I have, I would not say that I have, but I do not think so.

Q. Did you buy any horses last year from McNeill?—A. No, sir, I do not think so.

Q. When did you buy the last horse from him?—A. I do not think I ever bought a horse from him.

Q. And did you ever charge horses to McNeill?—A. No, I do not charge horses at all.

Q. It is the cash you are after?—A. Yes.

Q. What did McNeill give you for the horse he bought in August last?—A. Well I know the first horse he gave me, well I think I asked \$210 for him and he gave me \$203. I refused \$205 for that horse from another man, and then I let him go to McNeill.

Q. You refused \$205 for him, you were asking \$210, and McNeill carried the horse away at \$203?—A. Yes.

Q. And you made a bad bargain about that horse to that extent?—A. We were working the horse when this man came along and offered \$205 for him, we were at the hay, he was a big horse and I did not want to carry him over, and so I sold him to McNeill.

Q. You dropped your price a little in order not to feed him over the winter?—
A. Yes.

Q. What colour was that horse?—A. He was a bay horse.

Q. Was he a sound horse?—A. Yes.

Q. What weight was he?—A. He would weigh 1,420.

Q. Would that be the run of all your horses?—A. My horses were all heavy horses, but two that I sold McNeill.

Q. They were all good sound horses, I suppose?—A. Yes.

Q. They were nearly all bays or red?—A. They were all light bays or near it.

Q. There were no grey horses?—A. There was one dappled-grey mare.

Q. Was that one of the six you sold him?—A. Yes, that was one of the six. I was asking \$240 for that mare.

Q. That was a prize horse?—A. Yes, that was a good horse.

Q. What was her age?—A. Six years.

Q. And this beautiful dappled grey horse, that you thought was worth \$240, at what price did McNeill persuade you to part with him?—A. Either \$225 or \$230, I would not say, but it was either one or the other.

Q. You were again soft-hearted over that dappled grey?—A. Certainly I came down a little; I think I asked \$235 for him and that ain't much to come down.

Q. Was that one of the six horses?—A. Yes.

Q. When he took away these six horses did he pay you?—A. No, sir, he did not pay me then.

Q. When did he pay you?—A. He paid me when he came back.

Q. How long after did he come back?—A. I do not exactly know, but it would be perhaps three or four days, and perhaps it might be a week. Sometimes when I get a trustworthy man to buy I don't want to chase after him and it might be a week that McNeill came back to pay me.

[Summerside, P.E.I., Horses—Bell.]

Q. How many horses did he take from you when he came back again?—A. After that he took either one or two but I think it was only one. It was a black mare. I just took her home the night before and he gave me, if I remember right, \$196. I was wanting \$200, and I think it was \$196 he gave me.

Q. When he selected these six horses did he take them away with him?—A. Yes, I took them in to get them examined. I had to put halters on some of these horses. I had to show them on their four feet.

Q. Who examined them?—A. Dr. Doyle.

Q. And it was after they were examined by Dr. Doyle that McNeill paid you?—A. Well, yes, he did not pay me until he came back here from the other side.

Q. You mean from Moncton?—A. Yes.

Q. And the bargain was that he would take six horses and pay you if they were passed by Dr. Doyle?—A. Yes.

Q. And only on that condition?—A. Yes.

Q. What did he give you for the six horses, do you remember?—A. I cannot remember, it would be in the bank.

Q. Was it a cheque for \$1,205?—A. I guess it would be about that amount.

Q. Was it a cheque?—A. No, it was cash. I saw him in the bank I think and he said he could pay me, and he turned around and just told them to put it to my credit in the bank.

Q. Did you count it?—A. No, the banker counted it.

Q. Did you tell the banker how much there ought to be?—A. Yes, as far as I remember.

Q. He would not give you a cheque in the bank and take out the cash and hand it to you?—A. I remember quite well about it. The banker took the account to cash and put it to my credit and I had two witnesses to it. Then I went out and I don't remember anything more about it. Then I just used that money and gave cheques.

Q. Then you started in to replenish your stock of horses and you gave cheques for them?—A. Yes.

Q. And you did not pay any part of that money to Dr. Doyle?—A. No.

Q. Or to Major Anderson?—A. Not a dollar.

Q. You kept it entirely for your own purpose?—A. I did.

Sir CHARLES DAVIDSON: Were these sound horses?

The WITNESS: The oldest horse would be about six years old.

Sir CHARLES DAVIDSON: Were they all sound?

The WITNESS: Good sound horses.

Sir CHARLES DAVIDSON: Fine horses?

The WITNESS: Fine horses.

By Mr. Thompson, K.C.:

Q. And then you brought them into McNeill's stable?—A. No, I brought them all to the blacksmith shop.

Q. Were they examined at the blacksmith shop by Doyle?—A. I think so, I went away about something else and my hired man was there looking after them and Mr. McNeill told me they were passed and to get them down to the boat.

Q. And the bargain with McNeill was that he would not pay you unless they were passed by Doyle?—A. Yes, that was it.

The witness retired.

Mr. THOMPSON: Before proceeding with the examination of Dr. Doyle, I have to say that I have subpoenaed a number of vendors from whom McNeill purchased horses, in order to corroborate his testimony as to the prices paid. I find that he was correct in his testimony as to what he paid, on checking it over with the evidence, and that the horses appeared to be fairly sound horses. There is no evidence to the contrary.

[Summerside, P.E.I., Horses—Bell.]

and the witnesses have stated this morning that no part of the purchase money was repaid by them or paid by them for improper purposes, and therefore I consider it idle to examine further witnesses on that point. I shall examine some further witnesses in Charlottetown in order to get further corroboration.

LAWRENCE S. DOYLE, veterinary surgeon of Moncton, N.B., already sworn, recalled:

Examined by Mr. Thompson:

Q. Who assisted you when you were examining these horses for McNeill?—A. The first lot, Major Anderson.

Q. He, I suppose, just stood and looked on?—A. Yes.

Q. But one man cannot examine a horse very satisfactorily?—A. No, there should be some one to hold the horse, that is all.

Q. Did some one hold the horse while you made an examination of him?—A. Yes.

Q. To what extent did you examine these horses?—A. The first thing I would look at was for their age, and if that was all right I would continue.

Q. You would continue to do what?—A. I would look at the eyes.

Q. What next?—A. I would feel down the back to see if there was a sore, and then I would feel their legs.

Q. And what about their movements?—A. I would run them around to see if every one was all right.

Q. What about seeing whether they were lame or not?—A. I would get a man to run them up and down somewhere on the street; I would start the horse out and if he was lame we would not look at him any more.

Q. Do you recollect passing a grey horse for McNeill, do you remember a grey horse that he had?—A. I do not remember any grey. There was a big grey mare, I think, but we did not take her.

Q. Are you sure you did not?—A. Let me see now, I would not be positive, was it a dapple grey.

Q. It was a sorrel grey?—A. Yes.

Q. You passed him?—A. Yes.

Q. That is contrary to regulations?—A. No, it is a roan grey and they are accepted.

Q. Is it not a fact that in certain lights a roan grey looks red?—A. Yes, some call them a strawberry red.

Q. And in some cases they look quite grey?—A. Yes.

Q. It depends on the angle at which the light falls on them how they appear in colour?—A. I do not know about that.

Q. The same horse would look grey on some occasions and red on others?—A. Yes.

Q. And you thought that to purchase a horse like that within the regulation?—A. Oh, yes, that was within the regulation.

Q. You passed a great many horses in one day; do you think you could make an efficient examination of them? You examined 54 horses in one day?—A. They were all sound, I will guarantee that.

Q. What about that horse that was bought from Dr. Jardine?—A. I do not remember that, I cannot think of any individual horse that was passed.

Q. You would pick out an individual horse if he was a bit lame?—A. Yes.

Q. Or if he had a bit of a spavin?—A. Yes.

Q. Would the examination that you made detect a spavin?—A. It certainly would, so far as my knowledge goes.

Q. Dr. Jardine says that his horse had been lame?—A. Yes.

Q. Did any of the horses you examined have blind jacks?—A. They call it a blind jack and sometimes they are lame, but they get over the lameness, there is no growth. They are just lame the same as with a spavin.

[Summerside, P.E.I., Horses—Doyle.]

Q. And sometimes, when a horse with a blind jack is otherwise feeling good, does he not go lame?—A. No, they are always lame if they have a spavin.

Q. Well, if you come up to Ontario you will get information on that point, we were told that one man sold a horse with a blind jack to a vet?—A. There is no growth you know, the joint is perfectly normal.

Q. It is said that the horse goes lame when he starts out, but if he brings the horse in after he has been moving along the road for a few miles, you cannot detect the lameness?—A. Probably that is correct.

Q. And you could be fooled by a blind jack under such conditions?—A. Yes.

Q. You have known of these blind jacks?—A. No.

Q. None of these horses disclosed a blind jack after he had been standing in Moncton, do you think?—A. None of them.

Q. Were there not one or more horses considerably over 12 years of age amongst the horses you passed?—A. Not to my knowledge.

Q. And you made the examination?—A. Yes.

Q. Did you examine every horse to ascertain if he was over the proper limit of age?—A. Yes.

Q. What was the proper limit of age?—A. Eight years.

Q. You did not pass any horses that were over eight years?—A. As far as I could see they were not.

Q. And all were sound?—A. All sound.

Q. Were you satisfied about that?—A. Yes.

Q. They were a fine lot of horses?—A. Yes.

Q. They were especially good?—A. Especially good.

Q. Why did you not keep records of them, then?—A. Major Anderson kept a little book.

Q. Where is that little book?—A. I do not know where it is; he kept that.

Q. Could you find out where it is?—A. No, I do not know what became of his effects.

Q. Has he a home in Moncton?—A. He boarded there.

Q. That is where his home is?—A. Yes.

Q. Has he a family?—A. He is married now, but he was not then.

Q. You think there is no place in Moncton where you could discover that record book?—A. No, he took it and I do not know what became of his effects.

Q. Are you examining horses now?—A. No.

Sir CHARLES DAVIDSON: If you ever examine horses again for the Government you should keep a record; one would expect you, in passing these horses, to keep some record as to their description. You would have escaped a great deal of this annoyance had you done so. It is not a pleasure to us, I assure you, to examine you as we have to do.

The WITNESS: Of course, I never thought of this. This was my first experience in buying, and I thought if they wanted any record they would supply us with a form on which to keep it, but they did not.

By Mr. Thompson, K.C.:

Q. Look at these cheques of the 25th and 26th of August, issued by Major Anderson and yourself?

Sir CHARLES DAVIDSON: Dr. Doyle was quite vague as to one or two of his visits to Summerside?

Mr. THOMPSON: Yes, sir.

Sir CHARLES DAVIDSON: Do you not keep a diary of your movements, Dr. Doyle?

The WITNESS: No, the only thing I kept was any time I was over I had a receipt and I gave it to Major Anderson.

Sir CHARLES DAVIDSON: You did not stop at an hotel and we have no means of ascertaining the exact dates of your visits.

[Summerside, P.E.I., Horses—Doyle.]

The WITNESS: I did not think about it at that time.

Sir CHARLES DAVIDSON: You did not know then that you were going to be confronted by Mr. Thompson?

The WITNESS: Not at all.

By Mr. Thompson, K.C.:

Q. Look at those cheques of the 25th and 26th of August issued by yourself and Major Anderson to McNeill; one of them is for \$1,425 and the other for \$2,375—in whose handwriting are they?—A. Major Anderson's.

Q. All of it?—A. All of it.

Q. With the exception of your signature?—A. With the exception of my signature.

Q. Are you sure you did not just fill these cheques out in blank and hand them to Anderson?—A. Oh, no, I am positive.

Q. Are you perfectly positive about that?—A. Yes.

Q. Are you positive that the whole cheque when you got it was filled out, with the exception of your signature?—A. With the exception of my signature and mine was the last.

Q. And it was filled out in every other respect by Anderson before you signed it?—A. Before I signed it, yes.

Q. Did you read the cheques to see what you were signing?—A. No, I did not. I will tell you what I did, I looked to see the number of horses.

Q. Were you satisfied about that?—A. Yes.

Q. Why did not you look the cheque over as to the price?—A. I considered that my signature was for the number of the horses.

Q. And then you rested satisfied?—A. I rested satisfied, I did not care about the rest.

Sir CHARLES DAVIDSON: And you say you verified the number of the horses?

The WITNESS: I verified the number.

Sir CHARLES DAVIDSON: What is the discrepancy in these cheques?

By Mr. Thompson, K.C.:

Q. Take the cheque dated the 28th of August, that must be in a different handwriting?—A. Yes.

Q. Apparently there is part of that cheque in one handwriting, and part of it in another handwriting?—A. I think the words "Moncton, N.B., August 28," is in the handwriting of Major Anderson.

Q. The next writing on the cheque is: "W. B. McNeil" whose writing is that?—A. That is mine.

Q. And the following words are in writing "Twelve thousand one hundred and fifty-four dollars"; whose handwriting is that?—A. That is mine.

Q. And then the words "fifty-four horses"?—A. That is not my handwriting.

Q. In whose handwriting are the figures "\$12,154"?—A. That is mine.

Q. How did you know what amount to fill in on the cheque?—A. Major Anderson told me.

Q. Where were you when he told you?—A. In his office.

Q. What else was present?—A. McNeill was there. He was in one office; there were two offices; I went in waiting for him, he was there before.

Q. Who went in?—A. McNeill went in.

Q. How long was McNeil in the office ahead of you?—A. I cannot say how long he was in there.

Q. Was he in all day?—A. No.

Q. Was he in five minutes?—A. An hour or so.

Q. What were you doing outside?—A. I was out in my own office.

Q. When did you cross into Anderson's office?—A. He phoned me to come down.

Q. Who phoned you?—A. Anderson.

Q. And you went down to Anderson's office?—A. Yes.

[Summerside, P.E.I., Horses—Doyle.]

- Q. And who did you find there?—A. There was a whole crowd.
- Q. How many?—A. Ten or fifteen I suppose.
- Q. All talking?—A. Yes, they were all talking, there was a lot around the door and a lot inside.
- Q. Who was inside when you entered Anderson's office; I suppose you went into his room?—A. Yes.
- Q. Was he sitting at the desk?—A. Yes.
- Q. Who was in his room?—A. Recruits.
- Q. There were lots of recruits there?—A. Yes.
- Q. Were there any others than recruits there?—A. Just McNeill.
- Q. Were there any other distinguished people there?—A. No, I did not see any more.
- Q. What did Anderson say when he entered?—A. He phoned me that he wanted to go down and give McNeill his cheque and he wanted me to sign it.
- Q. When you entered into Anderson's office what did he say?—A. He was writing at the desk.
- Q. You say he was writing, what was he writing?—A. I think he was writing on the cheque.
- Q. Are you pretty sure about that?—A. Yes.
- Q. What happened next?—A. The telephone rang and he went to the telephone and McNeill wanted to catch the train.
- Q. Did he say that to Anderson?—A. Yes.
- Q. When Anderson was speaking at the telephone?—A. Yes.
- Q. And what did Anderson say?—A. He said: "Fill in the cheque and I will sign it."
- Q. What did you do?—A. I filled it in.
- Q. How did you know how to fill it in?—A. He told me.
- Q. What did he say?—A. He said \$12,154. He gave the amount of the cheque, he had a paper in his hand.
- Q. What did he say exactly?—A. He said: "Fill in the cheque for this amount."
- Q. Did he give you the memorandum?—A. No.
- Q. How did you know how to fill in the cheque for \$12,154?—A. He read it out to me.
- Q. Did he say for how many horses?—A. Yes.
- Q. How many horses?—A. 54 horses.
- Q. Did you examine these horses?—A. Yes.
- Q. Did you examine them at Moncton?—A. Yes.
- Q. And you made out the cheque for \$12,154?—A. Yes.
- Q. What about that extra horse that came over in the boat without any ticket?—A. That horse when I went down to the boat to look at the horses I stood on the gangway.
- Q. And that is where the horses had the Doyle tag on them?—A. Yes.
- Q. Where was that, did you say?—A. At Summerside; going on board, there were 54, and when McNeill came on board he went and counted them and he came back and told me there were 55 horses. I said: "How did that other horse come there" and he said: "I do not know how, unless it is that some man took a horse in and I believe he put him on board the boat." I counted again and I only got 54.
- Q. Is it not hard to count the horses as they enter at the gang plank?—A. That was when the boat was going.
- Q. You counted them on the way in?—A. Yes, and I found only 54.
- Q. Your count was wrong?—A. That count was right. This horse must have been on board at the time I got down.
- Q. He was ahead of your bunch of horses?—A. Yes, the man brought him in. McNeill told the man to bring him to his barn, that is what McNeill told me. He told me he bought a horse from a man and told him to bring him in to his barn, and he thought that must be the horse, and that instead of bringing the horse to the barn the man must have brought him out to the boat before we got down.

Q. Were you down in good time?—A. Yes.

Q. But you were not down in time to get the shipping bill made out in the usual way?—A. I think it was made out properly.

Q. How long before the vet. was paid did you get down to her?—A. About three-quarters of an hour.

Q. Were the horses on board ahead of you at the time?—A. They were on board in time.

Q. None of the horses had to jump for it?—A. No.

Q. This stowaway was on board the ship before your bunch of horses were loaded?—A. I do not know, but he did not come on board afterwards.

Q. He must have been spirited on if he did not come on either before or after you loaded your horses?—A. As I understand it the man delivered him on the boat.

Q. He must have been delivered in good time?—A. Yes, so far as I know.

Q. You are quite sure he was not put on the boat after you got there?—A. I did not see him.

Q. Did you find any horse without a tag?—A. I found him.

Q. And you counted still 54?—A. No, 55.

Q. I thought you told me a moment ago that when you counted the horses you still made out 54?—A. Yes, but it was dark at the time and we could not very well count the horses. The horses were all tied up and I said to leave him until we got to Moncton and we would find him there.

Q. What time did you get to Moncton?—A. That evening.

Q. How many horses did you find when you got to Moncton?—A. Fifty-five.

Q. And you had then found the stowaway?—A. Yes.

Q. What did he look like?—A. She was a handsome black mare.

Q. Was he the best horse in the lot?—A. I think he was.

Q. Was he a saddle horse?—A. Yes.

Q. Did you follow the horses up to Moncton?—A. No, I went on ahead.

Q. Did the horses arrive that night?—A. Yes.

Q. Was McNeill on hand when they arrived?—A. Yes.

Q. What happened then?—A. We took the horses up to the park where they belonged.

Q. Who took them up?—A. Major Anderson took men to take them up.

Q. Did you and Anderson and McNeill go to the park?—A. No, we checked them off and I went up next morning.

Q. What did McNeill say about the stowaway horse?—A. He told Major Anderson that this horse came over and explained to him how it came. I am sure about that. When he went to the park next morning one of the soldiers had this horse, riding around on it.

Q. Was the soldier proud of the horse?—A. I guess he was. He wanted the horse. He said: "I am going to keep the horse," and I said: "This horse is not bought."

Q. And what did Anderson say then?—A. He said: "I must see McNeill and see if he will leave the horse in."

Q. Was McNeill there?—A. No, he had not come up.

Q. Did you examine the horses?—A. Yes.

Q. Did you look at this horse in particular?—A. Oh yes.

Q. Was it a good horse?—A. A splendid horse.

Q. What age was it?—A. About eight years old.

Q. What was the price?—A. \$225.

Q. Did McNeill tell you that?—A. He wanted to take the horse back.

Q. Who wanted to take the horse back?—A. McNeill. He said it was a quiet horse and a nice one and he wanted it for his livery business, and Major Anderson coaxed him to leave the horse there, and when I went out the sergeant told me: "You are not going to get this horse, I am going to keep him." That was Sergeant Humphrey and he took the horse out to his father's place and his father wanted to buy the horse.

[Summerside, P.E.I., Horses—Doyle.]

Q. They were all getting in love with that horse by this time?—A. He was such a beautiful horse they all wanted him.

Q. Did McNeill leave the horse with regret?—A. He told Anderson he would leave him until he came over again.

Q. And so the horse remained there?—A. Yes.

Q. And the next time McNeill brought over fewer horses than he was paid for?—A. He brought over ten horses and Anderson said: "I will put that horse in with the others."

Q. That horse didn't have the blind jack?—A. Oh, no. I remember the night that McNeill came over with the bunch, Mr. Humphrey came in and wanted Major Anderson to sell the horse. That is Sergeant Humphrey's father. He was bound to get the horse, but Major Anderson had him then and he said he would not give him up.

Q. How do you account for it that 54 horses were shipped on the 31st of August by McNeill, and yet you made out a cheque for the payment of them on the 28th of August?—A. Well, I do not know. Major Anderson had that in mind, and I suppose he had some satisfactory answer for that.

Q. Did Anderson say anything to you about what price you should pay for island horses?—A. No.

Sir CHARLES DAVIDSON: When were these horses bought?

Mr. THOMPSON: The 54 horses were shipped on the 31st of August, and the cheque for \$12,154 in payment of them is dated on the 28th of August, which is several days before the horses were shipped.

Sir CHARLES DAVIDSON: The horses had not then been bought?

Mr. THOMPSON: The horses had not then been bought and had not even been shipped by McNeill.

The WITNESS: He got that cheque after the horses came over?

By Mr. Thompson, K.C.:

Q. Are you sure about that?—A. Positive.

Q. Absolutely certain?—A. Absolutely positive.

Q. What cheques did McNeill get before any horses were shipped?—A. I do not think he got any.

Q. Did not he get these cheques on the 25th and 26th of August? They are dated at Summerside on the 25th of August?—A. That would be the first lot. I am not sure whether he got that cheque here or in Moncton.

Q. You see again, the ten horses were paid for by cheque on the 26th of August, or at any rate the cheque bears that date?—A. Yes.

Q. That is the day the horses were shipped. They were shipped on the 26th of August. Did not he get either of these cheques before he left the island?—A. I do not think he did, I am not sure.

Q. Where is the stub of these cheques?—A. It was returned to the department.

Q. Were the stubs returned to the department?—A. Yes, I think so, anyhow they were to be returned.

Q. Is it not a fact that Anderson arranged to pay around \$225 for each horse that McNeill would bring in?—A. He never said a word to me about it.

Q. That is about what he was paying for heavy draught horses on the mainland?—A. Yes, he paid in some cases more.

Q. Did they not arrange to pay McNeill about the same price that you were paying on the mainland?—A. Not that I know of.

Q. What was the limit in price?—A. Here?

Q. Yes?—A. How do you mean the limit?

Q. The limit in price?—A. I do not know what he paid. They did that work themselves. McNeill and Anderson handled the price.

Sir CHARLES DAVIDSON: What was the limit of price put on by the Government?

The WITNESS: I do not know.

By Mr. Thompson, K.C.:

Q. Surely you must know what the limit fixed by the Government was?—A. There was a Government limit at first of \$170, and Major Anderson told me he could not buy at that price, and that he would wire the Government to that effect, and he came home later and said he had a wire from the Government to buy the horses.

Q. You don't know where that correspondence is?—A. No, I had no correspondence with any person.

Sir CHARLES DAVIDSON: Have you the stub cheques, Mr. Auditor-General?

Mr. JOHN FRASER (Auditor-General): No, if he returned it it would still be in the Department.

By Mr. Thompson, K.C.:

Q. You bought then ten horses and then McNeill went ahead and collected another 54, you must have told him to go ahead and buy more?—A. I suppose Anderson did.

Q. You did not?—A. No, I did not.

Q. Not in any way?—A. No.

Q. Did you not suggest to him how many horses you would take?—A. No.

Q. You heard Mr. Washington Bell, a very clear-headed horseman, state that he had some conversation with McNeill, and McNeill would only take six of his horses or so because that was the limit he wanted to buy for military purposes, do you think the information got to McNeill through you?—A. Not through me.

Sir CHARLES DAVIDSON: You first got an order to buy 140 horses and then you were asked to go on buying?

The WITNESS: I think that is it.

Sir CHARLES DAVIDSON: That is what you stated?

The WITNESS: Yes, that is what I was told by Major Anderson, but of course I did not see the correspondence.

By Mr. Thompson, K.C.:

Q. How then did you come to visit the Island?—A. I visited it every year.

Sir CHARLES DAVIDSON: I mean with respect to this inspection of horses?

The WITNESS: I was over twice, of that I am sure. I cannot say whether I came over again, I do not think I came over with the last shipment at all.

By Mr. Thompson, K.C.:

Q. Have you any means of fixing the dates you were on the Island?—A. No, I have not.

Q. You have no means of fixing the date?—A. No.

Q. Can you connect your visits with these particular visits, the six horses and the ten horses, and the 54 horses?—A. I know about the 54 horses.

Q. You were on the Island then?—A. Yes.

Q. You examined Perrys' horse down in Perry's own stable?—A. That was the first time I was there.

Q. You say it was the first time you were there?—A. Yes, McNeill and I were driving.

Q. You say it was the first time you were on this Island about this business?—A. Yes, McNeill and I were driving and I went to see what kind of a horse it was.

Q. Was that the time you were examining the six horses?—A. I did not examine the horses there.

Q. You did not tell us anything about driving with McNeill when you were examined the other day?—A. I just told you that I met him. He was driving somewhere. We just took a turn around the block and went for a drive.

Q. You did not tell us that before?—A. I did not think of it. There is nothing in it.

[Summerside, P.E.I., Horses—Doyle.]

Q. It is for me to judge of that. I wanted to know what took place and you said you met him on the street and nothing more, and you did not recollect any conversation, but now it comes out that you had been driving with him?—A. We took a drive around.

Q. Why didn't you tell me that before?—A. I did not think about it.

Q. Did not you recollect it when you were examined before?—A. Not at the time, no.

Q. You would not recollect driving with the distinguished Mr. McNeill?—A. No, not particularly.

Q. Was it a good horse he was driving?—A. A nice horse.

Q. A particularly good horse?—A. An ordinary driving horse.

Q. Did he sell it to Anderson?—A. Not that I know of.

Q. And he drove you out to Perry's?—A. He was passing Perry's.

Q. Did he drop in at Perry's?—A. Yes.

Q. And you made an examination of the horse?—A. I just looked at his age.

Q. And you thought he would do?—A. I told him not to buy any horses on my word.

Q. You said "That is the sort of horse for me"?—A. I said that horse would do.

Q. Did you examine Perry's horse afterwards when you came back a day or two afterwards?—A. If he was in the bunch, I would.

Q. Would you not recognize the Perry horse?—A. I think he was there but I would not say for sure.

Q. Surely a person of your profession would know a horse after seeing him once, especially if that horse was presented to you for your inspection within three or four days afterwards?—A. I think he was in that bunch.

Q. At any rate Perry's horse got your stamp of approval?—A. Not then.

Q. He got your conditional approval?—A. I think I did tell him that that horse would do.

Q. Are you perfectly sure that the 54 horses were actually at Moncton before you filled out a cheque on the 28th of August for \$12,154?—A. Yes, I am positive.

Q. Are you absolutely positive?—A. Absolutely positive.

Q. And when you were filling out the cheque did you say anything to Anderson about the stowaway horse?—A. No.

Q. Did you not say something about a cheque for 54 horses when there was another horse to provide for?—A. McNeill would not sell the horse then.

Q. Why?—A. He was going to take it back.

Q. Why did McNeill weaken in that position?—A. I do not know.

Q. Did not McNeill tell you that the horse was put on the boat?—A. No, he did not tell me, he said it was on board.

Q. Did he seem distressed to know that the horse was on board?—A. He said he would just as soon it was not.

Q. At any rate he did not have the horse detained at Point du Chêne?—A. We were not quite sure just as to the number that was on the boat that night.

Q. But you knew that horse was not one of yours?—A. We could not verify the horses on the boat that night, and I said when the horses come to Moncton we can take it out.

Q. At any rate, McNeill was satisfied eventually to leave that horse there?—A. That was arranged with Major Anderson.

Q. You had nothing to do with that?—A. No.

Q. And you don't know why the horse did remain there?—A. Yes.

Q. Do you know if all the horses bought here by Major Anderson were shipped to Valcartier?—A. Yes, I think they were.

Q. Were any of them sent back here?—A. No.

Sir CHARLES DAVIDSON: Who had to do with the shipping to Valcartier?

The WITNESS: Major Anderson.

Sir CHARLES DAVIDSON: You had nothing to do with it?

The WITNESS: I had nothing to do with it.

Sir CHARLES DAVIDSON: Nothing whatever?

The WITNESS: No.

By Mr. Thompson, K.C.:

Q. Take the cheque of the 31st of August, dated the 31st of August for 11 horses, \$2,475, in whose handwriting is that cheque?—A. That is in Major Anderson's handwriting.

Q. All of it?—A. Yes.

Q. With the exception of your signature?—A. Yes.

Q. Do you notice that the date is August 31st?—A. Yes.

Q. Were these horses in camp when this cheque was signed by you?—A. Yes, they were in Moncton at that time.

Q. Are you sure?—A. Positive.

Q. On the 31st of August?—A. I do not know about that, but they were there when I signed the cheque.

Q. Are you sure of that?—A. Certain.

Q. Because the horses were not shipped until four days after?—A. I do not know about that. McNeill got the cheque after the horses came in.

Q. Those horses were shipped on the 3rd of September?—A. The date of the cheque must be wrong.

Q. And you and Anderson signed the cheque, dated the 31st of August, four days before the horses were shipped, and they were examined at Moncton?—A. Yes.

Q. So that, therefore, they were paid for four or five days before they were examined, unless there is some mistake in the date of the cheque?—A. That must be it, because I will swear positively that the cheque was given after the horses were there.

Q. Are you certain about that?—A. Perfectly certain.

Q. How do you fix that you are certain on that point?—A. Because no cheque was ever given to McNeill until the horses were delivered.

Q. Were any cheques given to McNeill after the horses were delivered and before they were passed by you?—A. No.

Q. Do you say you did not sign that cheque until after the horses were passed by you and after you examined the cheques to ascertain that the number was correct?—A. Yes.

Q. Do you know as a fact whether all the details of the cheque were filled in on the dates which the cheques bear, with the exception of your signature?—A. You mean if they were filled in before I signed?

Q. No, let me put it another way; there is a cheque there for \$2,475, dated the 31st of August, for 11 horses; have you any knowledge of that cheque having been actually filled out and completed on the 31st of August, with the exception of your signature?—A. I have no knowledge at all.

Q. It may have been made out?—A. I think I saw Major Anderson writing in that cheque.

Q. Which cheque?—A. For the eleven horses.

Q. You saw him do that?—A. Yes.

Q. Are you sure about that?—A. Certain.

Sir CHARLES DAVIDSON: What do you know in that respect as to the 54 horses?

Mr. THOMPSON: He has sworn to that.

Sir CHARLES DAVIDSON: He has not sworn that Major Anderson wrote it in.

Mr. THOMPSON: He filled it up himself; that is in his writing.

By Mr. Thompson, K.C.:

Q. You are positive about the eleven horses, that you saw Anderson make out that cheque?—A. Yes.

[Summerside, P.E.I., Horses—Doyle.]

Q. Was McNeill in the office then?—A. I cannot say.

Q. You do not know whether he was or not?—A. I cannot say.

Q. Was McNeill at Moncton at any time when the horses were being examined?—

A. I cannot say whether he was or not.

Q. Was McNeill present when the cheque for \$1,425 was made out on the 25th of August?—A. Yes.

Q. Did he get that cheque at Moncton?—A. Yes.

Q. Was he in the office?—A. Yes.

Q. Did Anderson fill that up?—A. Yes.

Q. Are you positive that Anderson filled out that cheque?—A. Yes.

Q. Did he say anything to you as to the price?—A. No.

The witness retired.

W. B. MCNEILL, livery stable keeper of Summerside, P.E.I., recalled.

Examined by Mr. Thompson, K.C.:

Q. How much did you pay out for the horses you sold to Major Anderson?—A. I cannot tell you the exact amount.

Q. About how much was it?—A. I have not got much idea about that.

Q. What did these horses average you in price?—A. I cannot say, I never figured that out, you will have all the figures there.

Q. Don't you remember telling somebody they averaged you about \$178 each?—A. No, sir.

Q. Do you swear you did not make that statement?—A. I do not know, I do not remember.

Q. You do not remember making that statement?—A. No.

Q. Will you swear you did not make that statement?—A. I cannot swear because I do not remember.

Q. I have cast up your accounts, and taking your own figures, it shows that you paid \$185 for your horses on the average. Your profit would work out at about \$3,441, what did you do with your profit?—A. I cannot say, sir.

Q. What?—A. I cannot say what I done with it.

Q. You cannot say what you did with your profit?—A. No.

Q. When you started in to buy horses for Major Anderson you had about \$100 to your credit in the bank, when you were buying horses for Major Anderson and received all your money from him you ought to have had about \$3,500 to the good in the bank. The bank account shows a constantly dwindling balance to approximately what it was before you started buying horses to sell to Anderson; what did you do with the \$3,500 profit which you made?—A. I do not remember, does it not show there?

Q. I want you to say what you did with it?—A. I do not know what I did with it.

Q. Is that statement of yours true?—A. Yes.

Q. Is the statement true that you do not know what you did with the profit you made?—A. I do not.

Q. Have you bought any property since the commencement of last year?—A. Yes.

Q. What property did you buy?—A. The King Edward Livery stable.

Q. What did you pay for it?—A. Do you mean what did I pay on it or for the whole thing?

Q. What is your bargain?—A. I cannot say exactly to the dollar, but it was about \$3,300 and some odd dollars.

Q. How much have you paid in cash or by cheque?—A. \$1,000.

Q. Did you borrow that \$1,000 from anybody to pay on account of the purchase?—A. I paid it out of my own money.

Q. And as you only had about \$100 in the bank when you started buying horses to sell to Anderson it is probable that \$1,000 of your profit went for that purpose, is it not?—A. Probably so.

[Summerside, P.E.I., Horses—McNeill.]

Q. Why did you not say that before?—A. Well I did not know you wanted it.

Q. Don't quibble now, that is mere playing with words, let me know where any part of your profit went?—A. It is very hard for me to tell you that.

Q. You have accounted now for about \$1,000, have you done any building since August of last year?—A. I did not build any new buildings, I did repairs on a building I had.

Q. To what extent?—A. I cannot say.

Q. About how much did you spend in repairs to buildings?—A. Probably \$800.

Q. There now you have accounted for some more of your profit, you have accounted for about \$1,800, on what property did you spend that \$800?—A. On the King Edward property, I would not be positive, I might have spent \$1,000 instead of \$800.

Q. In repairing this stable or what?—A. The King Edward stable.

Q. Was it in the nature of an addition to the stable?—A. No, it was for putting in new floors and additional work into a new piece of the office and sinks.

Q. What about the balance of the \$2,000 approximately, which you had on hand; have you got a mortgage on that property?—A. I have a mortgage on it.

Q. Did you build any barns since August of last year?—A. No.

Q. The only building you have done was in connection with the stable?—A. Repairing that stable.

Q. That is all?—A. That is all I know of.

Q. You have about the same number of horses as you had before Anderson commenced buying from you?—A. The same number about, I may have more now.

Q. Have you more now?—A. I may have more but I am not sure.

Q. Don't you know how many you have got now?—A. Yes.

Q. How many?—A. Twenty-three.

Q. And it is only recently that you rose to that number?—A. I had 28 or 30 in May and June.

Q. But did you have that number in May?—A. This year?

Q. Yes?—A. Yes, I would not be positive but it was 28 or 30.

Q. Did you not have 16 horses?—A. I had 16, when I had 28 I must have had 16.

Q. Were not 16 all you had?—A. No, sir.

Q. How is it you were not assessed for the balance of these horses?—A. That is more than I can tell you.

Q. How many cows have you got?—A. Two.

Q. You swear you had more than 16 horses on the 1st of May of this year?—A. Yes.

Q. Where did some more of your profits go, you have accounted for about \$2,000 so far?—A. The way you figure that out you did not allow anything for expenses in connection with these horses.

Q. Then suppose we do allow a little for expenses?—A. A little would hardly cover the expense of that many horses with the time I had to purchase them.

Q. You did not have them in time?—A. I had to get them sometimes.

Q. What would you call that expense?—A. It would take, I suppose, from \$700 to \$1,000 to pay the expenses of these horses and getting them away.

Q. Do you mean to say it would cost you over \$10 per horse to do that?—A. I think it would if I had kept them any time.

Q. I want to know how much it did cost?—A. I do not know.

Q. How long did you have these horses on hand?—A. I might have one horse a day, and another horse a week, and so on.

Q. Suppose you did have them all a week, what would it cost you?—A. To handle these horses from the train and take them to the boat and keep them a week, it would cost well up to \$10, then there would be the cost of buying the halters and all that kind of thing.

Q. But the bargain you made with George Washington Bell when you bought his horses was that he should shoe them and bring them in with halters?—A. I do not know about that.

[Summerside, P.E.I., Horses—McNeill.]

Sir CHARLES DAVIDSON: What do you estimate as the average cost of a horse per day for maintenance, including your overhead charges?

The WITNESS: It would be from 75 cents to a dollar a day.

By Mr. Thompson, K.C.:

Q. What do you pay for oats here?—A. Now?

Q. Yes?—A. 65 cents or 70 cents.

Q. What were you paying before the war?—A. I do not remember the price last year.

Mr. THOMPSON: I can board my horse in Ontario for less than the charge you have given.

Sir CHARLES DAVIDSON: What is the price of hay?

The WITNESS: \$14 for pressed hay.

Sir CHARLES DAVIDSON: What do you get per month for keeping a horse?

The WITNESS: Now?

Sir CHARLES DAVIDSON: Now, or in September of last year?

The WITNESS: A good deal depends on the rigs we have to look after; about four dollars a week when they are steady, when a horse comes in by the day, seventy-five cents.

By Mr. Thompson, K.C.:

Q. What do you charge a month for keeping saddle horses?—A. It would depend on how many days there would be in the month; we charge by the week, four dollars a week, and that would be \$17.75 if there were four weeks in the month, or a little over fifty cents a day.

Q. And I suppose you would make a profit on that?—A. There is not much profit in that.

Q. What do you think your expenses were in handling these horses, when you remember that a lot of them just came in the day or the day before they were shipped?—A. I do not remember, I have no idea.

Q. Did you in all cases pay the freight across to Moncton?—A. No, I do not think I did.

Q. Did you in any case pay the freight across to Moncton?—A. No, I do not think I did.

Q. So that you would not have to pay the freight?—A. No.

Sir CHARLES DAVIDSON: Did you in any case pay the freight?

The WITNESS: I paid the freight in the first case.

Sir CHARLES DAVIDSON: That was only on the first six horses that were sent across?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Was that money returned to you?—A. I do not think it was returned to me.

Q. You did not pay the freight on the 54 horses?—A. No.

Q. Nor on the 11 horses?—A. No.

Q. So that the only expense you would have in connection with these horses would be keeping them in your barn for a day or two?—A. Do you refer to the expense I had on the horses.

Q. Yes?—A. Some of them had to be shod and some had to have halters and ropes got for them.

Sir CHARLES DAVIDSON: Had you to deliver the horses shod?

The WITNESS: We shod the forefeet and left the hind feet go bare.

By Mr. Thompson, K.C.:

Q. Some of them would be shod already and all you would have to do would be to take off the hind shoes?—A. Yes.

Q. Would there be much expense in connection with that?—A. No.

Q. What do they charge for removing the hind shoes?—A. Ten cents or twenty cents.

Q. On your own showing, there would be a comparatively small amount of overhead charges in connection with the handling of these horses, and that would still leave very nearly \$2,000 to be accounted for by you?

Sir CHARLES DAVIDSON: What in your mind did you consider your net profits on this transaction?

The WITNESS: I cannot say that I considered it at all.

Sir CHARLES DAVIDSON: You must have had some general idea?

The WITNESS: I may have had a general idea.

Sir CHARLES DAVIDSON: You must have said to yourself? "Well, I have made so much out of the transaction." the ordinary man has a thing like that in his mind.

The WITNESS: It is a little hard on my figuring it out. I counted that I made from \$2,000 to \$2,500, but I would not be sure of that; I never did figure it up.

Sir CHARLES DAVIDSON: You think you cleared about \$2,500 on the transaction?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Do you think that was a good profit?

The WITNESS: That was pretty good money.

Sir CHARLES DAVIDSON: How did it compare with your profits on your other transactions in the course of business?

The WITNESS: I have sold horses and I made more money on them than I did on any of these. I have sold some of the horses that the veterinary turned down for more money than I put them in at to sell to Anderson.

By Mr. Thompson, K.C.:

Q. Was any one of these horses shipped back to you from Moncton?—A. No.

Q. I thought there was a good-looking horse shipped back?—A. There was no horse shipped back.

Q. You did get a sorrel horse last autumn which you were showing at fairs?—A. No, that horse never was sold to Anderson.

Q. That was not one of yours?—A. The horse that I showed at the fair last year was not sold to Anderson, they would not take that horse. He had a little lump on his knee at the time I got him.

Q. But you shipped him to Moncton?—A. No, he never was in Moncton.

Q. Did you pay any part of your profits to Anderson?—A. No.

Q. Did you pay any part of your profits to any person whomsoever except for disbursements for expenses in connection with your own personal business?—A. No.

Q. Did you pay any sum of money whatever to any person as what is called a rake-off, in connection with these horses?—A. No.

Q. Or by way of reward for having brought you the contract?—A. No.

Q. Neither directly nor indirectly?—A. No.

Q. And if you did not pay money did you pay in cheque, or did you give a horse, or any other article, or any consideration whatever in that respect?—A. No.

Q. Are you quite sure of that?—A. Quite sure.

Mr. THOMPSON: That is all.

The witness retired.

Sir CHARLES DAVIDSON: Do I understand, Mr. Thompson, that the sittings of the Commission close here now?

Mr. THOMPSON: Yes. I have no further evidence to offer on this matter at the present time. This closes the sitting in Summerside, and there will be a sitting in Charlottetown on Monday next.

Sir CHARLES DAVIDSON: Will you sit more than one day in Charlottetown?

Mr. THOMPSON: I think not, sir.

The sittings of the Commission in Summerside then closed, the Commission to meet in Charlottetown, Prince Edward Island, on Monday next, the second of August.

[Summerside, P.E.I., Horses—McNeill.]

CHARLOTTETOWN, P.E.I., Monday, August 2, 1915.

PRESENT:

THE HONOURABLE, SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

At the sitting of the Commission:

MR. THOMPSON: The further evidence I have to offer is with respect to the horses sold by W. B. McNeill to Major Anderson, mainly with a view to corroborating the testimony, as to what McNeill paid for the horses.

FRANK HUGHES, liverystable keeper, Charlottetown, P.E.I., sworn:

By Mr. Thompson, K.C.:

Q. Did W. B. McNeill, livery-stable keeper of Summerside, purchase a horse from you last August or September?—A. Yes sir, he did.

Q. What did he pay you for that horse?—A. \$170.

Q. Did he pay you by cheque or by cash?—A. I think by cheque.

Q. What age was the horse?—A. The horse was six years old.

Q. What colour was he?—A. He was a bay horse.

Q. What would he weigh?—A. I think he would weigh about 1,100.

Q. Was he sound?—A. Yes, he was sound.

Q. Was he inspected by any other person than McNeill before McNeill bought him?—A. No sir.

Q. Was he inspected by Dr. Doyle?—A. No sir.

Q. Did you give any part of the \$170 which you got for that horse to Doyle or to Anderson or to any other person in consideration of the sale?—A. No sir, I gave no money to them or to anybody else in any way.

Q. Do you know W. S. McKie?—A. Yes sir.

Q. Is he a good judge of a horse?—A. Yes sir.

Q. He is a man of wide experience in the business?—A. Yes sir.

Q. Do you think he would know the value of a horse?—A. I think he would, yes.

Q. What would you consider a reasonable compensation to yourself when you buy and sell horses?—A. Of course, it is a very uncertain business. On some horses you do pretty well and on some you don't.

Q. What would you consider your average profit in the course of a year or two years?—A. I would consider about \$10 would be a fair profit, some horses you have to keep a longer time than others and are under more expense in connection with them.

Q. If you made an average of ten dollars per horse you think you would be doing pretty well?—A. It would be owing to the number you handled. If you handled a hundred horses and made that profit on them, we would consider it a good years' work.

Sir CHARLES DAVIDSON: Do you keep a record of the horses you buy and the prices you pay?

The WITNESS: As a rule I do.

Sir CHARLES DAVIDSON: And you also keep the prices of those you sell?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Do most horse-dealers do that?

The WITNESS: I do not think it is a rule to do that with horse-dealers, although I do keep a run on the horses I buy and sell.

The witness retired.

W. A. MÜTCH, of Hopetown (Near Southport, P.E.I.), farmer, sworn:

By Mr. Thompson, K.C.:

Q. Did W. B. McNeill of Summerside purchase some horses from you last August?
—A. Yes sir, in August or September.

Q. How many did he buy from you?—A. Five.

Q. He bought two on one occasion and three on another?—A. Yes.

Q. He bought the two horses first and afterwards he bought three more?—A. Yes.

Q. What did he pay for the first two?—A. The first two, one horse \$175, and there was a big brown mare, I am not positive whether it was \$215 or \$220, but it was either one or the other.

Q. McNeill says he paid you \$220 for that horse?—A. He may be right. I went to the bank this morning to try to find out and I could not find what I got for one or the other.

Q. What were the ages of these horses?—A. There was one four year old and the other five.

Q. Which was the four year old?—A. The horse.

Q. And the brown mare was five years old?—A. Yes.

Q. Were they both sound?—A. Yes.

Q. What would the brown mare weigh?—A. In the vicinity of 1,300, or 1,400 pounds, she was a big mare.

Q. And sound?—A. And sound.

Q. Rather a good horse?—A. A fine beast.

Q. What would the other animal weigh?—A. Between 1,100 and 1,200 pounds, I would not be positive, I did not weigh them.

Q. Was it sound?—A. Perfectly sound.

Q. What height would these horses stand?—A. I cannot tell you, the mare was fairly tall.

Q. She would be around 15 hands high?—A. She would be over 15 hands.

Q. And the lighter horse, what height was he?—A. One was about 15 hands and the other 16 hands.

Q. How long did you have these horses?—A. Not very long, I do not remember.

Q. Did you have them a year?—A. No, about a month.

Q. Did you buy these horses, knowing that McNeill would buy them from you?
A. No.

Q. Did you know that McNeill was buying horses?—A. Not when I bought them.

Q. They were bought without any knowledge of their being required for military purposes?—A. I did not know anything about it at the time.

Q. How long after that did McNeill buy the other three horses?—A. I suppose it would be about a week.

Q. Did he tell you on the first occasion he would come back for more?—A. He said he expected he would be wanting more.

[Charlottetown, Horses—Hughes.]

Q. Did you in pursuance of that conversation go out and buy the other three that were subsequently sold to McNeill?—A. Yes. Of course he was not compelled to take them. He said the chances were he might take them.

Q. And you bought them on the chance of selling them to McNeill?—A. Yes.

Q. What did he pay for the three horses?—A. He paid me \$510 for the three horses, by cheque.

Q. What did he pay you for each horse?—A. As near as I can remember it was \$160, \$165, and \$185.

Q. That is about what he says, and you think he is right?—A. Yes.

Q. What would those horses weigh?—A. I think there was one, the dearest one would be a mare, and she would weigh about 1,100 pounds or something like that.

Q. Would all three run something about 1,100 pounds?—A. No, the other two were lighter.

Q. What would they run about in weight?—A. I think about 1,000 pounds.

Q. What were their ages do you know?—A. I cannot remember, they were young horses, they were under eight years of age.

Q. Would they be over four years?—A. Oh yes, they were over four years old.

Q. Were any of them greys?—A. No, there was a kind of roan, you would not call her a grey, there were a few grey hairs in her.

Q. What did you pay for these three horses?—A. I cannot just remember.

Q. You did not sell at a loss?—A. No, I made a profit on them.

Q. What profit would you make on each horse?—A. As far as I can remember, I think I had forty or fifty dollars on the three horses.

Q. That would be about \$15 per horse?—A. Yes.

Q. Were they all sound?—A. Yes.

Q. So far as you know they were sound?—A. Yes, they were all sound.

Q. Are you a horse-dealer?—A. I buy and sell a few horses and a few cattle, I am a farmer.

Q. About how many horses would you sell in the course of a year, apart from this episode?—A. I never kept any account but I would suppose 100.

Q. Would you buy and sell that number in a year?—A. Yes.

Q. Then you are a horse-dealer?—A. I am a farmer first and last, that is what I make my living out of.

Q. You do pretty well if you make \$10 per horse on a hundred horses in the course of a year?—A. Sometimes I lose, I sold one the other day and I lost \$35 on it.

Sir CHARLES DAVIDSON: Did you sell that horse to the Government?

The WITNESS: No.

Sir CHARLES DAVIDSON: What do you consider as regards general business a fair profit on a horse?

By Mr. Thompson, K.C.:

Q. When you were buying and selling 100 horses in a year, what about would you average in the way of profit?—A. It would all depend. I bought a bunch for a man that had a little railway contract and I charged him five dollars a head.

Q. You were selling on commission there?—A. Yes.

Q. Generally speaking, in the ordinary run of buying and selling horses, what would you average in the way of profit per horse?—A. I would suppose about, well it is hard to tell, I would suppose from ten dollars to fifteen dollars.

Q. Then you think you make \$1,500 a year profit in buying and selling horses?—A. I never kept any account of that.

Q. You might buy and sell about 100 horses, and if you make from \$10 to \$15 a horse you must make a profit of between \$1,000 and \$1,500 a year?—A. I guess I have made that, I would save \$10 a horse anyway, and perhaps more.

Q. Do you know Mr. W. S. McKie?—A. Yes.

Q. Is he a good judge of a horse?—A. He ought to be he has been at it all his life.

Q. Would you consider him a person of pretty wide experience in the horse business?—A. Yes.

Q. And a good judge of the value of a horse?—A. Yes.

Q. And of the prices prevailing from time to time in the horse market?—A. Yes.

Sir CHARLES DAVIDSON: Ask the witness what is the general range of market prices for good horses here.

By Mr. Thompson, K.C.:

Q. What is the market price for a good horse, for a heavy draught horse and for a light horse?—A. From \$175 to \$220 or \$225, \$220 is the highest I have sold a horse at this year.

Q. What about \$170 for a good horse?—A. That would be a light horse, a specially light driver, although I have not handled any extra drivers this year.

Q. Do you keep a record of the horses you buy and sell?—A. No, sir.

Q. Nor of the details of the transaction of each horse?—A. No.

The witness retired.

WILLIAM LEE ESSERY, farmer, Union Road, Charlottetown, sworn:

Examined by Mr. Thompson:

Q. Did W. B. McNeill of Summerside buy a horse from you in August of last year?—A. He did.

Q. What did he pay you for that horse?—A. About \$175.

Q. What age was the horse?—A. Five years old.

Q. What did he weigh?—A. 1,200.

Q. What was his colour?—A. Brown.

Q. Was the horse sound?—A. Perfectly sound, as far as I know.

Q. How long did you have that horse?—A. I bought him in April, I did my summer's work with him.

Q. How long did you have him?—A. Between three and four months.

Q. What did you pay for the horse when you bought him?—A. \$175.

Q. Then you did not make any profit on him?—A. I just had the use of him and sold him at the same figure I bought him for.

Sir CHARLES DAVIDSON: Did you know you were selling that horse for Government uses?

The WITNESS: No, I did not know at the time. I was not acquainted with Mr. McNeill; I thought he was a foreigner.

The witness retired.

JAMES McKENNA, merchant, Charlottetown, P.E.I., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to W. B. McNeill last August?—A. I understood I did; I never knew the man before.

Q. Was he a fair man or a dark man?—A. He was a stout block of a man, rather dark.

Q. What did he pay you for the horse?—A. \$150.

Q. What was the age of the horse?—A. I got him for five years old.

Q. How long did you have him?—A. Three or four months.

Q. What did you pay for him?—A. He cost me \$155, but I dropped five dollars on him.

Q. You dropped five dollars on him?—A. I did.

[Charlottetown, Horses—McKenna.]

Q. You did not know that McNeill was buying to sell to the Government; did McNeill tell you what he wanted the horse for?—A. I cannot tell you that.

Q. Was the horse sound?—A. As far as I know he was; I never seen any fault in him.

Q. What did he weigh?—A. I never weighed him; I suppose he would go over a thousand pounds.

Q. What colour was he?—A. He was a dark brown.

Q. Do you know W. S. McKie?—A. I do.

Q. Is he a good judge of a horse?—A. I cannot say as to that—I guess he might be fooled as well as any of the rest of us.

The witness retired.

W. S. McKie, horse dealer, Charlottetown, P.E.I., sworn:

Examined by Mr. Thompson, K.C.:

Q. What is your occupation?—A. Horse-dealer.

Q. What is your experience in that business?—A. I have been at it for thirty-five years.

Q. What was the average price of a good horse in Prince Edward Island last August?—A. I should say somewhere around \$175.

Q. One of the witnesses this morning said that the average market price of a good horse in this locality would be from \$175 to \$220?—A. Yes, there would be some horses you would pay two and a quarter for and others one and a half, which would bring the average to \$175.

Q. Would that be about the prevailing price of horses now?—A. I bought 100 horses this spring, and the average price was \$175.90, but in the spring the horses are mostly higher than they are in other seasons of the year.

Q. For what purpose did you buy all these horses?—A. For Sir Adam Beck.

Q. You were buying on commission?—A. I was buying at so much a day.

Q. That is the way you were paid?—A. Yes.

Q. Take a horse-dealer that is not employed specifically as you were for the Government in this case, and who was carrying on his private business and turning over horses in the course of a year; suppose he turns over 100 horses, what would you say would be a fair profit on that lot of horses?—A. If he would come out with \$10 a head he would make a big profit, but very often he does not come out with anything, because on some of them you lose.

Q. Do they ever fool you, Mr. McKie?—A. At times, yes. One time a fellow sold me a horse and I could not tell what price he asked, and I found out afterwards that he offered the horse to me for less than I gave for him.

Q. How do the prices for horses now compare with the prices for horses last August?—A. I think now perhaps horses are not as dear as they were last August.

Q. And you are now paying an average of \$175?—A. I commenced about the 1st of May and I bought till the 19th of June, but that was about the highest time in the year, because it was during the spring work.

Q. And from May to June of this year would the price be about the same as the price was during August of last year?—A. I would think so, yes.

Q. You think you could have bought 100 horses last year for about an average of \$175 each, and that they would be a good run of horses?—A. I would think I could.

Q. Is there any difference in the price between cavalry and saddle horses?—A. Yes, the heavy draught horses are the highest.

Q. What would they cost you?—A. The highest priced horse I bought I paid \$220 for him.

Q. What did the average heavy draught horse cost you?—A. I did not take that up, but I paid somewhere around \$190.

[Charlottetown, Horses—McKie.]

Q. And the saddle horses would average you how much?—A. I paid from \$150 to \$170 for them; they would average about \$160, but I did not figure that up.

Q. The saddle horses cost somewhat less than the others?—A. Yes.

Q. When you are buying horses for Sir Adam Beck do you keep a record of the horses?—A. Yes, sir.

Q. Do you keep a record of the date you buy the horses on and what you pay and so on?—A. Yes, we keep a data with regard to every horse, the price we paid, who we bought him from, the colour, the age, the sex, and the markings on the horse, we keep a record of everything.

Q. And you keep a record of any remarks as to any special remarks regarding him?—A. Yes.

Q. Do you get a certificate signed by the owner?—A. The owner signs a cheque when you pay him, giving a receipt.

Q. Does the owner sign a memorandum to the effect that the horse is free from defects which cannot be detected by examination?—A. I had nothing like that done. There was a veterinary surgeon accompanied me when buying the horses.

Q. Are you a vet. yourself?—A. Not quite.

Q. But you know rather more than most of them?—A. I know more than a good many of them.

Q. Was it a veterinary surgeon of the Government you had with you when buying these horses?—A. Yes.

Q. Was he paid by the Government?—A. Yes, sir, he was paid by the Government.

Q. How many horses could you and the veterinary surgeon working together examine in the course of a day?—A. The most we bought was 17 in a day here, but we could have bought a good many more.

Q. Suppose there were 200 or 300 horses in one bunch, and you and the vet. started to examine them for the purpose of passing on their soundness, about how many would you be able to get through, working together, not working separately, in the course of a day?—A. I think 100 would be a pretty good day's work.

Q. Do you think you could pass 100 satisfactorily in a day?—A. I think so.

Q. For instance a man told us the other day that he passed 54 horses in one day, and in a couple of hours of the next morning, do you think that would be a thorough examination or would that be too hasty?—A. If a man is a good judge of a horse it won't take him long to look over the horse, and if he is not a good judge of a horse it might take him longer.

Q. Then it would depend altogether on the veterinary surgeon?—A. Yes, it would depend on the veterinary surgeon, but at the same time they told me in Toronto that I was a slow buyer and that I could refuse a horse even if a veterinary passed him.

Q. I suppose they sent the veterinary surgeon along with you for appearance sake?—A. Well, a veterinary surgeon is very handy to have with you in case of trouble.

Q. How many horses would a man, generally, be able to examine in the course of a day, I mean if a man did not have your experience, take an ordinary veterinary surgeon, for example?—A. I have never had anything very large to do like that, but 20 is the most I ever bought in a day.

Q. Were more than 20 horses offered to you in that day?—A. O yes, I went to Montreal and bought 20 horses in a day.

Q. And how many were offered you for sale?—A. Perhaps 100.

Q. Did it take you all day?—A. You had to fix the price, it was not the soundness of the horse that caused the delay.

Q. Evidently the fixing of the price is more difficult than examining the horse?—A. A great deal more so, especially if you are buying them for yourself.

Q. Did the veterinary surgeon sign the cheques also in regard to the horses you had bought?—A. Yes, sir.

Q. He signed in addition to you?—A. Yes, and the man that sold the horse signed it, and a witness besides, all of them signed their names on the cheque.

[Charlottetown, Horses—McKie.]

Q. I want to get your procedure when you were buying horses so that I may judge about other cases?—A. I am quite easy in my mind about the horses I bought.

Q. We are not interested at all in your horses?—A. Quite so, I understand that.

Mr. THOMPSON: I find, Mr. Commissioner, that the testimony of this witness corroborates what McNeill said as to what he paid for his horses, and I submit it would be idle to call other vendors of horses for the purposes of further corroboration. I have from the witnesses whom we examined at Summerside for that purpose, as well as the witnesses here, the information with respect to that, and we can tell almost to a dollar what McNeill paid for his horses, and what his profit is. I had inserted in the Charlottetown press notice that the Commission would sit here to-day, and I have no further evidence to offer.

Sir CHARLES DAVIDSON: You can put that notice on the record.

Mr. THOMPSON read the following notice:

ROYAL COMMISSION.

The undersigned commissioner appointed under the provision of Chapter 104 of the Revised Statutes of Canada and amending act commonly called the Enquiry Act, to enquire into the purchase by and on behalf of the Dominion of Canada of Arms, Munitions, Implements, Materials, Horses, Supplies, and other things for the purpose of the present war and as to expenditures and payments made or agreed to be made therefor, hereby give public notice that the sittings of the Commission in Charlottetown will be commenced in the Court House, Charlottetown, on Monday, the second day of August, 1915, at 10.30 o'clock a.m., and that he will hear the representatives of any parties who may desire to appear or give testimony concerning the matters into which he has been appointed.

C. P. DAVIDSON.

Commissioner.

Sir CHARLES DAVIDSON: You might ask Mr. McKie, with no personal reference to himself at all, if he knew of anything wrong in connection with the purchase of Government horses.

Mr. THOMPSON: The question I am going to ask you, Mr. McKie, has nothing to do with your own purchase of horses, but I would ask you did you hear of, or do you know of, any rake-off or secret commission in connection with the purchase of the McNeill horses?

The WITNESS: No, sir, I know nothing at all about them. McNeill came to town and bought some horses, and I had nothing to do with him, only that I shipped two or three of the horses. I only know of the price of one horse and he paid about \$150 for that.

Sir CHARLES DAVIDSON: The Commission will be available to-day in Charlottetown for the hearing of any evidence that may present itself. I may say that it is a great pleasure to sit in Charlottetown, and I am glad to say that the conduct of the witnesses, in giving their evidence, has been admirable.

The Commission then adjourned to meet in Moncton, New Brunswick, to-morrow, Tuesday, August the third.

MONCTON, N.B., Tuesday, August 3, 1915.

PRESENT.

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

At the sitting of the Commission.

Mr. THOMPSON: I purpose to continue the investigation of the purchase of horses by Major Anderson, and the evidence I shall submit here will be with reference to the number shipped from Moncton by Major Anderson, or his officers, to Valcartier.

W. H. ESTANO, Auditor of Traffic, Intercolonial Railway, sworn.

Examined by Mr. Thompson:

Q. Were some horses shipped from Moncton by Major Anderson or one of his officers last August or September to Valcartier?—A. Yes.

Q. Can you tell me how many?—A. 196.

Q. On what dates were they shipped?—A. On August 28, September 3 and September 4.

Q. What numbers were shipped on these respective dates you have mentioned?—A. The numbers were as follows:

August 28	77 horses.
September 3	69 “
September 4	50 “
	<hr/>
	196 “

Q. What is the total of those?—A. 196 horses.

Q. They were shipped on several cars, I presume?—A. Yes.

Q. How many cars altogether?—A. Seventeen.

Q. What did the horses weigh?—A. They were shipped at the minimum weight per car, 20,000 pounds.

Q. That does not necessarily indicate the weight of the horses?—A. No.

Q. What was the freight paid?—A. \$1,112.

The statement presented by the witness was filed as Exhibit No. 66.

The witness retired.

TILLEY RYAN, grocer, Moncton, N.B.:

Examined by Mr. Thompson:

Q. Did you sell a horse to Major Anderson last August?—A. Yes.

Q. What did he pay you for that horse?—A. \$200.

Q. What age was the horse?—A. I bought him for a four-year-old.

[Moncton, Horses—Ryan.]

- Q. How long did you have him?—A. A little over a month.
- Q. Was he sound?—A. Yes, sir, as far as I know.
- Q. Was he ever lame while you had him?—A. No.
- Q. What would he weigh?—A. He would weigh a little over 1,100 pounds, I never had him weighed.
- Q. Was he a saddle horse or a heavy draught horse?—A. I used him for working.
- Q. You used him in a delivery wagon?—A. Yes, sir.
- Q. In a truck?—A. Yes.
- Q. What colour was he?—A. Bay.
- Q. Did you give any part of that \$200 to Major Anderson?—A. No.
- Q. Did you keep it all for your own purposes?—A. Yes, sir.
- Q. You kept it all for yourself?—A. Every cent of it.
- Q. You did not rebate any part of it?—A. Not a cent.
- Q. What did you pay for that horse?—A. Have I got to answer that?
- Q. Yes, what did you pay for the horse?—A. Is it really necessary to answer that question?
- Q. Yes?—A. Well, I am ashamed to admit what I paid for him because I did not make anything on him, I paid \$185 for him.
- Q. You made something on that, you made \$15?—A. I know, but it cost me something to keep him.
- Q. Did you work him all the time you had him?—A. Not all the time.
- Q. That was because perhaps you were not busy?—A. That was the only reason.
- Sir CHARLES DAVIDSON: How long had you that horse?
- The WITNESS: It may be more than a month or it may be less; I cannot say exactly.
- Sir CHARLES DAVIDSON: Did you buy him for the purpose of selling him to the Government?
- The WITNESS: No.
- Sir CHARLES DAVIDSON: Or of selling him to Major Anderson?
- The WITNESS: No.

By Mr. Thompson, K.C.:

- Q. Did you buy that horse to do your own work?—A. Yes, sir.
- Q. Do you know what the prevailing price is in this district for a horse such as yours?—A. I should think about \$225.
- Q. Do you say that because other people got the same price from Major Anderson?—A. No, the horse was worth it. That is what I asked him for the horse.
- Q. You say you asked Major Anderson \$225 for that horse?—A. Yes.
- Q. And he cut you down to \$200?—A. Yes.
- Q. Did Major Anderson himself negotiate for the price?—A. Yes.
- Q. Was your horse examined by Dr. Doyle?—A. Yes.
- Q. When?—A. The day I sold him.
- Q. Was it before you were paid the \$200, or was it afterwards?—A. It was before I was paid.
- The witness retired.

W. A. MACWILLIAMS, clerk, City Hall, Moncton, N.B., sworn:

Examined by Mr. Thompson, K.C.:

- Q. What is your occupation?—A. Clerk.
- Q. You sold a horse to Major Anderson, I believe, last August?—A. Yes, sir, about September 1.
- Q. What did he pay you for him?—A. \$200.
- Q. What age was that horse?—A. I bought him to be between eight years and nine years when I bought him.

[Moncton, Horses—MacWilliams.]

Q. What was the colour of the horse?—A. Bay.
 Q. Was he sound?—A. As far as I know he was.
 Q. How long had you had him?—A. Three or four months.
 Q. What did you pay for him?—A. \$210.
 Q. What did he weigh?—A. He weighed well on to 1,200 pounds.
 Q. Do you deal in horses?—A. No, sir.
 Q. Do you own any other horses?—A. No.
 Q. What did you do with that horse?—A. I used him for driving; he was a family horse, and I had him in a wagon.

Sir CHARLES DAVIDSON: How many hands high was he?

The WITNESS: I never measured him.

The witness retired.

HERBERT HAVELOCK WARMAN, Manager of the Lounsbery Company, sworn:

Examined by Mr. Thompson:

Q. You sold two horses to Major Anderson last August?—A. Yes.
 Q. What did he pay for them?—A. \$485.
 Q. That is \$242.50 each?—A. I sold them both together.
 Q. What was the age of these horses?—A. They were young horses, I could not tell their age, but I would not think they were over seven years or eight years; they may be only six years old for all I know.
 Q. What did they weigh?—A. The big one would weigh handy 1,400 pounds and the other one about 1,000 pounds.
 Q. What colour were they?—A. One was a chestnut and the other a brown.
 Q. How long did you have these two horses?—A. I had one, I suppose, about two months, and the other I owned a few days.
 Q. Which was the one you owned for two months?—A. I had the small one for two months.
 Q. How long had you the large horse?—A. I think two or three days, I got her in by freight.
 Q. Did you buy her to sell to the Government?—A. No, sir, I did not know who would buy her.
 Q. Did you know Major Anderson was buying at that time?—A. When I bought the big mare, but not when I bought the other one.
 Q. The one you had two or three days you thought you would have a chance to sell her to the Government?—A. I thought perhaps I would sell her.
 Q. What did you pay for her?—A. \$250 and her freight.
 Q. Where did you buy her?—A. I bought her in Kent County.

Sir CHARLES DAVIDSON: You say you paid for the big mare \$250?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: What did you pay for the other horse?

The WITNESS: I gave a \$350 piano and got this mare and a second-hand organ with her.

By Mr. Thompson:

Q. When you were negotiating the trade, what were these things valued at, were they valued at about \$175?—A. Which things?
 Q. All that you gave in exchange for the mare?—A. I got the mare and the organ for the piano, I did not make any money out of the transaction.
 Q. What did you value the mare at?—A. I valued her when I got her at \$250; she was worth more than I got for her.
 Q. Do you think she was worth more than you got for her?—A. Yes.

[Moncton, Horses—Warman.]

Q. And, therefore, you think you lost money on the sale of these two horses?—
A. I do, I was not in anything, I was out.

Q. Are you a horse-dealer?—A. Yes, sir, I handle a lot of horses.

Q. What are driving horses worth here?—A. Anywhere from \$250 to \$300, it depends on the quality of the horse.

Q. Is that the general rule?—A. Yes, for a good horse.

Q. How many have you known which sold at \$300 in this district in the last two years?—A. I paid it myself.

Q. How many did you pay \$300 for?—A. I paid that for one.

Q. In how many years was that?—A. I do not know.

Q. How many horses have you ever bought at \$300?—A. Not very many.

Q. How many?—A. I do not know that I paid \$300 for more than one horse.

Q. How many horses have you bought and sold within the last ten years?—A. I could not tell you, a good many.

Q. About how many?—A. Maybe thirty or forty a year.

Q. That would be 300 or 400 in ten years?—A. Yes.

Q. And you only sold one at \$300?—A. Yes.

Q. What does the average horse run at in price that you buy and sell?—A. Anywhere from \$75 to \$150, I take them in trade.

Q. And you say their value runs from \$75 to \$150?—A. Yes.

Q. But your price ran much higher than that with reference to the horse you sold to Major Anderson?—A. That was a different class; you don't get that class of horse here; you have to import most of them.

Q. Were both the horses you sold to Major Anderson a superior class of horse?—
A. They were good horses, in my judgment.

Q. Were they a better class of horses than you usually deal in?—A. Yes, sir, they were.

Q. What do you say as to the price of an ordinary good driving horse in this district?—A. You cannot get a good driving horse for less than \$200 or \$225.

Q. What price do heavy draught horses run at in this district?—A. Anywhere from \$325 to \$350.

Q. How many have you bought and sold at \$325?—A. Not very many.

Q. How many?—A. I do not get horses like that all the time.

Q. Do you want us to infer that you deal in a poor class of horse?—A. I get them from the farmers.

Q. That is the class of horses you deal in?—A. Yes.

Sir CHARLES DAVIDSON: You say you bought one at least of these horses to sell to the Government?

The WITNESS: No, I did not know the Government would take it at all. I got it up the country and shipped it in because it was the kind of horse they wanted; they wanted a heavy draught mare.

By Mr. Thompson, K.C.:

Q. You knew Major Anderson was buying horses then?—A. Yes.

Q. And you thought you would sell to him?—A. Yes.

Q. Why did you sell your horses at a loss?—A. I turned in the two horses and I thought I would come out even on the two. I sold them as cheap as I could sell them at. If I kept them a little while longer I could get more money for them.

Q. Major Anderson made a good bargain, in your opinion?—A. I think he did.

Q. I am informed that one horse was worth about \$175?—A. That is too low; the man who told you that did not know what its value was.

Q. From whom did you buy this horse?—A. I bought him from my brother.

Q. Did you pay him before Major Anderson paid you?—A. He was paid right away. He owed me money and I bought the horse from him; that is how I got it.

Q. How long before the horse was shipped from here had you written to your brother to send him down?—A. I did not know I was going to get a horse when I

[Moncton, Horses—Warman.]

went to my brother's place at all. I went to get some money and he gave me this horse. I did not know that I would sell it to the Government, nor did I know what I would do with it. The big mare was bought in Scotland, so I am told.

The witness retired.

JAMES MACDONALD COOK, druggist, Moncton, N.B., sworn:

Examined by Mr. Thompson, K.C.:

Q. You sold a horse to Major Anderson last August, I think?—A. I think it was later on in the fall.

Q. Was it in September?—A. Yes.

Q. At all events it was before Major Anderson left Moncton?—A. Yes, sir.

Q. It was just before the left?—A. Yes.

Q. That horse was rejected by Dr. Doyle, I understand?—A. I would not say he was rejected.

Q. At all events he was not passed?—A. He was not passed by Dr. Doyle.

Q. What did he weigh?—A. About 900 pounds.

Q. Just about 900 pounds?—A. Yes.

Q. Was that the reason Dr. Doyle rejected him?—A. He said it was too small, he objected to him on account of the height.

Q. What colour was that horse?—A. Coal black.

Q. What age was the horse?—A. About eleven years.

Sir CHARLES DAVIDSON: What is the official age limit for these horses?

Mr. THOMPSON: The Auditor General tells me that the horses should not be over nine or ten years.

The WITNESS: I am not sure about the age of that mare, I would say she would be about ten years.

By Mr. Thompson, K.C.:

Q. Did you attend to the loading of that horse on to the car?—A. Yes, sir.

Q. And Doyle ordered the horse off the car?—A. I would not say that, sir.

Q. The horse was taken off the car at somebody's direction?—A. He said it was better not to put him in that car and that it would be better that he should go to another car.

Q. Who said that?—A. Dr. Doyle.

Q. Evidently then, Dr. Doyle ordered your horse out of the car?—A. Not that I am aware of.

Q. Did you hear Dr. Doyle order it on to any car?—A. He said it was better that she should not go in this car, if she was going, and he ordered her to go into another car.

Q. Did you hear any argument between Dr. Doyle and Major Anderson about that horse?—A. None whatever, sir.

Q. You did not hear Major Anderson tell Dr. Doyle that the horse was going anyhow?—A. No, I did not hear any argument between the two of them at all.

Q. What did Major Anderson say to you about Doyle refusing to certify for that horse?—A. I do not know that he told me Dr. Doyle refused to certify.

Q. The horse was not taken away either by Major Anderson or Dr. Doyle after you submitted it for examination, was it?—A. How is that?

Q. After that horse was submitted to Major Anderson and Dr. Doyle for examination, did they take possession of the horse?—A. Major Anderson took possession of the horse.

Q. Immediately?—A. He said to ship him in immediately.

[Moncton, Horses—Cook.]

Q. Did not you take that little black mare back to the stable?—A. That is the day before the horses went away.

Q. Did you not take the mare back to the stable?—A. Yes.

Q. And kept her over night?—A. Yes.

Sir CHARLES DAVIDSON: Was that after the horse was inspected?

The WITNESS: They were all kept until the next morning before they were shipped.

By Mr. Thompson, K.C.:

Q. After the horse was inspected you took it back to the stable?—A. Yes.

Q. And were not all the other horses that were passed out on the parade grounds?—A. Not all of them, some of them were kept by their owners until the morning of the shipment.

Q. How many?—A. A fair number.

Q. Whose horses were kept like that?—A. Mr. Grosse, Mr. Reid, Mr. Norman Allanach, these I know personally, and I think there were several others.

Q. When were you paid for that horse?—A. I got a cheque for that horse from Major Anderson the latter part of September, I think it was.

Q. Was it after he left here?—A. After he left here, he sent it from Valcartier before he sailed.

Q. How long was it after he left here you got the cheque?—A. Just before he sailed, I think it was two or three weeks.

Q. Were you paid by cheque?—A. I was paid by cheque.

Q. What was the price?—A. \$175.

Q. Was the horse sound, so far as you know?—A. Sound, so far as I know.

Q. You say you did not hear Major Anderson tell Dr. Doyle the horse was going anyhow?—A. I did not.

Q. Did you take that horse up to the car yourself?—A. I did.

Q. And who indicated to you which car to put him in?—A. I do not know that anyone did, that I remember. There were a number of them putting in their horses as they came along, and mine was put in with the rest.

Q. That is after he was rejected from one car?—A. He was not rejected from one car, it was suggested he be put into another car with other horses.

Q. Was he ever taken out of the other car after you put him in?—A. No, sir, he never was taken out of that car.

Q. So far as you know?—A. So far as I know.

Sir CHARLES DAVIDSON: You knew your horse was rejected?

The WITNESS: I did not.

Sir CHARLES DAVIDSON: You stated to-day that your horse was rejected, did not Dr. Doyle refuse to pass him?

The WITNESS: I did not hear him refuse.

By Mr. Thompson:

Q. Was your horse submitted to Dr. Doyle for his inspection?—A. He was submitted to Dr. Doyle who declined to certify on account of his height, and he said: "If Major Anderson wishes to buy that horse, all right, but I cannot certify on account of her height."

Q. What did Major Anderson say?—A. I do not know what he said, I was not there at the time.

Sir CHARLES DAVIDSON: You know, sir, how you came to put your horse on the car?

The WITNESS: We were not both there at the same time.

Sir CHARLES DAVIDSON: You know how you came to put your horse on the car?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: How did you come to put your horse on the car.

[Moncton, Horses—Cook.]

The WITNESS: I sold him to Major Anderson the day before.

Sir CHARLES DAVIDSON: Who told you to put him on the car?

The WITNESS: Major Anderson.

By Mr. Thompson, K.C.:

Q. Was that after Dr. Doyle refused to certify to that mare?—I cannot say it was.

Q. Was it?—A. I sold her to Major Anderson the day before the horses were shipped.

Sir CHARLES DAVIDSON: As I understand it, the witness says that Doyle refused to give that mare a certificate because she was under height, and that Anderson then stepped in, as I understood, though the witness is confused in his statement, and said that he would buy, and Dr. Doyle said: if Anderson chooses to buy her all right.

The WITNESS: And Anderson bought her.

By Mr. Thompson, K.C.:

Q. Was that after Dr. Doyle refused to certify to her?—A. That Anderson bought her?

Q. Yes. Did Anderson say he would buy the horse before he examined her, or did he say after Doyle examined her and refused to pass her that he would buy her?—A. They were not both there at the same time.

Q. Which was there first?—A. I took her up to Dr. Doyle for examination.

Q. Is that the first you had to do with either officer?—A. Yes.

Q. And Doyle refused to certify to her?—A. He said he could not pass her on account of the height.

Q. What did you do?—A. I went to see Major Anderson and asked him to take her, and he said he would take her if she passed at Valcartier.

Q. Was it in consequences of that that you loaded her on to the car?—A. Certainly, sir.

Q. Did you have any further conversation with Major Anderson?—A. No, sir.

Q. Did you offer that horse to the Government twice, or to the Government officials twice?—A. Not that I know of.

Q. Is that the only occasion that you speak of that you offered her for sale to the Government or to the Government officials?—A. That is the only time I offered her for sale to the Government.

Q. You said that Major Anderson sent you a cheque two or three weeks after from Valcartier?—A. Yes, sir.

Q. Was that a personal cheque or was it a formal Government cheque?—A. It was a formal Government cheque.

Q. I will show you a sample cheque and I would like you to say whether that is the style of cheque you received. (The witness was handed a Remount cheque.)—A. Yes, that is the kind exactly.

Sir CHARLES DAVIDSON: Have you any knowledge of what inspection of your horse, if any, took place at Valcartier?

The WITNESS: I have none whatever, sir.

By Mr. Thompson, K.C.:

Q. You had some little trouble, I think, about getting that cheque cashed, had you not?—A. Well, perhaps so.

Q. Did not you have some trouble in getting it cashed?—A. Well yes.

Q. What was the trouble?—A. The trouble was that Dr. Doyle declined to certify to the cheque as veterinary inspector.

Q. He declined to countersign it?—A. Yes.

Q. And he eventually countersigned it, did he?—A. No.

[Moncton, Horses—Cook.]

Q. Did you get it cashed?—A. I did, sir.

Q. Did you get it cashed at the bank in Moncton?—A. At the bank here, yes sir.

Q. Did anybody else countersign it in the place of Dr. Doyle?—A. No, sir.

Q. How is it you got it cashed eventually without Doyle's signature if they refused to pass it in the first instance without his signature?—A. I do not know. I was advised to present it again and it would be cashed.

Q. Who advised you to present it again?—A. A friend of mine..

Q. What sort of a friend of yours, was it an official?—A. What do you mean by an official?

Q. Was it a personal friend of yours?—A. How do you mean by an official?

Q. Was it any official of the Government who recommended you to present it again?—A. No, it was a personal friend of mine.

Q. Was he an official of the Militia Department?—A. He had no connection with it.

Q. Do you know who signed the cheque?—A. It was signed by Major Anderson.

Q. Was there any other signature on the cheque?—A. There was no other signature on it.

Q. What bank did you cash it at?—A. The Bank of Montreal.

Q. What was the amount of the cheque?—A. \$175, the amount that was bargained for.

Q. Did you retain the whole of that \$175 for yourself?—A. I certainly did.

Q. You did not make any award, or reward, or gift to any person?—A. I did not make any rebate to any person; I thought it was little enough for the horse.

Sir CHARLES DAVIDSON: How much under size was your mare?

The WITNESS: I really do not know; I never measured the mare; I do not know what the standard size is.

Sir CHARLES DAVIDSON: How many hands high was the mare?

The WITNESS: I do not know. I had no idea what the specifications were, or what the height of my mare was. She was a beautiful little mare and good and a nice saddle horse.

Sir CHARLES DAVIDSON: From whom did you buy her?

The WITNESS: I bought her from a man on the Island; Jenkins, I think, was his name.

Sir CHARLES DAVIDSON: What did you pay for her?

The WITNESS: Two hundred dollars on the Island and I paid the cost of bringing her over.

Sir CHARLES DAVIDSON: How long did you have her?

The WITNESS: Three or four years; I think about three years.

Sir CHARLES DAVIDSON: Where is that cheque that was given to Mr. Cook, the druggist, for his little black mare?

The WITNESS: That cheque was never charged to the Government.

Sir CHARLES DAVIDSON: Was it a private purchase, Mr. Thompson?

Mr. THOMPSON: The witness Cook said he was paid for his horse by one of the official cheques.

The WITNESS: Yes, on the Bank of Montreal.

Sir CHARLES DAVIDSON: On what bank are these cheques drawn?

Mr. THOMPSON: The Bank of Montreal.

Sir CHARLES DAVIDSON: You might inquire from the bank about that.

Mr. THOMPSON: I shall.

Sir CHARLES DAVIDSON: And as I understand it, there was no charge made to the Government for the horse that was sold by Mr. Cook.

Mr. FRASER, I.S.O. (Auditor General): Apparently not. I have a record of the amount that was returned as Major Anderson's purchases, amounting to \$44,012, represented by 35 cheques. I have 35 cheques here, and they represent 195 horses, whereas, as I understand it, 196 were shipped.

Sir CHARLES DAVIDSON: You have a record that 195 horses were bought?

Mr. FRASER: Yes, and they were paid for.

Sir CHARLES DAVIDSON: Perhaps Mr. Cook made an entry of the receipt of this in his books and you may find out about it.

Mr. THOMPSON: Very well, sir.

Sir CHARLES DAVIDSON: Mr. Cook, did you enter the receipt of this money in your books?

The WITNESS: I entered the amount of cash in the cash book; it was a cash transaction.

Sir CHARLES DAVIDSON: Can you give me the date of that?

The WITNESS: It was the latter part of September I got the cheque.

Sir CHARLES DAVIDSON: Can you not refer to your book and give the particulars with regard to that?

The WITNESS: It went through the books and stayed in the bank a few days and there was a little delay and it remained in the bank for some time and then it was sent back.

Sir CHARLES DAVIDSON: You made no entry of the date on which you received the cheque?

The WITNESS: Nothing more than there is in the cash book.

Sir CHARLES DAVIDSON: You entered it as cash the moment you received it?

The WITNESS: Not exactly the moment I received it, but within a few days after that.

By Mr. Thompson:

Q. Was that cheque returned?—A. It was returned from the Bank of Montreal in Ottawa the first time.

Q. Did you write to Anderson about it, was the cheque drawn by Anderson?—A. It was the same as that cheque you have there.

Q. Did the bank manager tell you here that he had sent the cheque to the Bank of Montreal in Ottawa?—A. I discussed it with the bank, and I understood the cheque was sent to Ottawa and that it came back here.

Q. How did you know it had been sent to Ottawa?—A. The bank told me it had been returned, awaiting the signature of Doyle.

Q. Did you ever receive any other cheque in place of that one?—A. No.

Q. Did you present it again or did you leave it there for collection?—A. I left it there for collection.

Sir CHARLES DAVIDSON: You will have to find that out from Ottawa.

Mr. FRASER: The bank here may possibly know about it.

Sir CHARLES DAVIDSON: You might find out about that. It may have been a purchase by Major Anderson for himself. It looks like it if it is not charged to the Government.

The witness retired.

W. D. ALLANACH, Boot and Shoe Merchant, Moncton, N.B., sworn.

Examined by Mr. Thompson, K.C.:

Q. What is your occupation?—A. Boot and shoe merchant.

Q. You sold a horse to Major Anderson?—A. I did.

Q. What did you get for that horse?—A. \$225.

Q. What age was that horse?—A. I bought her for 8 years old.

Q. How long did you have her?—A. About nine months.

Q. What did you pay for her?—A. I paid \$229.

Q. Was she sound?—A. Perfect.

Q. What colour was she?—A. A light bay.

Q. What did she weigh?—A. About 1,200 pounds.

Q. Did you keep all the money for yourself?—A. I did, sir, I didn't get enough.

Q. You were also caterer, I think, for the feed of the horses here?—A. I was.

Q. You fed them, how many horses were there?—A. Well there were about 200, as near as I can remember.

Q. Can't you tell exactly?—A. No, I cannot, I destroyed the papers and memoranda that I had then, I never expected to use them again.

Sir CHARLES DAVIDSON: Why did you sell your horse at less than you bought him for?

The WITNESS: I did not need it.

Sir CHARLES DAVIDSON: Was it patriotism?

The WITNESS: It was because I didn't need the horse.

Sir CHARLES DAVIDSON: Were you paid for that horse by cheque?

The WITNESS: I was.

Sir CHARLES DAVIDSON: Was it an ordinary cheque or was it one of those official cheques which I show you?

The WITNESS: I think it was the same as the one you show me.

Sir CHARLES DAVIDSON: Would you recognize your cheque if I showed it to you?

The WITNESS: I would.

By Mr. Thompson:

Q. Look at the cheque, dated August 24, Moncton, N.B., payable to W. D. Allanach, and signed by Major F. B. Anderson and L. S. Doyle for \$225, and endorsed by you, was that in payment of your horse?—A. Yes.

Q. How were you paid for your services as caterer?—A. Thirty-five cents a day for the horses and seventy-five cents a day for the soldiers.

Q. Were you paid in cash or by cheque for that?—A. Major Anderson gave me a cheque for the men which amounted to \$1,075, the day before he went to the war.

Q. Was it a cheque drawn on his own private account?—A. On his own private account.

Q. In what bank was it?—A. The Bank of Nova Scotia.

Q. How were you paid for the feeding of the horses?—A. He sent me the amount after he went to England.

Q. Was that paid by his own cheque?—A. No, he sent an express order.

Q. Did he send that express order from England?—A. Yes, in two different payments.

Q. How much?—A. The first order was for 380 some odd dollars, and the other was fifty some odd dollars.

Q. Apart from this cheque which you received in payment for your horse, did you receive any official cheque from Major Anderson or any from the department at Ottawa?—A. No.

Q. Have you been paid in full?—A. Yes, I have.

Sir CHARLES DAVIDSON: Have you any cheques showing this?

Mr. THOMPSON: As a matter of proper procedure Major Anderson should have sent these accounts in to the department and the department would issue a cheque from Ottawa to the caterer.

By Mr. Thompson:

Q. Did you do the catering yourself?—A. I did.

Q. And you paid for the supplies?—A. Yes.

Q. Did nobody share with you in the receipts?—A. Nobody at all.

Q. You paid all the accounts yourself?—A. I did.

Q. And then you received Major Anderson's own cheque?—A. His personal cheque.

Q. A cheque on his account?—A. Yes.

Q. In what bank did you say it was?—A. The bank of Nova Scotia.

Sir CHARLES DAVIDSON: I have your description down here as a boot and shoe maker, and it seems peculiar that you should be furnishing these supplies to the troops.

By Mr. Thompson:

Q. Had you ever had any experience in catering before this?—A. I was in the grocery business for years.

Q. How did you come to be chosen as caterer for the battery?—A. I was going into my store one day and I met the Major and we were talking. He says: "I am just on my way to find somebody to supply the men and horses."

Q. That is to feed them?—A. Yes. And I said: "What is the matter with my getting the contract?"

Q. Were you glad to get the contract?—A. No, sir. Major Anderson said: "Well I don't see why you should not, you have experience in the grocery and feed business," and so I took it. I went out to the camp and they gave me a list of what to provide the men with.

Q. And you furnished according to the list supplied you?—A. Yes.

Sir CHARLES DAVIDSON: What was the bargain that was made with you?

The WITNESS: I was to get 75 cents per day for each man.

Sir CHARLES DAVIDSON: Was it profitable?

The WITNESS: No, I was out money.

By Mr. Thompson:

Q. You were paid 75 cents a day for each man?—A. Yes.

Q. And how much were you paid for the horses?—A. Thirty-five cents a day.

Q. How long were they here?—A. As near as I remember I think about three weeks.

Q. They were just here while they were being mobilized?—A. Yes.

Q. How long after they left here did you receive a cheque from Major Anderson?—A. In December.

Q. And that was in payment of what?—A. For the horses.

Q. Were you not paid for the men then?—A. I got that the day before he went away from Moncton.

Q. Was it by cheque you were paid before he went away from here?—A. Yes, and then I got an express order from London, in England.

Q. For how much was that express order?—A. For two amounts, it was about \$380.

Q. Did you just receive one express order?—A. I received two.

Q. Were you not paid the whole amount at once?—A. No, he did not pay me at once, he wrote in his letter that he did not have the exact amount and I was to tell him what the balance was and he sent it later.

Q. He sent you the balance in a further postal note or express order?—A. Yes.

The Witness retired.

[Moncton, Horses—Allanach.]

D. F. GROSSE, horse-dealer, Moncton, N.B., sworn :

Examined by Mr. Thompson, K.C.:

Q. How many horses did you sell to Major Anderson?—A. Ten.

Q. I think the first batch you sold to him amounted to six in number?—A. Yes.

Q. And how much did you sell these horses at?—A. \$500 a pair.

Q. That would be \$250 for each horse?—A. Yes.

Q. Were these sound horses?—A. Very sound, and they were the best that could be got.

Q. Were they exceptionally good horses?—A. Exceptionally good horses.

Q. How long did you have them?—A. For several months I had them working here.

Q. How much did these horses cost you?—A. It is pretty hard to say, I buy ten or twelve horses at a time, and some of these horses were in one lot and some in another.

Q. How much would these six horses cost you?—A. One pair cost me \$480 and there were five or six dollars freight to pay on them. Another pair cost me \$460 without freight, and another pair cost me \$450 with freight, so that you would have to average that up to find the cost of each.

Q. Were they all of good weight?—A. They were all big heavy horses.

Q. What colours were they?—A. A pair of blacks and two pairs of bays.

Q. What were the ages of these horses?—A. These horses would not be over six years old, and they would be five or six years old.

Q. Were they all about five or six years old?—A. They were all about five or six years old.

Q. And later on you sold two more horses to Major Anderson?—A. I sold four more.

Q. What did you receive for these?—A. I asked, I think, \$460 for one pair and about \$360 for the others, I forget about that.

Q. I think you are right about the first pair, you got \$460, was not the last pair sold for \$325?—A. Likely you are right about that, they were small horses.

Q. The second batch of two horses, for which you received \$460, were they sound?—A. Yes, they were a pair of heavy horses, five years old.

Sir CHARLES DAVIDSON: What did you get for the first six horses?

Mr. THOMPSON: \$1,500.

Examined by Mr. Thompson:

Q. What colour were the second horses you sold, for which you received \$460?—A. Bays.

Q. How long did you have them?—A. Through the summer, perhaps two months or three months.

Q. Do you recollect what you paid for them?—A. I paid perhaps \$200 and \$225, which would be four hundred and a quarter, they perhaps cost me \$400 or \$432.

Q. What kind were the last pair of horses for which you received \$325?—A. They were a pair of small horses.

Q. What weight were they?—A. Perhaps 1,000 each.

Q. What were their ages?—A. I think they were both 5 years old, one may have been six years old.

Q. Were they sound?—A. Perfectly sound.

Q. For what length of time did you have them?—A. Not long, perhaps two weeks.

Q. Did you buy them to sell them to Major Anderson for the Government?—A. I did.

Q. What did you pay?—A. \$140 for one and \$180 for the other one.

Q. That is, they cost you \$320?—A. About that.

Q. Then you did not make much profit on the transaction?—A. No, I bought them both to sell them, and they were about full of that kind of horses, and they made us an offer and I said I would sell them for that.

Q. Apparently there is a very considerable difference between the value of a light horse and the value of a heavy horse in this district?—A. Yes, that is right.

[Moncton, Horses—Grosse.]

Q. You say you paid \$140 and \$180 for these two, whereas for some of your heavy horses you paid over \$200?—A. Yes, I paid \$240 for some of these.

Q. What would you say was the usual market price of a good heavy horse in this district?—A. A good heavy horse is worth—

Q. I do not mean a horse that will take the blue ribbon at a horse show?—A. Yes, I understand, a good serviceable big horse is worth \$250 on the average here.

Q. And your horses were a little below the average?—A. I got \$250 for some of these.

Q. And only \$230 for others?—A. Well, they were not quite so good.

Q. But they were good enough?—A. They were sound; they passed the regulations.

Q. Did you have any doubt in your mind as to whether the \$230 pair of horses would pass the examination?—A. No, there was no doubt about their passing; they were nice good horses.

Q. They were perfectly good horses?—A. They were sound horses.

Sir CHARLES DAVIDSON: What was your total profit on the whole transaction?

The WITNESS: I would have to figure it out.

Sir CHARLES DAVIDSON: About how much; did you make a profit out of it at all?

The WITNESS: Not much. I made something out of it, or I would not have sold them. Perhaps I made \$25 a pair, but not more.

The witness retired.

L. B. READ, General Insurance Agent and Livery Stable Keeper, Moncton, N.B., sworn:

By Mr. Thompson:

Q. You keep some horses?—A. I have a livery stable.

Q. You sold six horses to Major Anderson last August or September?—A. Yes.

Q. What did you receive for each horse?—A. Well, they were lumped, and for this reason, that one pair of horses that I sold were a very beautiful pair of horses and they figured that the price I wanted for them was a little more than they could go on their average.

Q. What price were you asking?—A. \$600 for the pair.

Q. Were they a good pair of horses?—A. Yes, they were very well known horses around here.

Q. Were they draught horses or saddle horses?—A. They were about 1,350 pounds each, and they were both perfectly sound and full of action, and they took the first prize at the exhibition in Amherst.

Q. What age were these horses?—A. Seven years and eight years, they were full sisters, one was a year older than the other.

Q. That would account for one pair that you sold to Major Anderson, now what about the next pair?—A. The next pair were not paired, they would be single horses, they would not match.

Q. That would be four more horses that you sold?—A. Yes, I valued two of the other pairs at \$200 each and the other two at \$175 each.

Q. And you received \$1,350 for the six horses?—A. Yes.

Q. Look at that cheque dated Moncton, August 5th, payable to L. B. Read, \$1,350, and it bears the signature of F. B. Anderson and L. S. Doyle?—A. Yes.

Q. And you say they were all sound horses which you sold?—A. Yes.

Q. What is the average price you got for them?—A. \$225 each.

Q. Was not one of these horses what is known as a wind sucker?—A. Not to my knowledge.

Q. That is a defect in a horse which is easily detected is it not?—A. It certainly is.

Q. It could not very well escape notice?—A. It could not.

[Moncton, Horses—Read.]

Q. And you say that none of these horses had that defect?—A. This is the very first intimation I ever heard of it that any of the horses had that defect, and I do not think it is correct.

Q. What would be the weight of the cheaper horse?—A. Well, I should judge that one of them would be a little over 1,000 or 1,050 pounds and the other would be a little under 1,000 pounds.

Q. Would they weigh 900 pounds each?—A. Oh, yes.

Q. Would they weigh between 900 and 1,000 pounds?—A. I would say between 950 pounds and 1,000 pounds.

Q. About what would these horses stand in height?—A. I do not know, I am not posted in horses.

Q. Do you know the standard height of horses required?—A. Although I keep a livery stable I am not well posted in horses except that I know a nice little horse.

Q. How long had you these horses?—A. The last two cheaper horses, one I had too long, not that he was old, but he cost me more than double the amount I got paid for him.

Q. What were you asking for him?—A. I could tell you what these six horses cost me. I unfortunately backed a fellow in a livery stable enterprise and he left me with a loss of \$2,500, and this horse was all that were left, so that you may say he cost me \$2,500.

Q. That is not the fault of the horse?—A. No, he was a splendid horse.

Sir CHARLES DAVIDSON: Or of the Government?

The WITNESS: Or of the Government.

Mr. THOMPSON: Or of Major Anderson, either?

The WITNESS: No, any horses I sold to the Government I am not afraid to have them investigated.

By Mr. Thompson:

Q. How long did you have that unfortunate horse that cost you so much money?—A. I took the stable over three years ago.

Q. How long did you have the other horse for which you received \$175?—A. I bought the other one, I purchased him from Judge Landry on April 14, 1914, and the price I paid for him was \$175.

Q. So that you turned him over to Major Anderson at what you paid for him?—A. Exactly.

Q. And then you had two horses at \$200 each, or at least which would average at that?—A. Yes.

Q. How long had you these horses?—A. I had one horse, Charlie, I purchased from Christie Bonald on March 15, 1913.

Q. What did you pay for him, or did you swap him for a second-hand piano and an organ?—A. No, I purchased three horses, a bob-sled express and a toboggan.

Q. How did the toboggan get into the bargain?—A. It was for taking parties to slide. I purchased them for \$450. Strange to say this horse was a good one, but I will not say anything about the other two.

Q. And you calculated that the horses and all the stuff that was thrown in were worth \$450?—A. I reckoned that horse cost me more than \$200, but he really was a good horse; I was offered \$200 for him shortly before this.

Q. What about the \$600 pair of horses, the prize pair, the blue ribbon pair?—A. I purchased them for \$579, but the only reason I was able to purchase them at that price was that the man sold out his business and was going west, and this pair of horses were too expensive for the man who took over the business, he paid \$700 for them.

Q. How long had you them?—A. On June 25, 1914. There is one horse you did not ask me about, perhaps you would wish to know about him.

Q. What horse was that?—A. The other \$200 horse.

[Moncton, Horses—Read.]

Q. Is he interesting?—A. No.

Q. What about him?—A. Nothing at all, he was a young sound horse about five years old and certainly not over six.

Q. What did you pay for him?—A. I paid \$160 and I refused \$225 for him. I purchased him as a four-year-old and I think he was six years old when I sold him.

Q. How was it that you refused a high price for him?—A. I refused \$200 for this horse.

Q. I understood you to say that you refused \$225 for him?—A. I did not say that, I think I was not referring to this horse.

Q. Just a minute ago you told us that you refused \$225 for him?—A. I did not say that I said I refused \$200 for him; I refused \$200 for him two or three times.

The WITNESS: I would like to know, Mr. Thompson, who said this horse was a wind-sucker.

Mr. THOMPSON: Nobody stated that here to-day.

Sir CHARLES DAVIDSON: You did, Mr. Thompson.

Mr. THOMPSON: I merely asked him about it.

The WITNESS: Nobody has any right to say that any horse I sold to the Government was a wind-sucker, because it is not true. The horses they got from me, while they were not heavy draught horses, they were officers' mounts, and they were as handsome two pair of horses as went into the camp at Valcartier.

Sir CHARLES DAVIDSON: Did the witness state what his profit on the whole outfit was?

The WITNESS: I may say it was not a profit at all. I simply sold because it was getting late in the season and I was anxious to realize the money and I sold.

By Mr. Thompson:

Q. You gave no rebate to anybody or no payment in connection with the sale?—
A. There was no chance of that for a minute.

The witness retired.

HARRY A. BAILEY, Manager of the Bank of Montreal, Moncton, N.B.; Sworn:

Examined by Mr. Thompson:

Q. Do you remember Mr. Cook bringing in a cheque to you and depositing it in his account in September or October of last year, issued by Major Anderson?—A. I cannot say that, I was not here.

Q. What does your record show with reference to that?—A. It shows that the cheque was cashed on the 6th of October.

Q. You mean deposited?—A. Yes.

Q. And it was returned from Ottawa, was it not?—A. Yes.

Q. Was it eventually paid?—A. Yes.

Q. When was it paid?—A. On the 30th of January last.

Q. The 30th of January, 1915?—A. Yes.

Q. Do you know whether Dr. Doyle's signature was attached to that cheque?—
A. No, it was not.

Q. How did you come to pay that cheque eventually, or at least how did the Bank of Montreal come to pay it eventually?—A. I do not know that, I was not here.

Q. Had you any instructions to pay that cheque?—A. I cannot say that.

Sir CHARLES DAVIDSON: When did you come here?

The WITNESS: I came here originally on the 31st of August but I was sent to Newfoundland on an inspection trip.

Sir CHARLES DAVIDSON: And you returned when?

The WITNESS: About the 24th of October.

[Moncton, Horses—Bailey.]

By Mr. Thompson:

Q. That cheque was lying in your bank for about five months?—A. Yes.

Q. And I suppose it was charged back against Mr. Cook's account?—A. Mr. Cook was responsible for it.

Q. What moved your bank to consent on a later occasion to the payment of that cheque?—A. We had instructions from some one connected with the Militia Department.

Q. Do you know whom?—A. I cannot remember.

Q. Where did the instructions come from, do you know?—A. I think from Halifax.

Sir CHARLES DAVIDSON: From your bank?

The WITNESS: No, sir, from some one in connection with the Remount service of the Militia Department.

By Mr. Thompson:

Q. Have you any means of ascertaining who gave the instructions?—A. No, but I could write to Ottawa.

Q. You have no record in your bank here as to that?—A. No. The instructions were sent that the cheque would be cashed.

The witness retired.

Mr. THOMPSON: There were a number of others, Mr. Commissioner, who sold horses in the Moncton district, but I did not think it necessary to subpoena them all. I think we have by the witnesses we have examined established the general run of the prices of horses here. I have no information to lead me to believe that the class of horses purchased in Moncton were inferior, and I called the witnesses here for the purpose of establishing here more or less the average price. I have further evidence to adduce at Dorchester.

Sir CHARLES DAVIDSON: With respect to what?

Mr. THOMPSON: With respect to the purchase of horses by Major Anderson. I think we will be able to sit to-morrow morning in Dorchester, N.B., in the Court House.

Sir CHARLES DAVIDSON: At Summerside, Dr. Doyle promised to make out a list of the vendors of horses which Major Anderson got.

Mr. THOMPSON: He gave me it to-day to look through.

Sir CHARLES DAVIDSON: He found it?

Mr. THOMPSON: He found it.

Sir CHARLES DAVIDSON: That may be important.

Mr. THOMPSON: The list he found was a list of vendors with the number of their horses examined by him, showing the total number rejected and the total number passed.

Sir CHARLES DAVIDSON: That was his own list?

Mr. THOMPSON: Yes, sir.

Sir CHARLES DAVIDSON: He was also to search for Major Anderson's list. He thought perhaps there was a remote possibility of it being found. Is Dr. Doyle here to-day.

Mr. THOMPSON: He was in town this morning, but he had some very urgent business outside and he can be examined on Thursday. He will be here to-night and I will ask him about that.

Sir CHARLES DAVIDSON: Where is Major Anderson's home?

Mr. THOMPSON: He lives in Moncton.

This concluded the sitting of the Court at Moncton.

The Commission adjourned to sit at Dorchester, New Brunswick, at the Court House, on Thursday, August 5, 1915.

[Moncton, Horses—Bailey.]

DORCHESTER, N.B., Thursday, August 5, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,

Commissioner.

JOHN FRASER, I.S.O.,
Auditor General.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this afternoon at two o'clock.

At the sitting of the Court:

A. J. S. RAWORTH, of Botsford, Westmorland County, N.B., farmer, sworn:

Examined by Mr. Thompson:

Q. What is your occupation?—A. I am looking after a carriage factory at present, I am a farmer.

Q. Do you remember selling a horse last August or September?—A. Yes sir, some time about then.

Q. Tell me what was the first indication you had about selling that horse, and from whom did you receive it?—A. I offered the horse to W. H. Anderson.

Q. Did he call to see you or did you call to see him?—A. I seen him in the train, I spoke to him about it, I heard he was buying and I had one I did not want.

Q. Did he ask you what price you wanted?—A. I cannot tell.

Q. You did not close the sale then?—A. No.

Q. What was the next thing you heard about it?—A. I had a talk with him about the cost and I met Boyd Anderson, that is Major Anderson, at the Intercolonial hotel, Sackville.

Q. Was anybody else with him?—A. Dr. Doyle, they said it was, and I guess it was him; I was not acquainted with him at the time.

Q. Did they call at your place?—A. They met the horse on the road, I did not show them the horse.

Q. They met the horse on the road?—A. That is what I understand, I do not know that to be a fact, but they told me so.

Q. When did you see them?—A. After they examined the horse.

Q. And you saw them where?—A. In the Intercolonial hotel, Sackville.

Q. That was after they looked at the horse?—A. That was after they looked at the horse that I saw Major Anderson.

Q. Was Doyle with him then?—A. Yes, sir, they said it was Doyle and I suppose it was.

Q. What did they say about the price?—A. I expected they asked me what I wanted for the horse.

Q. And what did you ask?—A. I cannot tell exactly what I did ask.

Q. What do you think you asked?—A. I do not know.

Q. At all events what did they pay you for the horse?—A. \$162.50.

Q. Did they pay you there and then?—A. No, sir.

[Dorchester, Horses—Raworth.]

Q. How did you come to be paid?—A. W. H. Anderson gave me the money.

Q. Did he pay you by cash or by cheque?—A. Cash.

Q. Was it in an envelope, or was it in bills rolled up, or how?—A. I do not remember exactly, but as near as I remember it was in an envelope, although I will not swear to that positively.

Q. Did he bring the cash to you himself?—A. I met him on the road.

Q. Had you delivered the horse at that time?—A. The horse had been delivered.

Q. To whom was the horse delivered?—A. I cannot tell you to whom; I do not know; I did not deliver it; I had it delivered.

Q. Was the envelope sealed?—A. I cannot say positively there was an envelope, although I think there was, but I cannot say for sure; I do not know whether it was sealed or not.

Q. Did you receive \$162.50?—A. Yes.

Q. What was the age of your horse?—A. I think he was seven years old rising eight.

Q. What weight was he?—A. I never had him weighed.

Q. About what weight was he?—A. About 1,000 up.

Q. What colour was he?—A. Bay, I think.

Q. Was he a sound horse?—A. As far as I know, and I guess everybody else thought so.

Q. Had you the horse for some time?—A. I always had him.

Q. You raised him?—A. Yes.

Q. When you were discussing the price with Major Anderson, did he tell you what the limit of price was that he was permitted to give?—A. I cannot tell you whether he did or not, probably he did, but I do not remember.

Q. And he finally settled with you for the horse at \$162.50?—A. Yes.

Q. Can you tell me if any other horses were bought in your district by Major Anderson?—A. I know it by hearsay, but I do not know very much about it, because I do not go around among them much.

Q. Where did he buy the horses?—A. At Botsford.

Q. That is near Port Elgin?—A. About eight or nine miles below Port Elgin.

Q. What names did you hear as having sold horses to Major Anderson?—A. Ogden was one, and I heard of Mr. Simpson, but I do not say they sold any; I am not sure about it.

Q. Apart from the witnesses in court, did you hear of any others who sold horses to Major Anderson?—A. Yes, I heard of others.

Q. Who?—A. Mr. Copp, and Mr. Ogden, and Mr. Simpson, and Mr. Trenholme, and Mr. Allen, and there might be more.

Q. That is all you recollect now?—A. No, I recollect more; did I say Mr. Wells, Mr. Magee; I do not know that I know of any others; yes, I think Mr. Turner sold one.

Q. What is his first name?—A. Fred Turner, I think.

Q. Where does he live?—A. In Baie Verte.

Q. Does that exhaust your list?—A. So far as I can remember, yes.

Q. Did you retain the price of the horse for yourself?—A. Yes, sir.

Q. You did not make any rebate to any one?—A. No, it was all mine.

The witness retired.

WILLIAM H. ANDERSON, farmer, Shemogue, N.B., (near Port Elgin), sworn:

Examined by Mr. Thompson:

Q. What is your occupation?—A. A farmer.

Q. You are a brother of Major S. B. Anderson?—A. Yes, sir.

Q. I think that in last August or September he commissioned you to look around for some horses that would be fit for military purposes?—A. I do not think he commissioned me as far as I know. He called me up by telephone and asked me if there were any horses in our section that could be got.

Q. And what did you tell him?—A. I told him I did not know unless I went out and looked for them.

Q. Did you go out and look?—A. Yes, sir.

Q. How many horses did you locate?—A. Well, about 15, I would not say positively, I did not keep any return and I do not remember the number exactly.

Q. Did you go to see those horses?—A. Yes, sir, I went around, I had to go to locate the horses.

Q. You actually visited the farmers instead of telephoning to them?—A. I visited the farmers, I drove around the country inquiring for horses, and as I was informed where there was a horse, I went to the place and asked the man if he had a horse for sale.

Q. Did you look at the horses in each case?—A. Not usually. I did not see them all, I saw them if the horse happened to be handy around the house, I did not go to the field or pasture to see them.

Q. The result of your trip was that you located 12 or 15 horses?—A. Yes, sir, that were for sale.

Q. What did you do then?—A. I telephoned him.

Q. You telephoned to whom?—A. To Major Anderson.

Q. How long did it take you to make that tour of inspection for the purpose of locating horses?—A. I could not say offhand.

Q. About how long did it take you?—A. I think it took me three days. I took three different drives on three different routes.

Q. When you completed your round of inspection did you telephone to Major Anderson at once?—A. I cannot say whether I did at once or whether he called me up, I would not be able to say which.

Q. As a result of the telephone conversation, did you meet him or did he meet you?—A. He came down to Shemogue.

Q. He came to see you?—A. He came to see the parties that had the horses for sale.

Q. Did he call to see you first?—A. Yes, sir.

Q. Who was with him?—A. Dr. Doyle. I was introduced to him as Dr. Doyle and I presume it was he.

Q. Do you see Dr. Doyle in court now?—A. Yes.

Q. Were these people driving in a buggy or how did they arrive?—A. In an auto.

Q. Who else was in the car?—A. I do not know, I think the chauffeur was.

Q. Was Mr. Copp in the car?—A. No, sir.

Q. Are you sure he was not?—A. Yes.

Q. Are you quite sure?—A. When Major Anderson was into my place Mr. Copp was not in the car.

Q. Did Mr. Copp go around with you?—A. No, sir, not when I was in the car.

Sir CHARLES DAVIDSON: Who is Mr. Copp?

Mr. THOMPSON: He is in court now; Mr. Copp sold three horses.

By Mr. Thompson:

Q. Does Mr. Copp live near you?—A. He lives in our town.

Q. Was it Mr. Copp's car you were driving in?—A. No, sir.

Q. Is Mr. Copp any relative of yours?—A. Yes, sir.

[Dorchester, Horses—Anderson.]

Q. What relation is he to you?—A. A brother-in-law.

Q. Where did you go after they called at your place?—A. Well, they telephoned the parties that had horses for sale that were not on the road to Port Elgin to meet us, and the first party we saw was Simpson.

Q. Did you call at Simpson's place?—A. No, sir, he met us on the road.

Q. Which Simpson is that?—A. There are two brothers, John and Harris.

Q. Which did you telephone to?—A. They both live in the one house.

Q. How many horses did they produce for inspection?—A. Two.

Q. Did you say anything to them about the price on your first visit?—A. I asked them what they wanted for the horses.

Q. I am referring now to the occasion on which you went out alone?—A. Yes, I asked them what they wanted for the horses.

Q. What did the Simpsons tell you they wanted for them?—A. I cannot remember.

Q. About how much?—A. I do not remember at all, I do not know whether they told me or not, I cannot say.

Q. Are you sure you asked them?—A. Very likely I would but I do not remember.

Q. Do you recollect now having told your brother, Major Anderson, what these two men would likely want for their horses?—A. No, sir, I do not think that I did; of course, I won't swear positively, it was a telephone conversation, it was quite expensive from our place to communicate with them after the three minutes is up.

Q. But you told me you made three drives and got the horses by driving and I want to know now as to whether you arranged as to the price when you drove around?—A. No, I did not arrange for the price, I asked nobody at all about the price, I asked them if they had a horse for sale.

Q. And you did not negotiate about the price in any way?—A. No, sir, I was not negotiating.

Q. Have you any recollection of asking the Simpsons what they wanted for the horses?—A. I may, but I do not remember what they said.

Q. When you met the Simpsons on the second occasion, in company with your brother and Doyle, had the Simpsons the horses on the road?—A. Yes, sir.

Q. Were the horses harnessed up?—A. Yes, sir.

Q. Did you leave the motor car when you got close and when the inspection was being made?—A. I do not think I got out, but I do not know about that, it was right on the road.

Q. Did Major Anderson leave the car?—A. I think he got out.

Q. Did Doyle get out?—A. Well, I think so, usually when one got out the other got out, they both got out together.

Q. Do you remember Doyle examining these two horses?—A. Yes.

Q. What examination was made by Doyle?—A. He went all over them and felt their limbs and looked in their mouths, I did not watch him very closely.

Q. Were they harnessed up to a buggy or to a wagon?—A. They were harnessed up to a wagon.

Q. Did he drive them at all?—A. Yes, sir.

Q. How far?—A. Dr. Doyle asked him to drive them up sharp for a couple of hundred yards. I would not swear to the distance but as near as I can remember it would be a couple of hundred yards, and then he drove them back again.

Q. Did Doyle get into the vehicle?—A. No, sir.

Q. Did he stand on the roadside?—A. Yes, sir.

Q. Did Major Anderson stand on the roadside?—A. Yes, sir.

Q. How long did the inspection take?—A. I would not like to say.

Q. You must try and recollect some of this for you will see there is a very large sum of money in the cheque for which you are personally responsible?—A. Well, on account of my not having a watch in my hand I could not say.

Q. Did it take five minutes, or a half an hour, or two hours?—A. It would be more than five minutes and not two hours.

Q. Let us get a little closer than that, did it take ten minutes?—A. It would take about that.

Q. It took more than ten minutes, did it?—A. I would think that it did.

Q. Did it take a quarter of an hour?—A. I would think it would take a quarter of an hour.

Q. Did it take twenty minutes?—A. I do not know. I am on my oath and I do not like to say it was 20 minutes because I do not know whether it was or not. If I knew what time the time was I would gladly give it to you.

Q. I want to know approximately how long the inspection took?—A. It was a good reasonable time, I think, it took some time, the men looked over the horses and jogged them up the road a couple of hundred yards and back again, and they looked over them again and they talked about the sale of the horses, and I do not know how long it would take.

Q. How close were you to them when they were talking to the men?—A. When we met them, of course, we met them on the road and we stopped them, they were passing by, and they stopped up beside us so that they could get their team up on the centre of the road, I suppose they were 20 yards away.

Q. After the inspection was through were you close to them?—A. No closer than I was before.

Q. Did you bargain as to the price or did one of the other two?—A. I did not make any bargain.

Q. Did you make any arrangement about accepting the horses?—A. No, sir.

Q. Did you hear Major Anderson say that he might accept the horses?—A. No.

Q. Did you hear Doyle say they were satisfactory?—A. No, sir.

Q. Did you take any part in the conversation?—A. No, sir.

Q. Were the two horses hitched up to one rig or were they in separate rigs?—A. They were in one rig.

Q. Were both the Simpsons present?—A. Yes, sir.

Q. What colour were the horses?—A. One was a dark red and the other was a light red, I suppose.

Q. About what weight were they?—A. Ten and a half or eleven hundred pounds, I do not know which.

Q. Are you much of a judge of a horse?—A. I am a judge of my own horses, I do not take very much stock in gambling on horses.

Q. Would you say these horses were over 1,000 in weight?—A. Yes, sir, I would say they were.

Q. What did their ages appear to be?—A. I do not know; one was a young horse, I would say he was not younger than four and not more than six. I do not know I have any reason to think they were more.

Q. Did Simpson just produce the two horses?—A. Yes.

Q. Where did you drive after you left Simpson?—A. We went to Albert Blacklock's.

Q. Did you meet him on the road?—A. No, sir.

Q. Where did you meet him?—A. At his home.

Q. Tell me what occurred there, did you all leave the car?—A. I do not think there was any one left the car except the two, because we drove up in front of the barn.

Q. Where were the horses?—A. In the barn.

Q. Were the horses brought out of the barn?—A. Yes, sir.

Q. How many horses?—A. One.

Q. Did Doyle examine him?—A. Yes, sir.

Q. Did he make a thorough examination?—A. Well, yes, as far as I know.

Q. Were you interested in the examination?—A. No, sir.

Q. Did you hear what was said as to the price of that horse?—A. No, sir.

Q. Did your brother tell you what the price arrangement was?—A. No, sir.

Q. Did Doyle tell you he had passed the horse?—A. No, sir.

[Dorchester, Horses—Anderson.]

Q. Was there any conversation about the horses so far as you recollect?—A. No, sir.

Sir CHARLES DAVIDSON: Were you driving the car?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Why were you there?

Mr. THOMPSON: He was pointing out the horses that had been located.

By Mr. Thompson:

Q. Is that why you were there?—A. Yes.

Q. Was that your sole occupation during that whole trip?—A. Yes, sir, that is all I had to do with it.

Q. Do you know anything about the price arranged for that horse?—A. Only what I heard, since.

Q. Did you know at that time?—A. No, sir.

Q. Where did you go next?—A. Thomas Oulten's.

Q. Did you meet him on the road?—A. We met him at his brother's.

Sir CHARLES DAVIDSON: What was the date of this visit?

By Mr. Thompson:

Q. What was the date?—A. I cannot give that unless there is something to refresh my memory.

Sir CHARLES DAVIDSON: About what time was it?

The WITNESS: The last week in August.

Sir CHARLES DAVIDSON: About the 28th of August?

The WITNESS: Probably so, I have nothing at all to show the date, I have no memorandum.

By Mr. Thompson:

Q. You say you went to Oulten's place next?—A. Yes.

Q. Which Oulten?—A. Thomas Oulten.

Q. Did he produce a horse for examination?—A. Yes, sir.

Q. Was his horse hitched to a buggy?—A. No, sir.

Q. Did the same procedure apply there, did your brother and Doyle leave the motor car or did you all leave?—A. I expect the two left and I went into the house.

Q. You went into the house while they were examining the horse?—A. Yes.

Q. Did they say anything to you about having passed the horse?—A. No.

Q. Did they call you to proceed to the next place?—A. Yes.

Q. Was only one horse purchased there?—A. Yes.

Q. Where was the next place you went to?—A. The next place they located was at Mr. Raworth's.

Q. Did you call at Mr. Raworth's place?—A. No, sir.

Q. Where did you meet Raworth's horse?—A. On the road.

Q. Was he in a buggy?—A. Yes, sir.

Q. Who was driving him?—A. I do not know.

Q. Was he examined by Dr. Doyle?—A. Yes.

Q. Was there anything said about the price?—A. No, sir.

Q. That you heard?—A. No, sir.

Q. There was just one horse sold by Oulten?—A. Yes.

Q. Where was the next place you went to?—A. To Judson Trenholme's.

Q. Did you go to his farm?—A. Yes, sir.

Q. How many horses did he produce?—A. One.

Q. Was that horse inspected by Doyle and by your brother?—A. Yes, sir.

Q. Did you hear any discussion as to the price?—A. No, sir.

Q. None whatever?—A. No, sir.

[Dorchester, Horses—Anderson.]

Q. Did they tell you whether they had passed that horse?—A. I suppose they did, they did not tell me they had passed her but they made an arrangement with Mr. Trenholme and he was to send the horse to my place, and that is the only reason I have to suppose he was passed, that is all I know about the horse.

Q. What is the next place you called at?—A. The next place was when we arrived in town at Port Elgin.

Q. What occurred there?—A. I cannot tell you very much what happened after we got to Port Elgin, I did not go with them any further.

Q. They must have said something to you about the horses?—A. The only one I told them about there was Magee's horse.

Q. What Magee is that?—A. Fred Magee.

Q. Did you take them to Magee's place?—A. Yes, sir.

Q. Did they inspect a horse there?—A. Fred Magee was away and they went right away.

Q. Did they look at the horse?—A. I think perhaps they looked at him.

Q. Don't you know whether they looked at him or not?—A. They said that Fred Magee was away and I went right on and there was no business there in my presence then.

Q. Did they see Magee's horse?—A. He was harnessed there in a wagon, yes, sir.

Q. Did Doyle look at him?—A. I cannot say.

Q. Did your brother look at him?—A. I cannot say.

Q. Do you mean to say you do not know whether or not they inspected Magee's horse?—A. I do not know.

Q. You bought Magee's horse?—A. They went back after that when I was not with them and bought Magee's horse.

Q. Where else did you go with them?—A. That was as far as I went with them.

Q. What other places did you tell them to call at?—A. I did not tell them to call at any other places.

Q. Well, you are down here as having sold 18 horses and I would like to know where you bought them?—A. That is as far as I went with them.

Q. That is not what I asked you, I want to know where you bought these horses?—A. I did not buy them at all.

Q. You are down here as having sold 18 horses, where did you get them?—A. I do not know what is the proper way to answer you or not, but the fact is that I did not buy them at all.

Q. Did you locate any horses?—A. I located some.

Q. Did you tell your brother where these horses were to be found?—A. Yes, sir.

Q. Did you give him the names of the persons who had these horses for sale?—A. Yes, sir.

Q. Well then, give the names to me, you are only giving a few, so far?—A. What do you want, the names of those that were rejected.

Q. I want the names of all those that were accepted and rejected, I want all those that were inspected?—A. There was one at my own place, Adam Johnston.

Q. Where does Adam Johnston live?—A. In Shemogue.

Q. Was Johnston's horse accepted or rejected?—A. He was rejected.

Q. Then proceed?—A. Then there was Carrot Anderson.

Q. Where does he live?—A. On the North Shore.

Q. Was his horse rejected?—A. I think so, they did not take him anyway.

Q. Are you sure about that?—A. Yes, sir.

Q. Where else did you go or what other names did you give them?—A. John M. Oulten.

Q. Is that a brother of Thomas Oulten?—A. His father.

Q. Did they take John Oulten's horse?—A. No, sir.

Q. Did they examine him?—A. Yes, sir.

Q. What others have you to give me?—A. I think that is all.

[Dorchester, Horses—Anderson.]

Q. No, we are not nearly through the list yet; what about A. L. Wells; did you tell them about his horse?—A. No, sir.

Q. You told me you located 12 or 15 horses?—A. I omitted another one which was rejected, Wilfred Anderson's.

Q. You have given me the names of six or seven horses that were passed, and you have given me the names of four that were rejected, or eleven horses altogether; does that exhaust the list?—A. Have you got Wilfred Anderson's name?

Q. Yes, that is eleven altogether?—A. There is another, Milledge Allan; his horse was accepted.

Q. Does that exhaust the list?—A. Yes, sir.

Q. What about A. Burke, of Shediack; did you mention his name?—A. No, sir.

Q. What about Dan McDonald, of Shediack; did you mention his name?—A. No, sir.

Sir CHARLES DAVIDSON: Do you know of them?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: You had nothing to do with them?

The WITNESS: No, sir.

By Mr. Thompson:

Q. What about A. R. Moore; did you mention his horse?—A. No.

Q. And you never told your brother anything about it?—A. No.

Q. And after this tour of inspection was over, what was done?—A. Mr. Copp went around with them in Port Elgin; I am not sure what they done, but he will be able to answer that for himself.

Q. So far as you know there are just eight horses that you submitted for inspection that were passed?—A. I suppose so. These are the horses, I knew.

Q. You say that Copp went around with them in Port Elgin?—A. I think he did; I cannot swear to it. I had to look out for myself going home.

Q. You left them then?—A. Yes.

Q. When did you next see your brother?—A. In Shediack.

Q. How long after that was it?—A. I do not remember, but the best I know of it was Saturday that I saw him.

Q. How long after the tour of inspection would that be?—A. I think, perhaps, the tour of inspection was Thursday, although I ain't certain. It would be two or three days after. The horses were taken to Shediack on Saturday.

Q. By whom?—A. By Mr. Copp and myself.

Q. Where did the horses come to to be taken to Shediack?—A. They were brought to my place.

Q. Did you know they were going to be brought to your place?—A. Yes.

Q. Who told you they were going to be brought to your place?—A. Major Anderson.

Q. When did he tell you that?—A. It must have been the day he was on the tour.

Q. That is what I want you to tell me; I happen to know that, but when I asked you what took place you did not mention anything about that as to any instructions being given by Major Anderson to take the horses to your place. Did he tell all the vendors of the horses that they were to be brought to your place?—A. I cannot say that he told them all.

Q. Did you hear him tell several of them that they would bring the horses to your place to get the money?—A. Not to my place and get the money.

Q. How many did you hear him tell to bring the horses to your place?—A. I do not know, sir.

Q. About how many?—A. I cannot tell you. The Major told me when we were at Port Elgin that the horses were to be brought to my place and that I was to take them to Shediack.

Q. Did he say anything about paying for them?—A. No, sir.

Q. Was there any arrangement made at that time to pay for them, so far as you know?—A. No, sir.

Q. Did he say who would pay for them?—A. No, sir.

Q. What were Major Anderson's arrangements with you in the way of remuneration?—A. There was no arrangement at all.

Q. Were you doing it for love of the thing?—A. I did it because he asked me.

Q. He did not repay you a certain sum of money?—A. No, sir.

Q. How much did he pay you?—A. He paid me \$100.

Q. In cash?—A. Yes sir.

Q. Was that for your trouble?—A. I expect it was.

Q. Had you any outlay?—A. Yes sir.

Q. How much?—A. I cannot tell you now, I did not keep an account of it.

Q. About how much?—A. What do you mean by outlay, do you mean outlay, or time, or what?

Q. Let us have your cash outlay, and your time, both?—A. I cannot tell you, sir.

Q. Think it over?—A. I did not keep any record and I cannot tell.

Q. How many days were you on the business?—A. I was perhaps three days looking up the horses. I went one road one day, and another road another day, and so on.

Q. Were you driving your own horse?—A. Yes.

Q. What did you pay out?—A. I did not pay out anything, I drove my own horse, I paid out nothing only in the way of hotel bills.

Q. What would your hotel bills amount to?—A. I suppose 75 cents for each stop.

Q. And how many stops were there?—A. I had my dinner and tea, I don't go hungry when I travel.

Q. Would it amount to \$1.50 a day?—A. I suppose it would.

Q. And it took you how many days?—A. Three days.

Q. That is \$4.50 disbursements, did you have any other disbursements?—A. I was with them the day they were looking at the horses.

Q. That would be one day to be added?—A. Yes, sir.

Q. And what expenses did you have on that occasion?—A. I had my dinner and tea.

Q. How much would that amount to?—A. It would be a dollar, I suppose, you cannot get a meal for less than fifty cents.

Q. Did you pay that yourself?—A. Yes.

Q. Are you sure you paid it yourself?—A. I think so.

Q. That would amount in all to five and a half dollars, did you have any other expenses?—A. I had to get someone to take me home.

Q. From where?—A. From Port Elgin.

Q. What did you pay?—A. One dollar.

Q. That makes \$6.50, did you have any other expenses?—A. Then there would be the taking of the horses to Shediak.

Q. Did you take them by freight to Shediak?—A. No, sir.

Q. How did you take them?—A. We led them.

Q. Did you have any assistants?—A. Yes, sir.

Q. How many assisted you?—A. I had four men besides myself, we all went together.

Q. What did you pay them?—A. I paid one fellow's horse team, I paid him \$5.

Q. What did you pay the others?—A. I do not think I paid the other it was my own boy.

Q. Did you have any expenses at Shediak?—A. Yes, sir.

Q. How much?—A. I cannot tell you.

Q. About how much, it would save a lot of time if you gave me all this information without my asking for it?—A. I know that, but it is very hard to think it over and to remember everything like that at the end of a year.

[Dorchester, Horses—Anderson.]

Q. You can make a guess, you did not pay \$100?—A. No, I did not pay \$100 that day.

Q. Did you return the same day?—A. Yes.

Q. About what would your expenses be?—A. They must have been pretty nearly \$10.

Q. Would \$6 cover it?—A. I do not think so, there were two pairs and five men to pay until twelve o'clock at night.

Q. Would ten or eleven dollars pay the expenses?—A. Probably it would.

Q. Did you not give Weldon, the hotel-keeper, a cheque for \$10 or \$11 for feeding the horses and men?—A. No, sir.

Q. Did you stop at Weldon's hotel?—A. Some of them did, I was there.

Q. Did you pay him ten or eleven dollars for looking after the horses?—A. I do not know.

Q. How much did you pay him?—A. I did not pay for looking after the horses?

Q. Who paid that?—A. Major Anderson.

Q. If he paid for the care of the horses and men you probably had no outlay?—A. I had my own men and my own horses.

Q. What horses?—A. The horses that we took to go home with, our teams.

Q. Had you another team besides?—A. We had two teams.

Q. You were leading the horses from the buggy?—A. Yes, sir.

Q. What distance did you bring the horses that day?—A. I believe they followed 28 miles.

Q. Would that be from your place to Shediak?—A. Yes, sir.

Q. How many of these horses played out?—A. None of them at all.

Q. Are you quite sure?—A. Positive.

Q. None at all?—A. Positive about that.

Q. Did any of them go lame?—A. Yes, sir.

Q. How many of them?—A. One.

Q. Only one?—A. Yes, sir.

Q. What was the cause of his lameness?—A. He caught his fore shoe in his hind feet and pulled one side of it off, and when he took the next step one nail that was in the shoe went right straight up in his foot.

Sir CHARLES DAVIDSON: While you were on the way to Shediak?

The WITNESS: Yes, sir, I was right there myself.

By Mr. Thompson:

Q. When you got to Shediak did you deliver the horses to your brother or what did you do with them?—A. I put them in the stable.

Q. Whose stable?—A. Weldon's stable.

Q. Did you give them in charge to anybody?—A. No, sir.

Q. Did you notify your brother they were at Shediak?—A. Not immediately, no, sir, I went to the stable with the horses and saw that they were fed.

Q. And then what occurred?—A. Then I saw my brother.

Q. Was your brother at Shediak?—A. Yes, sir, I did not see him until he sent for me.

Q. Does he live in Shediak?—A. No, sir.

Q. Did you tell him how many horses were there?—A. Yes, sir.

Q. How many horses were there?—A. I think in all we had 13, and they all went up together.

Q. Were all these horses assembled at your place before you took them up to Shediak?—A. No, sir.

Q. How many had assembled at your place?—A. I would not be certain, but I think there were seven.

Q. Can you give me the names of the persons who brought their horses into your place?—A. Well, there was A. Blacklock, Mr. Raworth, Mr. Allan and Mr. Trenholme.

Q. Give me the horses that assembled at your place? Did the Simpson horses assemble at your place?—A. The Simpson horses came to my place about four o'clock in the morning.

Q. They were at your place then?—A. Yes, sir.

Q. You did not give us their names, were there not others?—A. Have you got Oulten's?

Q. No?—A. Well, I may mention him.

Q. Did you sell any horses yourself?—A. No, sir.

Sir CHARLES DAVIDSON: You sold no horses whatever yourself?

The WITNESS: No, sir.

By Mr. Thompson, K.C.:

Q. Where did the Magee horse meet you?—A. He met us on the road in the morning.

Q. What other horses met you on the road in the morning?—A. They were the horses from Port Elgin.

Q. Whose horses?—A. Mr. Moore's, I believe, and Mr. Wells and Mr. Copp came along with three horses.

Q. But you had nothing to do with these horses except to lead them in?—A. We took them all up together.

Q. You say that including Copp's horses you only had 13?—A. I think so.

Q. Including Copp's?—A. Yes, sir.

Q. And Copp brought three?—A. Yes, sir.

Q. Including the Copp horses you say you had 13 on the road?—A. I think so.

Q. So that would be 10 horses, apart from Copp's horses—A. Yes.

Q. You are sure about that?—A. I think that is right.

Mr. THOMPSON: The reason I am laying stress on that is because Copp received from Major Anderson a cheque for three horses and I do not want that confused in any way with the 18 horses which W. H. Anderson is on record as having sold.

Sir CHARLES DAVIDSON: He has not included the Copp horses with the list he located.

Mr. THOMPSON: No.

Sir CHARLES DAVIDSON: Is Copp here?

Mr. THOMPSON: Copp is here.

By Mr. Thompson, K.C.:

Q. Did Doyle look at the horses when they arrived at Shediack?—A. Yes, sir.

Q. Did he see them in the stable or outside?—A. They were in the stable when he came over and he had them brought out to the door and he looked them all over.

Q. Did he put them through their paces and run them up and down?—A. Yes.

Q. What was done with the horses then?—A. When he looked at them they were put back in the stable and went on with their feeding.

Q. Did you see any more of the horses?—A. Yes, sir, I worked with them until they left.

Q. What do you mean you worked with them until they went away?—A. They came over to Shediack; they were going to ride then to Moncton and they came over with their head-stalls and saddles.

Q. What horses came to Shediack with their head-stalls and saddles?—A. I could not say who brought them there, they were brought into the stable.

Q. How long were the horses in the stable at Shediack?—A. I should say around three hours. They had to go on after having led them 28 miles, but they took them all the same day.

Q. To Moncton?—A. Yes, sir.

Sir CHARLES DAVIDSON: Was it the soldiers that took them?

The WITNESS: Mostly soldiers.

[Dorchester, Horses—Anderson.]

By Mr. Thompson, K.C.:

Q. The horses were ridden over?—A. Yes; one man would ride one horse and lead two.

Q. Did you accompany them?—A. No, sir.

Q. Did you count the horses as they went out from Shediack?—A. No, sir.

Q. Did you see them when they were all in the stalls at Shediack?—A. Well, I do not know whether I saw every one; yes, I think I did.

Q. How many were there in the stalls?—A. I cannot say.

Q. About how many?—A. I cannot say at all. It is a big stable and I did not know what horses were going to Moncton except the ones I took up, and I was busy as I told you about them.

Q. You say that including the Copp horses there were 13 all told that went on the road?—A. I think that is right; I would not swear positively, but I think that is right.

Sir CHARLES DAVIDSON: All told, there were 13 horses, including the Copp horses?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Did these men ask for their money?—A. Did they ask me for their money?

Q. Yes?—A. No.

Q. Did you pay them their money when they brought the horses to you?—A. No.

Q. Did you go up to Moncton with your brother?—A. No, sir.

Q. Where did you receive your cheque from your brother or the Remount Department for \$3,945?—A. What do you mean by receiving a cheque; is it out of place for me to ask that question; what do you mean by receiving a cheque; what do you mean by me receiving a cheque?

Q. When did he hand you the cheque?—A. Do you mean in my possession?

Q. Yes?—A. I did not have a cheque.

Q. Is that your signature?—A. Probably so.

Q. Look at it; I want you to swear to it?

Sir CHARLES DAVIDSON: Stand up and take the cheque and look at it.

The WITNESS having looked at the cheque,

The WITNESS: I would say that is my handwriting, so far as I am a judge.

Sir CHARLES DAVIDSON: Have you any doubt about it?

The WITNESS: No.

Sir CHARLES DAVIDSON: Then why don't you say so; will you swear it is not your signature?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Will you swear it is?

The WITNESS: I believe it is.

By Mr. Thompson, K.C.:

Q. Have you any doubt whatever that that is your signature on the back of the cheque which I now show you?—A. No, sir, I have no doubt.

Q. Look at cheque No. 20, "Remount Department, place, Moncton, N.B., pay to W. H. Anderson or order the sum of \$3,945, being for 18 horses"?

Sir CHARLES DAVIDSON: Do you recollect having endorsed that cheque?

The WITNESS: I did; I endorsed something; I never had it in my hand.

By Mr. Thompson, K.C.:

Q. Where were you on that occasion when you endorsed that cheque?—A. At the bank in Shediack.

Q. Was that the day on which the horses were brought in by you?—A. Yes, sir.

Q. How did you happen to be in the bank?—A. The Major sent for me to go there.

[Dorchester, Horses—Anderson.]

Q. Was the Major in the bank at the time?—A. Yes, sir.

Q. When you arrived at the bank what did he say?—A. The bank was about to close and he said: "Sign this quick," and the banker said: "Yes, sign it quick because it is three minutes past twelve o'clock now and if you don't do it quick I will close the bank." They close the bank at twelve o'clock on Saturday.

Q. Did you see the front of the cheque?—A. No, sir.

Q. Did you know what the cheque contained?—A. No, sir.

Q. Did you know the amount of the cheque?—A. No, sir.

Q. Did you know any of the particulars of the cheque?—A. No, sir.

Q. Did Major Anderson tell you what that cheque was for?—A. No, sir.

Sir CHARLES DAVIDSON: Did you know?

The WITNESS: No, sir, I supposed it was something in connection with the horses but I did not know, and I asked no questions.

Sir CHARLES DAVIDSON: You did know it was a cheque, you must have known that.

The WITNESS: I supposed it was something in connection with the bank or it would not be done there, I supposed it was a cheque but I could not swear to it.

By Mr. Thompson:

Q. And you did not see the face of it?—A. No.

Q. Did you suppose it was a promissory note?—A. No, the only remark I made when I signed it was: "I hope it is not my death warrant."

Q. Was the bank manager talking to your brother when you arrived?—A. Well, my brother was standing at one end of the teller's wicket and Doyle was at the other, and I remained there standing in the open space.

Q. After you endorsed this document what was done with it?—A. I went right out back to attend to my horses, I had the horses all in the stable then.

Q. Did you see your brother in conversation with the banker?—A. I do not know but I would not say I would not.

Q. Did you see the banker hand him any money?—A. No, sir.

Q. You are quite sure about that?—A. Yes, sir.

Q. Then you went back to the stable?—A. Yes, sir.

Q. And proceeded on with your work?—A. Yes, sir.

Q. What happened next?—A. When we got the horses all fixed up everybody went and got their dinner.

Q. Did you have dinner with your brother?—A. I had it in the same hotel.

Q. At the same table?—A. I cannot say.

Q. Did you have any conversation with your brother after he came from the bank, before dinner?—A. No, sir.

Q. Did you have any conversation with your brother after dinner?—A. No, nothing only in the way of telling me what to do.

Q. What did he tell you to do?—A. He told me to get the horses fitted out and get them ready as quick as I could to be sent to Moncton.

Q. Was that the only conversation you had with him?—A. Yes, sir, I think so.

Q. After the horses were sent to Moncton in charge of the soldiers or other persons, what did you do?—A. After the horses were sent along I went around and after the horses were out of Shediac I left.

Q. Did you see your brother again before you left?—A. Yes.

Q. What did you say to him?—A. He came out to the stable where I was and gave me a bunch of envelopes, sealed envelopes.

Q. What sort of envelopes were they, what size were they?—A. Just the ordinary business letter size envelopes, I guess.

Q. Were they white?—A. Yes, sir, they were white outside, I did not see the inside.

Q. I did not ask you about the inside, I asked you what the appearance was. Did they look as though they were hotel envelopes?—A. I cannot tell you that, there was no hotel stamp on them.

[Dorchester, Horses—Anderson.]

Q. How many did he give you?—A. He gave me one for each.

Q. How many did he give you altogether?—A. I want to run over that in my memory.

Q. All right, run over that?—A. He gave me one for Simpson brothers, he gave me one for Albert Blacklock, he gave me one for Thomas Oulten, he gave me one for Smith Raworth, one for Trenholme, one for Allan, one for Fred Magee, one for Wells, and one for myself.

Q. What sort of a prize packet did you get?—A. \$100.

Q. Was yours sealed?—A. Yes, I think it was.

Q. Did he tell you what yours was for?—A. No.

Q. Did he tell you how much was in it?—A. No, sir.

Q. Did you know what he was giving you the envelope for?—A. No, sir.

Q. Did he say there was money in it?—A. No, sir.

Q. Did he tell you there was money in the other envelopes?—A. I do not think he did.

Q. Did you know or did you suspect there was money in them?—A. Well, I thought there was, I supposed there was.

Q. What did he tell you when he gave you those envelopes?—A. He told me to deliver them to the people as quick as I could.

Q. Did you ask him what they were for?—A. No, sir.

Q. Did he tell you what they were for?—A. No, sir.

Q. Did you have any curiosity about your own envelope?—A. No.

Q. None whatever?—A. None whatever.

Q. When did you open it?—I opened it when I got home.

Sir CHARLES DAVIDSON: Not until after you got home?

The WITNESS: No, sir.

By Mr. Thompson:

Q. Do you mean to say you put in several days' work and paid out somewhere between \$15 or \$20 and did not ask your brother what you were going to be reimbursed?—A. Yes, sir.

Q. You say you had no conversation with him whatever about remuneration?—A. No, sir.

Q. Did this \$100 come to you as a matter of surprise when you opened the envelope?—A. Well, I was somewhat surprised.

Sir CHARLES DAVIDSON: How long did you keep that envelope in your pocket without opening it?

The WITNESS: Well from the time I left Shediach, somewhere in the vicinity of five o'clock, and I did not get home until ten o'clock.

By Mr. Thompson:

Q. Did you have an envelope for Moore?—A. No, sir, I do not think so, I think Mr. Moore's money was sent by Mr. Copp.

Q. Did not your brother tell you or intimate to you in any way what these envelopes contained?—A. No.

Q. What was endorsed on the envelope, was there any writing on it?—A. The man's name was on. I would not say whether the amount was on or not, I cannot remember.

Q. You must have looked at the envelopes before you delivered them to these various persons?—A. I certainly did.

Q. Do you mean to say that if there had been anything on the envelope except the man's name you would not have noticed it?—A. I would not swear whether the amount or contents was entered on the envelope or not. Possibly it was and possibly it was not. I would not say whether it was or not. I had it in my possession but I did not take that much notice of it. Perhaps some of the other witnesses will be able to tell you that.

Q. Did you call these men up on the telephone, or did they call to see you?—
A. Some of them called to see me.

Q. What did they say when they called to see you?—A. They opened the envelopes.

Q. What did they say when they called to see you; did they ask you if you had their pay?—A. No, sir.

Q. What did they say?—A. When they came I gave them the envelopes.

Q. Did they ask you if you had any money for them?—A. No, sir.

Q. Do you mean to say that as soon as they came in sight you handed out the envelope?—A. I certainly did.

Q. Did they open it in your presence?—A. Yes, sir.

Q. Did you see it had money in it?—A. Yes.

Q. Who were the two men who called to see you?—A. Thomas Oulten and Albert Blacklock.

Q. Did they make any comment upon the amount they received?—A. No, sir.

Q. Did they tell you how much they received?—A. No, sir.

Q. Did they say it was satisfactory?—A. Only one man.

Q. Who was he?—A. Albert Blacklock.

Q. What did he say?—A. He got ten dollars too much.

Q. Did he give it to you?—A. Yes.

Q. What did you do with it?—A. I took it back and gave it to the Major.

Q. What did the Major say when he got the ten dollars from you?—A. He just laughed.

Q. Did he refuse to accept it?—A. No, he said: "You had better keep it."

Q. Did you keep it?—A. I said: "No, I don't want it."

Q. What became of it eventually?—A. He took it.

Q. Do you know what he did with it?—A. No.

Q. Was that the only man who made any comment on the amount he received?—

A. Well, I think Mr. Raworth maybe did.

Q. What did he say?—A. I was in the auto and I met Mr. Raworth on the road, and I had my hand in my pocket; I had two or three envelopes left, and I handed him the envelope and he tore it open and he had ten dollars too much and he gave it back to me. But I want to explain that that was a mistake. I handed him Mr. Trenholme's envelope in mistake, and when I came to Mr. Trenholme I had Mr. Raworth's envelope, and when he opened his envelope he had ten dollars too little, and Mr. Raworth had ten dollars too much. One man was short ten dollars and I gave it over to him.

Q. You had already given it to Anderson?—A. That was another transaction. I made a mistake and I handed him the wrong envelope.

Q. And you squared it up eventually?—A. Yes, when I delivered the next envelope it was short, and I gave the balance to him.

Q. Your explanation is that one man got ten dollars too much, which you returned to Major Anderson, and the others worked out all right?—A. Yes.

Q. And apparently at the price arranged by somebody?—A. Yes.

Q. But the price was not arranged by you?—A. It was not arranged by me.

Q. Did you receive any money from Major Anderson other than the \$100 that was in the envelope?—A. No, sir.

Q. You say you received no money from Major Anderson other than that \$100?—
A. No, sir.

Q. Did you receive any sum of money indirectly as a reward for your locating the horses?—A. No, sir.

Q. Did you receive a horse as consideration for your trouble?—A. No, sir; I always buy my own horses and pay for them.

Q. Did you receive any article in consideration?—A. No, sir, nothing at all.

Q. Either directly or indirectly?—A. Nothing at all.

Q. You received nothing other than the \$100?—A. No, sir.

Q. Would you look at this memorandum, Mr. Anderson?—A. Yes, sir.

[Dorchester, Horses—Anderson.]

Q. That is a document signed by you?—A. Yes, sir.

Document filed as Exhibit No. 67.

Sir CHARLES DAVIDSON: What is that document?

Mr. THOMPSON: It is just a statement made by Mr. Anderson as to his commission. The statement is as follows:—

“PORT ELGIN, May 5, 1915.

“This is to certify that I, the undersigned, did at Shediac, August 31, 1914, endorse check No. 20 for \$3,945, made payable to me and that Major S. B. Anderson received the money from bank for same and that I did not receive or count money at that date. For my service in locating horses and getting them to Shediac I received \$100 out of which I had to pay all help I needed in so doing, that is hiring men and feeding them, and furnishing them with transportation. And that the only money I received was placed in envelopes which were sealed and that had the name of party from whom horse had been bought, but did not have the amount of purchase on them and these I delivered to them as soon as possible. That I did not personally make any arrangements with any of the men from whom horses were bought and do not know what they received for horses, that all the buying and fixing prices was done by my brother, S. E. Anderson and Dr. L. S. Doyle.

“This statement is given of my own free will and without any compensation.

“(Signed) W. H. ANDERSON.

“Witness: HARRY J. ANDERSON, E. H. TODD.”

Q. Is that all you can tell us about the horses?—A. Yes.

Q. You cannot help us to locate the other horses?—A. There was one horse bought in Shediac that day for sure, but I cannot say as to the man, there was such a stream of horses.

Q. Who did he buy that horse from?—A. I do not know the man's name.

Q. You say that horses were coming into Shediac in addition to those that you sent in?—A. Yes.

Q. Were Major Anderson and Doyle examining them?—A. They examined one, I saw them examine that one but I did not see the others because I was very busy at other things.

Q. Do you recollect whether that horse examined at Shediac was saddled up and taken away by the soldiers?—A. Yes, sir, he was, he was put with the horses we took in.

Q. Do you think that would have been the horse owned by A. Burke, of Shediac?—A. I cannot say.

Q. Or the horse belonging to Dan McDonald?—A. I am pretty sure it was not McDonald's horse, I heard the name but it strikes me it was a French name.

Q. About how many people brought horses in and offered them for sale?—A. I cannot tell you. If I had been standing around looking at it I would be in a position to say, but I was busy at other things.

Q. Were there a great many?—A. There seemed to be a lot. Every time I looked up there were people driving in asking for Major Anderson and I supposed they wanted to sell horses, but I did not ask them what they wanted because I went on with my work.

Q. Are you quite sure that you have given me the names of the owners of all these other horses that you located?—A. Yes, sir.

Q. And you have given the names of those to whom you delivered envelopes?—A. Yes, sir.

Q. There were other horses brought into Shediac?—A. There were other horses brought in, I am quite positive about that.

[Dorchester, Horses—Anderson.]

Q. At Shediae?—A. Well I do not know where. There was a fellow that I was personally acquainted with and have been acquainted with for years, a fellow by the name of Taylor, and he told me he had sold the Major his horse that day.

Q. Where is he?—A. He himself is at the front.

Q. What was Taylor's occupation?—A. I could hardly tell you, I think he is, well I do not know what he is, but he was in the battery with me for a number of years, he and I were in the battery together.

Q. I suppose you know what these men received for their horses?—A. I have heard since then.

Q. You heard what they received?—A. I heard that some received a certain sum of money and that others received the same amount, around \$160 or \$175, and I think there were some as high as \$190.

Q. Who got \$190?—A. Magee told me he got \$190.

Q. Do you know of any horses being sold for over \$200?—A. Yes.

Q. Which horses would sell for over \$200?—A. What do you mean?

Q. I mean sold to Major Anderson?—A. Oh, no; they were all around \$170 or \$175. I never totalled them up and I do not know what they would average, but they told me that one was \$180 or \$190.

Q. Or somewhere around there?—A. Yes; they did not get as much here in Dorchester as they did in Moncton.

Q. They are, perhaps, a little more skilful in selling horses in Moncton; you are poor innocent farmers here; do you know of any horse sold to Major Anderson in this district at \$200 or over \$200?—A. No, I do not know anything about the prices, outside of what I have been told.

Sir CHARLES DAVIDSON: I wish you would press the witness, Mr. Thompson, as to an explanation of the peculiar circumstances which accompanied his endorsement of this cheque. Why should he endorse the cheque? The witness did not buy the horses; he had no concern as to the transaction whatever. (To the Witness): Can you explain, Witness, why it was that this cheque was made to your order and that you endorsed it?

The WITNESS: No, sir; I cannot.

Sir CHARLES DAVIDSON: And that you afterwards were entrusted with sealed envelopes to pay these people?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Have you no explanation whatever to give?

The WITNESS: I cannot tell you anything about the cheque.

Sir CHARLES DAVIDSON: Have you no explanation to give as to why Major Anderson did not make out these cheques directly to the vendors of the horses, as was done elsewhere, unless the vendors were paid in cash?

The WITNESS: No, sir; I have not.

Sir CHARLES DAVIDSON: You do not know at all?

The WITNESS: I do not know at all. It was done in the bank. I endorsed the cheque there. My brother was there and Dr. Doyle was there, and the banker was there, and I endorsed it in their presence.

Sir CHARLES DAVIDSON: Was Dr. Doyle in the bank when you endorsed the cheque?

The WITNESS: Yes, and I do not suppose they would ask me to do anything criminal in a place of that kind.

By Mr. Thompson:

Q. Did Major Anderson suggest to you not to ask any questions about it?—A. No, sir.

Q. Did he say anything to you about his having fixed it up?—A. No, sir.

Q. Do you mean to say you had no curiosity about that envelope of your own until you got home?—A. No, sir; I had a lot of money that I was trusted with; I had other envelopes.

[Dorchester, Horses—Anderson.]

Q. How did you know you had a lot of money on you?—A. When he wanted me to deliver them to the people I supposed it was money.

Q. He didn't tell you there was money in the envelopes?—A. Yes.

Q. Were the envelopes pretty bulky with money?—A. Yes, they were quite bulky.

Q. What was your payment in; was it in ten dollar bills, or twenty dollar bills?—

A. I cannot say.

Q. Cannot you recollect?—A. They were not more than tens, if they were that.

Q. It would be rather difficult, would it not, to get twenty-five dollar bills in a small envelope?—A. I cannot say.

Q. Were the bills lying the full length of the envelope or were the bills folded?—

A. I think they were folded.

Q. Was it an ordinary letter envelope?—A. I think it was.

Q. Did not the Major tell you what you were signing when you were in the bank?

—A. No, sir.

Q. Did you see this cheque No. 20 lying on the desk when you came in?—A. Yes.

Q. And all he said was to sign that?—A. Yes.

Sir CHARLES DAVIDSON: And to sign it quick.

The WITNESS: Yes, to sign it quick, and the banker was urging him to have it signed quick.

By Mr. Thompson:

Q. And he did not show you the face of the cheque?—A. No.

Q. Had you no curiosity to find out?—A. I would like to but I hadn't the time. They were hurrying me. I do not like to sign documents without knowing what is on them, but on account of this being where it was, I did not suppose they would ask me to do anything criminal and they were hurrying me up.

Q. Did you, when you met Major Anderson subsequently at dinner, ask him what it was that you had signed?—A. No, sir.

Q. Did he tell you what you had signed?—A. No.

Q. Did he suggest it in any way?—A. No.

Q. Did any conversation take place about it?—A. No.

Q. Did you at any time ask him what the cheque was that you had signed?—A. No, sir.

Q. Did he tell you where he got the money from which was in the envelopes, did he tell you that at any time?—A. No, sir.

Q. Did he ask you at any time whether you had delivered the envelopes?—A. Well, I do not think we had any conversation about it.

Q. Did you tell him you had delivered the envelopes?—A. Yes, sir.

Q. Did he ask you were the men satisfied?—A. I do not think he did.

Q. Did you have an envelope for Dr. Doyle?—A. No, sir.

Q. Which of these two envelopes that I now show you would be the size of the envelope that the money was in?—A. Neither of them is the size the money was in.

Q. Was it larger than the large envelope?—A. It was longer than one and not quite so long as the other.

Q. Have you any recollection as to whether the bills were folded or not?—A. I do not know, I think they were doubled up, but I would not like to say.

Q. Did Taylor tell you that he sold a horse?—A. Yes.

Q. Did Taylor tell you what he got for him?—A. He may, but I am not sure.

Q. Can you recollect the amount that he told you he got?—A. No.

Q. Do you know where Taylor lives?—A. No, sir.

Q. Do you know his other name?—A. Yes, it is Bliss Taylor.

The witness retired.

MR. THOMPSON: I wish now if it pleases you, Mr. Commissioner, to deal with the horses that were purchased by Copp. I would like to make that a part of the investigation and I will take that up next. Mr. Copp received a cheque for the amount of his horses.

Sir CHARLES DAVIDSON: Very well.

MOODY OGDEN, Port Elgin, New Brunswick, farmer, sworn:

By Mr. Thompson:

Q. Do you remember Mr. W. H. Anderson calling at your place?—A. No, sir.

Q. What is the first you had to do with any of these men with regard to selling horses?—A. I had nothing to do until I took my horse to Shediack when I heard they were taking a bunch of horses up for remounts.

Q. Who told you there was something doing at Shediack?—A. I cannot say who told me, I heard it around the country.

Q. Did Copp tell you?—A. I would not say he did or he did not.

Q. You took the horse to Shediack?—A. I did.

Q. And whom did you see at Shediack?—A. Major Anderson.

Q. Did you see Dr. Doyle there?—A. There was a gentleman introduced to me as Dr. Doyle.

Q. Is that the gentleman you see in Court now?—A. I think so.

Q. Did Dr. Doyle examine your horse?—A. He did.

Q. How did he examine your horse?—A. He brought him out in the yard and stepped him around and examined his legs and mouth and I think he gave him a pretty good overhauling.

Q. If you were buying that horse yourself would you have given him a more extensive examination than he did?—A. I do not think so.

Q. You would be satisfied with the examination that Doyle gave your horse?—A. I think so.

Q. If you were handing out your own money for that horse would you be content with that examination without any further examination?—A. Well, I do not know.

Q. Suppose your money was at stake, would you pay it over on the examination that Dr. Doyle made of your horse?—A. I think so, Doyle looked the horse all around and looked him over.

Q. How old was your horse?—A. I think he was four years old rising five, I would not swear positively but I think that is it.

Q. What did you ask for him?—A. \$175.

Q. How much did they pay you for your horse?—A. \$170.

Q. Why did he knock you down the five dollars?—A. Well, I think Major Anderson told me he had to keep the prices at a certain amount.

Q. What was the amount that he stated?—A. I cannot say, he said that he had to keep the prices down and that he could not give me more than \$170 for my horse.

Q. What did your horse weigh?—A. About a thousand pounds but I never got him weighed.

Q. He was a rather light horse?—A. He was about a thousand pounds horse and quite a good size for a four year old.

Q. What height did he stand?—A. He was quite a blocky horse, he was not a short-legged horse, he was a long-legged horse.

Q. How long had you had him?—A. Well I owned him twice. I bought him as a two year old and I sold him to a man and I bought him back again.

Q. Why did you sell him?—A. I needed the money.

Q. And your horse was all right, was he?—A. Yes.

Q. And you liked him so that you bought him back after you sold him?—A. Yes.

Q. When you bought him back what did you pay for him?—A. \$150.

[Dorchester, Horses—Ogden.]

Q. How long had you had him before you sold him to Anderson?—A. I bought him the first of June and kept him until August. I fed him well all the time I had him and kept him on the farm.

Q. What colour was he?—A. He was a chestnut when he was well cared for.

Q. And I suppose he was a sorrel when he was hungry?—A. When he drove here he would be a chestnut.

Q. Did you get your money?—A. I got my money that night after I got to Port Elgin.

Q. Who did you get your money from?—A. W. H. Copp.

Q. Was it cash?—A. Cash.

Q. Had you any dealings with Copp in selling the horse?—A. Not more than I asked Major Anderson how he was going to pay me and he said would it be all right to include the price of my horse in Copp's cheque and that I could go to Copp for the money, and I said yes.

Q. You were satisfied?—A. Yes.

The witness retired.

HARRY O. FIELD, blacksmith, of Port Elgin, sworn:

By Mr. Thompson:

Q. Did you sell any horse to Major Anderson?—A. No.

Q. What had you to do with the horses?—A. I helped to take them to Shediac from Port Elgin.

Q. Who did you help to take them there?—A. Mr. Copp and Mr. Ogden, we left Port Elgin together.

Q. Was not Mr. Anderson with you?—A. We fell in with him on the road.

Q. How many horses did you attend to?—A. Ogden and I had four.

Q. That is including Ogden's own horse?—A. Yes.

Q. Apart from the Ogden horse, how many had you?—A. Three.

Q. Because Ogden, you see, already had spoken about selling his horse, and that goes in with the Copp horses, whose horses were those that you had?—A. The Magee horse, the A. R. Moore horse, and the Albert Wells horse.

Mr. THOMPSON: These three horses that Field now mentions were part of the W. H. Anderson cheque apparently.

By Mr. Thompson:

Q. What other horses went along?—A. Copp was along and he had two and there was another horse of his own we had to drive him with.

Q. He was leading one horse and driving two?—A. Yes.

Q. He had two horses?—A. The two that Copp had himself and the three that Ogden and I took.

Q. Copp had only two Government horses?—A. Yes.

Q. Copp had two horses that were sold to the Government?—A. Yes.

Q. Then you had the Magee horse, and the Moore horse, and the Wells horse?—A. Yes, and the Ogden horse.

Q. The Ogden horse goes in with the Copp purchase, and these were all you had?—A. Yes.

Q. That corresponds with what Mr. W. H. Anderson said; did any of the horses play out on the road?—A. Not the bunch we had, they were all good horses.

Q. What ages were they?—A. I would not like to swear as to that, but there was none of them over ten years old.

Q. There were no very old horses among them?—A. The Magee horse was a young horse, and I should judge he would weigh 1,200 pounds, and the Wells horse would weigh about 1,100 pounds I should think, and the other two would weigh about 1,000 pounds.

[Dorchester, Horses—Field.]

Q. Were they all sound?—A. They were all sound.

Q. When you took them to Shediak to whom did you deliver them?—A. Well, I cannot say I delivered them to anybody, we just took them there, W. H. Anderson was with us.

Q. W. H. Anderson was a sort of commander of the forces?—A. He was in charge.

Q. After you got to Shediak what did you do?—A. We took them to the stables.

Q. Were there other horses there at the time?—A. We all arrived together, we met on the road and came on together.

Q. Anderson said you had six or seven, would that be about right?—A. I should think so.

Q. How many horses did you have in your bunch, you and Anderson?—A. I do not know, seven, I think. I did not have much to do with the crowd of horses he had.

Q. That would be 12 or 13 horses altogether, were you present at Shediak when they were fixing up the horses and saddling them?—A. I was around there.

Q. Did you see these horses start out for Moncton?—A. Yes, sir.

Q. How many were there?—A. I cannot tell you. I think they all went but one. There was one horse got a nail stuck in his foot.

Q. Yes, Anderson spoke about that, did you see Major Anderson purchase any other horses in Shediak?—A. I cannot say I did. I saw people showing horses around there. I do not know whether he purchased them or not, I had nothing to do with it, only looking on.

Sir CHARLES DAVIDSON: Do you know the value of horses in this vicinity?

The WITNESS: I have a fairly good idea.

Sir CHARLES DAVIDSON: What would you pay here for a good heavy draught horse?

The WITNESS: A good heavy draught horse is worth \$200 around here, from \$175 to \$250. You would have to pay that for a good heavy draught horse weighing ten or twelve hundred pounds around where I live.

Sir CHARLES DAVIDSON: Are the prices of horses the same in Dorchester as they are around where you live?

The WITNESS: I do not know what they are in Dorchester, they are about the same, I should think.

Mr. THOMPSON: You are more modest in your district, about the price of horses, than they are in some other places.

The WITNESS: I do not know about that.

The witness retired.

LAWRENCE S. DOYLE, veterinary surgeon, of Moncton, New Brunswick, already sworn, recalled.

Previously examined at Summerside, P.E.I.

Examined by Mr. Thompson:

Q. Were you in Court this morning when Mr. W. H. Anderson was giving evidence as to the number of horses which he had located and indicated to Major Anderson as being possibly suitable for military purposes?—A. Yes.

Q. He said you had passed eight that he indicated and rejected four, is that correct?—A. That may be, I have no recollection of the number.

Q. Do you recollect examining Simpson's two horses?—A. No.

Sir CHARLES DAVIDSON: Has the witness a list, or can he produce one now?

By Mr. Thompson:

Q. Have you a list showing what horses you examined?—A. I have none.

Sir CHARLES DAVIDSON: Have you no list of your own at all, Doctor?

[Dorchester, Horses—Doyle.]

The WITNESS: No.

Sir CHARLES DAVIDSON: Have you looked for one?

The WITNESS: I never kept any.

Sir CHARLES DAVIDSON: I thought you kept a list?

The WITNESS: Only of the total number of horses.

Sir CHARLES DAVIDSON: The doctor was to look through Major Anderson's papers and see if he could find a list.

The WITNESS: I cannot find the papers.

Sir CHARLES DAVIDSON: Have you looked?

The WITNESS: I went to his office and there was no person in. I went twice.

Sir CHARLES DAVIDSON: What office did you go to?

The WITNESS: Where he used to be.

Sir CHARLES DAVIDSON: Has he papers there now?

The WITNESS: They told me some time ago there were no papers there.

The examination of this witness was interrupted at this stage to examine W. H. Anderson on this point.

W. H. ANDERSON was recalled at this stage and examined by Sir Charles Davidson:

Sir CHARLES DAVIDSON: Could you get into your brother's office, Mr. Anderson?

The WITNESS: I could get into it.

Sir CHARLES DAVIDSON: You see, your brother is abroad, and this matter is somewhat serious for him. Could you look and see if he has a list of the horses and the names of the vendors and what he paid for them?

The WITNESS: I have gone through his office.

Sir CHARLES DAVIDSON: Have you gone through his desk?

The WITNESS: Yes, sir, I have been through his desk and cannot find anything except a memorandum book.

Sir CHARLES DAVIDSON: Have you got that memorandum book here?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Where is it?

The WITNESS: I have it in my hand.

Sir CHARLES DAVIDSON: Would you please give it to Mr. Thompson.

(The witness handed the memorandum book to Mr. Thompson.)

Mr. THOMPSON: Is this the only one?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: You might examine it, Mr. Thompson, during recess.

Examination of LAWRENCE S. DOYLE resumed, after interruption to recall W. H. Anderson.

By Mr. Thompson:

Q. Do you remember examining the Simpson horses?—A. No, I do not, I am not acquainted with the people here at all.

Q. Do you remember examining Black's horse?—A. No.

Q. Do you remember examining any one of these horses?—A. I remember going there and examining horses, but I do not know the people, I am not acquainted with them.

[Dorchester, Horses—Doyle.]

Q. How many horses did you examine here in this district?—A. I have no idea.

Sir CHARLES DAVIDSON: But really, doctor, where is the list of horses you examined. You say you have not any list, have you any memorandum as to how many horses you examined at different places?

The WITNESS: No.

Sir CHARLES DAVIDSON: Surely you have. You have sent in an account to the Government?

The WITNESS: I put them in as W. H. Anderson's horses.

Sir CHARLES DAVIDSON: Why did you put them in as W. H. Anderson's horses?

The WITNESS: The Major told me he was buying the horses for him.

Sir CHARLES DAVIDSON: He says he never bought a horse or bargained for one.

Mr. THOMPSON: The witness says that Major Anderson told him that he (the Major) was buying these horses from W. H. Anderson, is that correct?

The WITNESS: That is correct.

Mr. THOMPSON: Can there be any doubt about that?

The WITNESS: There is no doubt about that.

Sir CHARLES DAVIDSON: There is no doubt that the Major told you that W. H. Anderson was selling these horses to the Major?

The WITNESS: Yes; that is right.

By Mr. Thompson:

Q. As you were going through the country did you not realize that the horses which were offered by the various farmers were not the property of W. H. Anderson, you must have known that?—A. No, he told me that his brother was rounding these up.

Sir CHARLES DAVIDSON: Now your statement is quite different to what you said before.

By Mr. Thompson:

Q. You are backing and filling, you told us a moment ago that Major Anderson had told you that he was buying these horses through his brother, W. H. Anderson?—A. Yes.

Q. And you now say, in response to my question as to your knowledge that these horses did not belong to W. H. Anderson, you had no knowledge of that. You say now that W. H. Anderson was rounding them up, your statements are inconsistent, which is true?—A. I will tell you exactly what he told me. He told me he wanted me to go to Port Elgin to examine some horses. I said: All right, and he said: My brother is getting some down there.

Sir CHARLES DAVIDSON: This is very important. Don't you see in the one case you implicate Major Anderson and in the other you do not?

The WITNESS: And so I went.

Sir CHARLES DAVIDSON: The witness now tells us that the Major told him his brother was rounding up horses for him.

The WITNESS: I understood that W. H. Anderson was buying the horses for his brother.

Sir CHARLES DAVIDSON: You told us before that Major Anderson said that W. H. Anderson was selling these horses, which is true?—A. You have made three different statements as to that?

The WITNESS: He was; W. H. Anderson is getting some horses; he is rounding them up.

Sir CHARLES DAVIDSON: That is a fourth statement as to what he said.

[Dorchester, Horses—Doyle.]

By Mr. Thompson:

Q. Did he want you to go down?

Sir CHARLES DAVIDSON: He made three statements: first, that W. H. Anderson was buying horses for his brother; second, that he was rounding up horses for him, and in the third place, that he was getting some horses.

By Mr. Thompson:

Q. How many horses did he round up?—A. W. H. Anderson got 18.

Q. How do you judge of that?—A. From the number I examined.

Q. Does your list show you you examined 18?—A. There were 18 passed.

Q. How do you know 18 passed?—A. That is the number indicated.

Q. How do you know; your list does not show that?—A. No, it is 20 here.

Q. What does that 20 indicate?—A. There were 20 looked at.

Q. W. H. Anderson told us this morning that he did not locate that number of horses, that he only located 10 or 12, and that you passed eight and rejected four. He says he only rounded up 12 altogether and that you rejected four?—A. Probably that is right. I thought it was two I rejected.

Q. Which is right?—A. According to my knowledge, it is two.

Q. What about the other eight? Anderson says he submitted 12 and you have on the list 20; what about the other eight? Where did you get those?—A. I do not know where I got those.

Q. W. H. Anderson knows nothing about them; where did you get them?—A. Did he account for the one he got in Shediach?

Sir CHARLES DAVIDSON: He said he did buy other horses in Shediach.

Mr. THOMPSON: Yes, but not W. H. Anderson's horses.

The WITNESS: I cannot just think now where these horses came from.

By Mr. Thompson:

Q. You say you only rejected two of Anderson's horses?—A. As well as I can remember. I do not know.

Q. You are charging the Government for inspecting rejected horses as well as passing horses. You say now you rejected two of Anderson's?—A. Yes.

Q. W. H. Anderson says you rejected four of his?—A. I can only remember two.

Q. Did the Government cheat you, or did you cheat the Government?—A. They must have cheated me, according to that.

Sir CHARLES DAVIDSON: They paid you what you asked, didn't they?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Then they could not cheat you.

By Mr. Thompson:

Q. Where did you get the other ten horses? W. H. Anderson only submitted from this list of 12, of which you passed eight. Where did you get the other two?—A. There must have been more horses.

Q. Where are the other ten horses?—A. I cannot tell you.

Sir CHARLES DAVIDSON: You had better think over it quite seriously.

The WITNESS: I cannot remember how many horses I examined.

By Mr. Thompson:

Q. You kept a note and you say there were 20?—A. Yes, but I cannot remember the horses.

Q. And that includes the purchase at Port Elgin?—A. Yes.

Q. How many did you examine at Shediach?—A. There were a lot came in there, and I did not examine them at all; they were old horses.

Q. How many did you examine there?—A. I think we examined one.

Q. How many did you pass there?—A. Just that one.

Q. Whose horse was that, was that the Taylor horse?—A. No.

Q. Whose was it?—A. I think it was Burke's horse, but I am not sure.

Q. What about Dan McDonald's horse?—A. We did not buy that horse; I bought that horse myself.

Q. You bought him?—A. Yes, I bought that horse some time before.

Q. You bought him?—A. Yes, I bargained for that horse some days before.

Q. But you sold him to Major Anderson?—A. No, I traded him with Major Anderson.

Q. Did you pay McDonald the purchase money?—A. Yes, I paid McDonald myself.

Q. Then we are more short in horses than I thought we were. What horse did Anderson give you?—A. I do not know what horse it was; he owned the horse.

Q. Was it one of the horses which you had examined and passed as satisfactory on your tour of inspection?—A. Yes, at least I think so.

Q. Where did you examine the horse which you found satisfactory and which you traded the McDonald horse for?—A. I do not quite understand that.

Q. Where did you locate him; who was the owner of the other horse?—A. I don't know.

Q. Was it Simpson?—A. I have not the slightest idea.

Q. Do you mean to say that after going to the country and examining horses you cannot explain who the owners were and what the horses looked like?—A. If I was acquainted with them I might, but I never was in the country before.

Q. You don't have to know a man to know what a horse looks like?—A. I would not be able to connect the horses with the owner.

Q. We have got to clean this up some way?—A. I thought I could locate 12 horses and I find I can't.

Q. Where did you buy the McDonald horse and how much did you pay for him?—A. I cannot remember exactly. I think it was between \$180 and \$200.

Sir CHARLES DAVIDSON: Why did you buy him at that time?

The WITNESS: I bought him some time before.

Sir CHARLES DAVIDSON: Why?

The WITNESS: People come in to me for horses. I had an order for one.

Sir CHARLES DAVIDSON: What did you pay McDonald?

The WITNESS: I think it was somewhere about \$180 or somewhere around there.

Sir CHARLES DAVIDSON: I cannot understand why the Major should buy these horses and give up one of the horses he bought?

The WITNESS: This one would suit him better.

Sir CHARLES DAVIDSON: Then why didn't he buy your horse.

The WITNESS: I did not want to have any transaction in selling to him; I did not want to have a cheque to me.

Sir CHARLES DAVIDSON: This is rather whipping the devil around on the post, is it not, doctor? You say that rather than sell a horse direct to the government you would rather swop?

The WITNESS: I wanted the horse.

By Mr. Thompson:

Q. You wanted what horse?—A. The one I bought suited the Major better and the one the Major had suited me better.

Q. You wanted the one the Major had and the Major wanted yours?—A. Yes.

Sir CHARLES DAVIDSON: And you say you bought that horse because he suited you?

The WITNESS: I got him on an order.

Sir CHARLES DAVIDSON: You say you bought him because he was suitable for you?

The WITNESS: He was a suitable horse.

Sir CHARLES DAVIDSON: Then why didn't you keep him?

[Dorchester, Horses—Doyle.]

The WITNESS: The man I was to sell him to said he was a little too lively and he said he would rather have a quieter horse. The horse I gave to Major Anderson was a better horse, in my opinion.

By Mr. Thompson:

Q. You bought that horse some time before?—A. I bargained for him some time before. McDonald was over in Moncton.

Q. Then you remember, don't you, calling at McDonald's place with Major Anderson and looking the horse over at McDonald's place?—A. No, I don't know where he lives. I know he lives in Shediac, that is all.

Q. Do you recollect calling there about August 31?—A. No.

Q. Are you quite sure?—A. I don't remember being at his place at all.

Q. You know Dan McDonald?—A. I just met him a few days before the time he was over to Moncton and I know this horse that he had.

Q. Are you quite sure that Major Anderson and you did not call at his place?—A. I am sure.

Q. To look the horse over there?—A. No, I am sure I did not. I do not remember ever being into his place.

Q. And Mrs. McDonald was there at the time?—A. I do not remember.

Q. Are you quite sure?—A. Yes.

Q. Did you remember calling there?—A. No, I did not remember calling there.

Q. Not at all?—A. Not at all.

Q. Not with Major Anderson?—A. Not with Major Anderson.

Q. Are you perfectly sure about that?—A. Perfectly sure.

Q. Did you bargain for the price of some of these horses?—A. No.

Q. None at all?—A. None at all.

Q. Never in any instance?—A. No, I never bothered with that matter at all.

Q. Did you hear Major Anderson fix the price of any of these horses?—A. Sometimes I would be standing near when he was bargaining but I would not interfere.

Q. Just think about the Wells horse, do you remember the Wells horse?—A. No, I do not.

Q. Are you quite sure?—A. Positive.

Q. Did you know Wells?—A. No, I did not know him.

Q. Don't you remember Wells telling you he wanted \$200 for his horse and that it was sound, nine years old?—A. No.

Q. Do you remember Anderson asking you what you had better do about it and then you offering Wells \$180 for the horse?—A. No, I do not remember it.

Q. You don't?—A. I never had anything to do about the prices.

Q. That is not what I have asked you, I asked you if you recollected that?—A. No.

Q. If he swears you said that will you swear it is not true?—A. I do not remember saying anything about it.

Q. Because he swears that is what took place?—A. I don't remember.

Q. In how many instances did you hear the price fixed by Major Anderson?—

A. There might have been two or three instances, that is about all.

Q. Is that all?—A. That is all, just that I happened to be near them.

Q. Did he consult you about the prices?—A. No. Sometimes he would ask me if the horse would be worth that.

Q. And what would you say?—A. I would tell him whether it was or was not.

Q. Now, we must find these horses better. We are coming back to that again. You countersigned the W. H. Anderson cheque for 18 horses?—A. Yes.

Q. You were in the bank, were you not, when that was signed?—A. Yes.

Q. Were you present when Major Anderson signed it?—A. Yes.

Q. Were you present when W. H. Anderson was called in to the bank to endorse it?—A. I think I was.

Q. Did you hear the conversation between Major Anderson and his brother?—A. No.

Q. Where were you standing then?—A. I was away from them when they were talking.

Q. You always seem to have been away at the critical moment; you had been close together before?—A. Oh, yes.

Q. Did you hear what Major Anderson said to his brother?—A. I never heard a word.

Q. How did you come to be in the bank?—A. The Major took me in.

Q. What did he take you in for?—A. To sign the cheque.

Q. What did he say to you?—A. He said he was putting these horses in.

Q. Putting what horses in?—A. These horses that he brought in.

Q. Whose horses?—A. He said that these horses he brought in were all his brother's horses. You see, his brother was selling them and the people he got them from he would take the money back to them.

Q. What?—A. For the people who sold them to his brother, his brother would take the cash back.

Q. Is that all?—A. That is all.

Q. Did you read the cheque before you signed it?—A. Yes.

Q. What did the cheque say?—A. It said: "W. H. Anderson," so many horses.

Q. Did you see the number of horses stated on the cheque; did you notice it was 18 horses on the cheque?—A. Yes.

Q. Now, W. H. Anderson did not sell the horses; from his own statement he only sold 12, and you only passed eight; where are the other horses? According to your own statement you only passed one in Shediack and that would make nine. Where do the other horses come from that were included in the W. H. Anderson cheque?—A. They were brought in by W. H. Anderson to Shediack.

Q. Where did they come from?—A. I am quite sure there were more than nine came in.

Q. Oh, yes, there were more than nine came in, but these were the Copp horses. You signed the Copp cheque, don't you recollect that, for three horses?—A. Yes.

Q. Here is the Copp cheque, No. 22, August 28th, \$565, for three horses. That helps to swell the number that went into Shediack. Did you hear what the man said about the number he brought in with Anderson, but that does not make up 18? How do you explain that?—A. I thought there were 18 horses.

Q. I am here to get the information and I am going to try to get it. Just make up your mind I want to get it. I want to get all the facts?—A. I did not know these people at all.

Q. I do not care whether you know them or not; I want to know where you get your horses?

Sir CHARLES DAVIDSON: You see you signed the cheque for them and this is serious.

The WITNESS: Yes, but there were 18 horses, I know; I would not sign the cheque for 18 horses without knowing where the horses were.

Sir CHARLES DAVIDSON: This is quite serious.

By Mr. Thompson:

Q. I point out again this, that there were eight horses passed that W. H. Anderson showed, and Copp brought in three horses, which made eleven; one was examined and passed by you at Shediack, which made twelve, including the Copp horses and the Anderson horses there ought to be 21 at Shediack that morning and there were only 12, and then there was this horse that came in from Shediack, Burke's horse, to which you have referred this morning, and that makes one more, making 22. Now, where are the other 10?—A. You spoke about the Taylor horse?

Q. That is one that you passed. Where did you get the others? You might as well tell us about how you fixed it up?—A. I think there were four horses from Mone-ton which were put in this bunch.

[Dorchester, Horses—Doyle.]

Q. You think that four horses from Moncton were put in the Anderson bunch. That is a little more definite. What do you mean by putting them in the Anderson bunch?—A. He told me he was going to pay all these horses in one cheque.

Q. All what horses?—A. These 18 horses.

Q. What 18 horses?—A. Those that he bought.

Q. But you didn't have 18?—A. The number he bought and I think there were four from Moncton.

Q. Why did he mention 18 horses? Because you did not have 18 at Shediac?—A. I think there were four in Moncton.

Q. How did you and Anderson fix it up?—A. Anderson did not fix anything with me, only that is what he told me, he said there are 18 horses and he said: these are my brother's.

Q. What 18 horses?—A. Those that he bought down in Port Elgin.

Q. But he did not have 18 there and you have got to put 18 in?—A. That is what he told me.

Q. Did you countersign the cheque?—A. There were 18 horses there altogether.

Q. W. H. Anderson and the other owners, Fields, swore to the number they brought into Shediac. You swear to having passed one horse at Shediac, but that does not make 18 horses, and there is no use in trying to get around it that way?—A. I do not know.

Q. Unless you and Anderson fixed the thing up in this way, that you drove, or conveyed, or brought a number of horses down from Moncton to Shediac, to make up the number?—A. Oh no, that was not done.

Q. You said that you put the four horses from Moncton in?—A. There were four in Moncton that he would put in.

Q. Will you swear he said that?—A. Yes, I swear he said that.

Q. If he said he was going to put these four horses he had in Moncton in he, therefore, did not have 18 horses at Shediac?—A. No.

Q. But you swore a moment ago that you had 18 horses at Shediac?—A. I meant 18 to cover this cheque.

Q. What four horses were these that he had at Moncton?—A. He bought four from Reid McManus.

Q. Where does McManus live?—A. He lives in Moncton.

Q. It is not James McManus, is it?—A. No.

Q. Did you pass the Reid McManus horses?—A. Yes.

Q. How long before?—A. Some days before.

Q. What was Reid McManus getting?—A. How do you mean?

Q. In the way of price, what price was he getting?—A. I don't know. They arranged about the price and I think he was not going to take them.

Q. Who?—A. Major Anderson.

Q. Why?—A. He said he would see him again in a day or so.

Q. Why did you think he was not going to take them?—A. On account of the price.

Q. Why?—A. He thought they might be too dear.

Q. What was said about the price?—A. They were just bargaining.

Q. Did you hear what they were saying?—A. No.

Q. What sort of horses were Reid McManus' horses?—A. Heavy draught horses.

Q. What would they weigh?—A. I suppose about 1,300 each.

Q. How many days before the Shediac incident did you examine these horses?—A. I suppose it would have been two or three or four days before, or something like that.

Q. Do you swear you did not know anything about the price of these horses?—

A. No, I did not know anything about the price.

Q. What does Reid McManus do?—A. He is a contractor.

Q. Were his horses at Moncton?—A. No, they were over four miles out.

Q. Was that the Shediac direction?—A. No, they were in a western direction.

Q. Did you hear afterwards what Reid McManus was paid?—A. No, I never heard.

[Dorchester, Horses—Doyle.]

Q. That helps out a little but it does not make your list complete. We have now about 13 horses. Jog your memory a little more until we get the other horses. There were eight that W. H. Anderson brought in, one you passed at Shediac, making nine, and the four McManus horses. The rest of the horses must have come in from Port Elgin?—A. Well, I cannot remember now.

Q. W. H. Anderson did not bring him any more horses, according to his own statement, and this man Fields who was assisting to bring in the horses corroborates what Anderson says as to the number. You swear that you passed only one horse at Shediac?—A. Yes.

Q. Where are the rest—don't you remember making a statement when confronted with this situation that you did not get any money yourself?—A. Yes.

Q. Don't you remember making that statement?—A. Yes.

Q. That being so, I want to clear up the situation with regard to the serious position in which Major Anderson is. How long ago is it since you made that statement?—A. I think it was last May.

SIR CHARLES DAVIDSON: In the Public Accounts Committee?

The WITNESS: No.

Examined by Mr. Thompson:

Q. You recollect having made that statement?—A. Yes.

Q. When you were being interrogated about these horses. Now let us see if you can find these horses?—A. Mr. Thompson, positively that is all the horses I know of.

Q. You see how short you are?—A. I think we accounted for them at that time.

Q. How could you account for them because here is W. H. Anderson and Fields who say they brought in a certain number of horses and they have given us the horses?—A. Really I do not recollect anything about it, that is the only thing I can recollect.

Q. We will have to stay here a little longer until we get it. There are 16 horses now that you have added in the McManus horses and the horse you examined at Shediac, and the Taylor horse. I want to find two more horses?—A. I cannot tell you. Positively I do not know.

Q. Try and remember, we must endeavour to get at those?—A. I have been trying to think and I cannot think of any other horses.

Q. You see, after thinking the matter out, and by inserting the McManus horses, which W. H. Anderson had nothing at all to do with, you have not even accounted for 16, I can help you out a little later on, but where are the other two horses?—A. I cannot remember at all, I have no recollection.

Q. Evidently you did not pick them up on your tour of inspection with W. H. Anderson in the motor car?—A. Well, I do not know.

Q. Did you pass more than one horse at Shediac after the W. H. Anderson bunch left?—A. Not that I know of. I do not remember passing any other horses.

Q. Are you quite sure you did not pass any other horses at Shediac?—A. Pretty sure.

Q. When the horses got to Shediac did you examine them again?—A. Yes I looked them over.

Q. Were any of the rejected horses in the lot?—A. I don't think it.

Q. But you are the one to know?—A. To the best of my knowledge they were not.

Q. Would you recognize a rejected horse if it was there?—A. I think I would.

Q. Are you sure there were not two rejected horses included?—A. Not to my knowledge.

Q. Because if we take up your list a little more and bring your list up to 16, that will still be two horses short, and, bear that in mind, you have charged the Government for having examined 20 horses?—A. Yes.

Q. Did you charge the Government for having passed 18 horses out of the 20?—A. Yes.

Q. Now, W. H. Anderson says you rejected four horses and he gave me the names. Did not they bring in two of these rejected horses?—A. Not that I know of.

[Dorchester, Horses—Doyle.]

Sir CHARLES DAVIDSON: Did you see the horses put in the cars?

The WITNESS: At Moncton?

Sir CHARLES DAVIDSON: At Moncton?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Did you see any horses put on board that had been rejected by you?

The WITNESS: No.

Sir CHARLES DAVIDSON: Are you sure of that?

The WITNESS: Positive, sir.

Sir CHARLES DAVIDSON: What about the black mare?

The WITNESS: I put that one out.

By Mr. Thompson:

Q. And that black mare was evidently very persistent in trying to get to the front, because she positively got on to the car?—A. Mr. Cook was insistent she should go.

Q. What about that?—A. Major Anderson was here that morning putting the camp up and he asked me if I would look after the shipment of the horses. When I went down that mare was in the car all alone and I told one of the men to put her out of that, and he took her out and tied her at the side.

Q. Is that quite true?—A. Yes.

Q. Didn't you tell the druggist's man to take her out of that car and that he had better ship her in another car?—A. No.

Q. He swore to that?—A. Oh, no, the man took her out and tied her to a post.

Q. She was the first in the car?—A. Yes.

Q. And you took her out?—A. One of the soldiers took her out and tied her.

Q. How far away?—A. Not very far away; he tied her handy.

Q. Handy to the next car?—A. Of course, he did not go far away with her. We had loaded the horses into this car she was in.

Q. The car she had been in?—A. Yes, there were three cars loaded at the time, and I was watching the loading of the three cars at the same time and they were keeping check. I did not know that the mare was in until someone called my attention to it. They put her right back in the same car.

Q. Who put her back in the same car?—A. I think it was Mr. Cook himself, but I am not sure.

Q. You know him?—A. Yes.

Q. You saw him moving around the scene of activity?—A. Yes, he was there.

Q. And he or somebody slipped the black mare into the same car?—A. Yes.

Q. What did you do?—A. I did not say anything. I did not make any fuss over it. I thought the railway people only counted 15 in the car.

Q. He smuggled her back when the railway people were not looking?—A. Yes, the railway people never knew anything about it, so they told me.

Q. Did Major Anderson say that that horse was going anyhow?—A. No, he never told me that.

Q. Did you have any conversation with Major Anderson about it?—A. Mr. Cook asked me if the mare would pass and I said, no.

Sir CHARLES DAVIDSON: What was the matter with the mare?

The WITNESS: She was small, under weight and over age. It was a nice little mare but not fit.

Sir CHARLES DAVIDSON: What was her age?

The WITNESS: 14 or 15.

By Mr. Thompson, K.C.

Q. What was her weight?—A. About 800.

Q. How many hands high?—A. Not over fourteen.

[Dorchester, Horses—Doyle.]

Q. What is the standard?—A. Fifteen hands.

Q. She was a pony?—A. A small horse.

Sir CHARLES DAVIDSON: What is the standard weight?

The WITNESS: 1,000 pounds.

Sir CHARLES DAVIDSON: You were not to take them under 1,000 pounds.

The WITNESS: No.

By Mr. Thompson, K.C.

Q. What was the limit of age?—A. From five years to eight years.

Q. And she was below the limit in weight and above the limit in age?—A. Yes.

Q. Why was Mr. Cook so keen to get his horse to the front?—A. I do not know, I suppose he needed the money he said he needed money.

Q. Is that all?—A. That is all.

Q. Why did he need money so badly?—A. I don't know, that is what I have been wondering.

Q. What else is there about that little black mare that was so persistent to go to the front?—A. There is nothing I know of, I simply would not have nothing to do with her.

Q. Was there any particular reason for your washing your hands of that mare?—A. Nothing more than that she was not fit.

Q. Is that the sole reason?—A. The sole reason.

Q. Why was Major Anderson so keen to have her?—A. I do not know that he was so keen to have her, he told me that he would not take her, at first.

Q. And in spite of you all Mr. Cook, the druggist, got his mare for the third time on the cars when the backs of the railway officials were turned, he got her to Valcartier?—A. She went there.

Q. And you don't know anything more about her?—A. I don't know anything more about her. I did not bother my head about her after that.

Sir CHARLES DAVIDSON: You know something more about her?

The WITNESS: Nothing more than that I would not pass her.

Sir CHARLES DAVIDSON: You know something more than that.

The WITNESS: Yes, I would not sign the cheque.

Sir CHARLES DAVIDSON: That is important.

The WITNESS: He brought the cheque in and I would not sign it.

Sir CHARLES DAVIDSON: Who brought the cheque in?

The WITNESS: Mr. Cook.

Sir CHARLES DAVIDSON: Did not Major Anderson bring it in?

The WITNESS: No.

By Mr. Thompson, K.C.

Q. Was it not one of the remount cheques that you gave to Copp and to the rest of them?—A. Yes, it was a remount cheque.

Q. A standard remount cheque?—A. Yes.

Q. There was nothing peculiar about it?—A. No.

Q. Did you notice the price on the cheque?—A. Yes.

Q. You would have nothing to do with the cheque?—A. Any more than I would have to do with the other cheques. I told him I would not sign it.

Q. What was the amount?—A. \$175.

Q. Did you not hear the price of the pony mentioned?—A. No, I did not. I don't think it, not that I know of.

Q. Did Anderson tell you he was issuing a cheque for that pony?—A. He never told me.

Q. When you refused to sign it was Cook annoyed?—A. I think he was.

[Dorchester, Horses—Doyle.]

Q. Don't you know he was?—A. He did not show he was mad or anything.

Q. He restrained his feelings, did he?—A. He didn't say anything.

Q. Did he tell you he would get Anderson to fix it up?—A. No.

Q. Are you sure?—A. Positive.

Q. Did Major Anderson come in to see you about the cheque?—A. No.

Q. Are you positive?—A. I am positive.

Q. How long after the horses were shipped did Major Anderson leave for Valcartier?—A. I think it was the day of the last shipment.

Q. When did the little black mare go?—A. That would be the last shipment; she did not go on the first lot.

Q. There was not much time for an argument about that?—A. No.

Q. Did that cheque come back?—A. Yes.

Q. He cashed the cheque and it came back?—A. I understand it was not cashed.

Q. I think he said he got the money and that the cheque came back?—A. Yes, I understood it so.

Q. What about the little black mare, did she come back?—A. No.

Q. You never saw her since?—A. No.

Sir CHARLES DAVIDSON: Is she in the trenches now?

The WITNESS: I cannot say.

By Mr. Thompson:

Q. Did you eventually sign that cheque?—A. No.

Q. You don't know what became of the cheque?—A. No.

Q. And you don't know whether the little black mare went to the war?—A. No.

Q. And you don't know why Anderson wanted her in?—A. No.

Q. And you don't know why the druggist was so anxious to get rid of her?—A. No.

Q. You know nothing about her whatever?—A. Nothing whatever.

The witness retired.

The Commission took recess for luncheon.

MILLIDGE ALLAN, farmer, sworn:

Examined by Mr. Thompson:

Q. You sold a horse to Major Anderson last August?—A. Yes, sir.

Q. You had some conversation with W. H. Anderson which led up to the sale of that horse, had you not?—A. Yes, sir.

Q. Did W. H. Anderson arrange the price?—A. No, sir.

Q. Shortly after the interview with W. H. Anderson, I understood that he asked Major Anderson and Dr. Doyle to go to your place or to meet you some place?—A. Yes, sir.

Q. Was it at your house they met?—A. No, sir.

Q. Where did they meet you?—A. In the town of Port Elgin.

Q. Did they meet you by appointment?—A. They sent me notice to meet them, but I did not happen to get the notice, and I met them in Port Elgin by accident.

Q. Who examined your horse?—A. I was to fetch him to this place for examination, and he was not examined only by William Anderson until he went to Shediack, where he was examined by the Major.

Q. Did you take that horse to Port Elgin?—A. I did not take that horse to Port Elgin.

Q. Did you send him to Shediack?—A. I sent him to Shediack with W. H. Anderson, the brother of the Major.

Q. Was he examined by the veterinary surgeon?—A. Not until he went to Shediack.

[Dorchester, Horses—Allan.]

Q. Did you follow him into Shediack?—A. No, sir, I warranted the horse to be sound in every shape and form.

Q. When did you arrange as to the price?—A. I arranged it with the Major in Port Elgin.

Q. Although you did not have the horse there?—A. No, sir.

Q. And he did not see the horse when he was arranging the price?—A. No.

Q. And Dr. Doyle was at Port Elgin?—A. Yes, sir.

Q. Did Dr. Doyle see the horse before it went to Shediack?—A. No, not that I know of.

Q. If it was examined at all it must have been examined at Shediack?—A. Yes, I took my chances that the horse would pass when he got to Shediack.

Q. Neither Doyle nor Major Anderson had seen the horse when the price was fixed?—A. No, sir.

Q. What were you asking for the horse?—A. I asked \$175.

Q. What did they pay you for the horse?—A. \$170.

Q. Why did not they give you the higher price that you asked?—A. I do not know, they beat me down as long as they could and I would not fall any lower.

Q. Did they say anything about having a top price beyond which they could not go?—A. No, they did not say anything about that.

Q. To whom do you refer when you say "they"?—A. Well, the Major.

Q. Are you sure that Major Anderson and Dr. Doyle did not go to your house to examine the horse?—A. Not that I know of.

Q. What arrangement was made by Major Anderson with you in reference to delivering the horse?—A. I was to deliver him at Shediack to his brother William.

Q. What did he say about paying you?—A. That if the horse stood examination he would send me the money by his brother.

Q. Did you eventually receive the purchase money for the horse?—A. Yes.

Q. How much?—A. \$170.

Q. Who paid you?—A. William Anderson.

Q. Was it by cheque or in cash?—A. In cash.

Q. In an envelope?—A. In an envelope.

Q. Was it sealed up?—A. I do not know that it was.

Q. Was the envelope opened?—A. I think it was just folded in and not sealed. I will not say for sure. It was in an envelope, but I will not say whether it was sealed or not.

Q. Did W. H. Anderson call to give the money to you?—A. He called to give it to me at the house.

Q. What did he say when he gave it to you?—A. He said it was the money for the horse.

Q. What amount did he say it was?—A. He said it was \$170.

Q. Are you sure he told you that?—A. As far as I remember he did, but I will not say about that altogether. He said it was the money for the horse, but I will not say he knew what was in it or not.

Q. How old was your horse?—A. Rising five years old.

Q. What height was your horse?—A. I cannot tell, it was about 15 hands.

Q. What would the horse weigh?—A. 1,050 pounds.

Q. What was its colour?—A. A bright black.

Q. Was he a sound horse?—A. Sound in every way.

Q. I suppose you kept all that money for your own purposes?—A. Yes, sir.

Q. And you did not rebate any part of it to anybody?—A. No, sir.

Q. Nor you did not divide any part of it with anybody?—A. No, sir.

The witness retired.

ALBERT BLACKLOCK, farmer, Little Shemogue, sworn:—

By Mr. Thompson:

Q. You sold a horse to Major Anderson last August?—A. To Major Anderson and to Dr. Doyle.

Q. Had W. H. Anderson spoken to you about the horse first?—A. Yes, a few days previous.

Q. Did W. H. Anderson mention the price to you?—A. No.

Q. You did not discuss the price together?—A. No, he just asked me what was the least I thought I could take.

Q. Did you tell him the highest you would take?—A. I told him the highest I was expecting to get.

Q. What happened after that, did they call at your place?—A. Yes, but I do not remember how long afterwards, but it was some days afterwards.

Q. When did they make that call on you?—A. I do not remember the date.

Q. Who was it called on you?—A. Major Anderson and Dr. Doyle and W. H. Anderson and the chauffeur.

Q. How many of them examined the horse?—A. Dr. Doyle and Major Anderson.

Q. What sort of an inspection did Doyle make of the horse?—A. Well, it was pretty thorough.

Q. Would you risk your money on another horse on the examination which Doyle made of your horse?—A. Yes, I think I would.

Q. What age was your horse?—A. Four past, coming five years.

Q. What did he weigh?—A. I do not know exactly, somewhere around about a thousand.

Q. About how high would your horse stand?—A. As a fair average around 15 hands.

Q. What colour was he?—A. A light chestnut with four white stockings.

Q. Was he sound?—A. Quite sound.

Q. Who arranged the price with you?—A. Dr. Doyle and Major Anderson.

Q. What part did Doyle take in arranging the price?—A. They seemed to be consulting together, and I am a little hard of hearing and I did not hear what passed between them.

Q. Did you hear Doyle mention the price in any way?—A. He asked me what I wanted for the horse.

Q. Who asked you what you wanted for the horse?—A. Major Anderson asked me and I told him.

Q. What were you asking?—A. \$175.

Q. What did Major Anderson say to that?—A. The Major said he thought that was a little too high; he turned to Doyle and asked him something and I did not catch what he said.

Q. After their consultation, what did they offer you for the horse?—A. \$160.

Q. Did you take it?—A. I took it.

Q. Did he pay you cash then?—A. No, sir.

Q. What did he do?—A. He told me he would send me word later where I was to take the horse, and that I would get some money through his brother, W. H. Anderson.

Q. Did he send you a letter about that?—A. No, he sent me word the next evening when he came there.

Q. Who came there?—A. W. H. Anderson.

Q. What did he say?—A. That I was to take the horse to his place that night.

Q. And did you do so?—A. I did.

Q. Did you get your money?—A. No, sir.

Q. Did you leave your horse there?—A. I left my horse there that night.

Q. When did you get your money?—A. On Monday; that was on a Friday.

Q. Who paid you your money?—A. W. H. Anderson.

[Dorchester, Horses—Blacklock.]

Q. Did he pay you by cheque?—A. No.

Q. Did he pay you in cash?—A. Yes.

Q. Was the money in an envelope?—A. Yes.

Q. Was the envelope sealed?—A. I do not know.

Q. Do you recollect whether you had to tear the envelope?—A. I do not remember.

Q. Did W. H. Anderson call at your place?—A. No, I went to his house.

Q. You went there to find out about your money?—A. A man came after me to go down.

Q. And the fact that W. H. Anderson would likely have money for you was no hindrance to your going down?—A. No, I went down with Tom Oulten.

Q. Did you ask for the money?—A. No, he gave it to me.

Q. What did he say?—A. He said it was the money for the horse.

Q. Did he tell you how much it was?—A. He counted it out.

Q. Did he take the money out of the envelope in your presence?—A. He did.

Q. He did not give you the envelope?—A. No.

Q. Did you keep that purchase money for your own purpose?—A. Yes, and there was ten dollars more in that envelope than W. H. Anderson gave me and he kept it; he put it back into the envelope when we were sitting there talking.

Q. Did you tell him there was ten dollars too much in the envelope?—A. Yes, he did not know the price and he asked me and I told him.

Q. I understand that he paid you by mistake more than the price you bargained to sell the horse for?—A. Yes, I think he did.

Q. And you were too honest to take it?—A. I gave it back.

The witness retired.

ALFRED R. MOORE, insurance agent, Port Elgin, sworn.

By Mr. Thompson:

Q. You sold a horse to Major Anderson last August?—A. I cannot say that I did.

Q. You got some money for the horse anyway?—A. I got money for the horse. It happened that I was working on the barn, and Major Anderson and Dr. Doyle, I believe that is his name, came into the yard and looked at the horse I had.

Q. Just before you proceed, had you any conversation with W. H. Anderson prior to that?—A. None.

Q. None whatever?—A. None whatever.

Q. Did you know him?—A. Yes.

Q. Did he ask you whether you had a horse to sell or not?—A. No.

Q. Tell what happened?—A. I was out at the barn and I said to my son: "Go, and show the horse," and when my son came back he said that Mr. Boyd Anderson and Dr. Doyle, I believe—I would not swear to that but I think that is the name he gave—had seen the horse, and I said: "What did they say about the horse," and he said they said it would do, and went away.

Q. Was Major Anderson there?—A. Yes.

Q. He was one of the two?—A. Yes.

Q. Did you discuss the price?—A. I told him what I would take for the horse.

Q. What did you say you would take for the horse?—A. \$175.

Q. Did your son report that as satisfactory to Major Anderson?—A. There was nothing more said, they went away and I would not say exactly how many days afterwards Major Anderson sent me word by Mr. Copp that if I would take \$170 for the horse to bring him down to Mr. Copp's.

Q. And what did you do?—A. I done so.

Q. You took the horse down?—A. Yes.

Q. Did you get your money?—A. I did.

Q. From whom did you get your money?—A. From Mr. W. H. Copp.

[Dorchester, Horses—Moore.]

Q. How much did you get?—A. I got \$170.

Q. Is that all you were asking?—A. No, I asked \$175 but I agreed to take \$170 and I thought as long as he was going to the war I would not stick on the price.

Q. What age was your horse?—A. Four years old, past.

Q. Was he sound?—A. Perfectly sound.

Q. What would your horse weigh?—A. Between 1,000 and 1,100 pounds.

Q. What height was he?—A. Between 15 and 16 hands.

Q. What colour was the horse?—A. A dark bay horse with black points.

Q. You did not rebate any part of that money to anybody whomsoever?—A. No, positively all that money went into my own pocket.

The witness retired.

HARRIS SIMPSON, farmer, Little Chemogue, sworn:

By Mr. Thompson:

Q. Do you recollect W. H. Anderson calling at your place last August?—A. Yes, sir.

Q. He was inquiring about horses?—A. Yes, sir.

Q. You and your father had two horses to sell?—A. Me and my brother.

Q. Did he ask you as to the price?—A. Yes, I think he did.

Q. What was your price for the pair of horses you had to sell?—A. I asked him \$320 for the pair, I think it was.

Q. What did you eventually get for the pair?—A. \$310.

Q. Then subsequently, I think you had a visit from Major Anderson and Dr. Doyle?—A. Mr. Anderson was there I think about three days before Major Anderson and Dr. Doyle came. They did not come either, they sent for us to meet them on the road.

Q. And you met them on the road?—A. Yes, sir, we met them on the road.

Q. Did Major Anderson and Dr. Doyle examine your horse?—A. Major Anderson and Dr. Doyle examined the horses.

Q. Were your horses hitched up?—A. Yes.

Q. What examination did Dr. Doyle make of the horses?—A. Well, he looked the horses over and he asked us to drive them up the road and back again so that he could see their style, and we did so.

Q. Who arranged as to the price, was it Doyle or Major Anderson?—A. Major Anderson.

Q. Did he entirely take part in the negotiation?—A. Well he asked us our price and we told him and him and Doyle consulted together and I do not know what they talked about or what they said and Major Anderson then made an agreement as to the price.

Q. What did he pay for the two horses?—A. \$310.

Q. That was \$165 for each horse?—A. Yes.

Q. How old were those horses?—A. My brother's horse was four years rising five, and my horse was about eight years old, or somewhere about that, I cannot guarantee his age to a year.

Q. At all events, your horses was about eight years old?—A. I think so.

Q. Did he look pretty sound?—A. He was sound as far as I know.

Q. Did you have any trouble with him at all?—A. I never had a bit of trouble with him.

Q. What colour were the horses?—A. The horse I sold was a dark bay and the other horse was a light bay with black points.

Q. What would these horses weigh?—A. The horse I sold weighed 1,060 pounds and the other horse was about the same.

Q. How high were they?—A. My brother's horse was 15½ hands and mine was about 15 hands.

[Dorchester, Horses—Simpson.]

Q. Did he pay you by cash there and then?—A. No, sir.

Q. What did they say as to that?—A. They told us that we would get our money when the horses were delivered.

Q. Who made that arrangement with you?—A. Major Anderson.

Q. When did you deliver your horses?—A. On Saturday morning, about two days after the inspection.

Q. Where did you deliver them?—A. In Shediach.

Q. Who gave you the money?—A. W. H. Anderson.

Q. Was it by cash or in a cheque?—A. By cash.

Q. Was it in an envelope?—A. Yes, sir.

Q. Did he give you the money for the two horses?—A. Yes, sir.

Q. And you delivered the horses yourself at Shediach?—A. Yes.

Q. Was the envelope that money was in sealed?—A. Yes, sir.

Q. How much was in the envelope?—A. \$310.

Q. Did you count it yourself?—A. Yes, sir.

Q. Did you or your brother keep all that money for yourselves or did you give part of it to Major Anderson?—A. We gave nothing to them at all, we kept it all for ourselves.

Q. Did he tell you how much was in the envelope?—A. No, sir, he asked me to open the envelope, and I found it was all right.

The witness retired.

JOHN M. SIMPSON, of Little Chemogue, farmer, sworn:

By Mr. Thompson:

Q. You heard what your brother said about this horse transaction?—A. Yes, sir.

Q. Do you corroborate that?—A. Yes, sir.

Q. And you corroborate him also as to the colour of the horses?—A. Yes sir.

Q. And their ages?—A. Yes, sir.

Q. And you corroborate him also as to his statement as to negotiations with regard to the price?—A. Yes, sir.

Q. What amount of money did you receive?—A. I received \$155.

Q. Your negotiations with Major Anderson were for \$310 for the pair of horses?—A. Yes, sir.

Q. Did you deliver the horses at Shediach or did your brother?—A. No, sir, I did not deliver the horses at all. I got my money with my brother and I counted it up and divided it, I split it between us.

Q. How much was split up?—A. \$310.

Q. Did Major Anderson negotiate as to the price?—A. Major Anderson and Doyle, I will not state which of them set the price, but it was set between them.

Q. You corroborate your brother, also, as to W. H. Anderson having called at your place?—A. Yes, sir.

Q. And your horse was sound?—A. Yes, sir.

The witness retired.

FRED. MAGEE, president and managing director of Fred. Magee, Limited, Port Elgin, sworn:

By Mr. Thompson:

Q. Do you remember selling a horse to Major Anderson last August?—A. Yes, our firm sold two horses.

Q. Had W. H. Anderson spoken to you about the possibility of buying these horses?—A. I do not know that I saw W. H. Anderson about the matter at all.

[Dorchester, Horses—Magee.]

Q. But this morning he mentioned your name as possessing two horses for sale?—
A. The conversation might have taken place with some of the other members of the firm. I do not remember it.

Q. Do you remember Major Anderson and Dr. Doyle calling at your place?—A. They did not call. I met them on the street and stopped and shook hands with them and asked them what they were doing in the locality, and they informed me they were buying horses and asked me might I have one to sell.

Q. They did not ask you about the horses you had to sell?—A. No, I mentioned it to them.

Q. Did you introduce the subject?—A. They told me their business and I told them I had two horses for sale.

Q. That you thought you would have a chance to do business and sell the horses?—A. Yes.

Q. Who examined the horses, was it Anderson or Doyle?—A. I cannot say, the horses were there and I could not say who examined them.

Q. You do not know what took place?—A. No.

Q. Did they pay the money and take the horses away or what happened?—A. I received the money a few days later.

Q. Did they take the horses with them?—A. Not then.

Q. What did you ask for these two horses?—A. I asked \$200 for the horse they took; they made me a counter offer of \$190 and I accepted it.

Q. Was your horse sound?—A. He was.

Q. What age was the horse?—A. About five years old.

Q. What did he weigh?—A. He weighed about 1,200 pounds.

Q. What was his colour?—A. Bay.

Q. Do you know who brought the money to your place?—A. I do not know. I presume it was W. H. Anderson.

Q. Do you know how the horse was got from your place to Shediak?—A. I think it went up with some horses from Port Elgin taken up by Mr. W. Copp.

Q. You kept that money for yourself?—A. The firm got it, I have an entry of it in my cash book.

Q. You did not rebate any of it to Major Anderson or to anybody else?—A. Oh, no.

The witness retired.

JUDSON TRENHOLME, farmer, Port Elgin, sworn:

By Mr. Thompson:

Q. You sold a horse to Major Anderson last August?—A. Yes, sir.

Q. Did W. H. Anderson speak to you about it beforehand?—A. No.

Q. How did you come to know that horses were being purchased by Major Anderson?—A. William Anderson told me.

Q. But you are after saying that he did not speak to you about it?—A. I did not understand the question, W. H. Anderson spoke to me.

Q. And shortly afterwards Major Anderson called to see you?—A. Yes.

Q. And he was accompanied by whom?—A. He was accompanied by the doctor, I think they called him Doyle.

Q. Do you see Dr. Doyle now in court?—A. I would not know him.

Q. You were not interested in him very much?—A. No, sir.

Q. Did they examine your horse?—A. Yes, sir.

Q. What sort of examination did they give?—A. They looked around him and sized him up and stepped him around and did all that was necessary.

Q. Would you risk your own money in purchasing a horse on the examination they gave to your horse?—A. Yes.

[Dorchester, Horses—Trenholme.]

- Q. You think it was a thorough examination?—A. Yes.
 Q. Was your horse sound?—A. Yes.
 Q. How long did you have him?—A. I raised him from a colt.
 Q. You knew your horse was sound?—A. Yes, sir.
 Q. What age was he?—A. Four and a half or five years old.
 Q. That seems to be the age of all the horses around here?—A. Pretty much.
 Q. What colour was he?—A. Chestnut.
 Q. What would he weigh?—A. About ten hundred and a half.
 Q. Who arranged about the price?—A. Major Anderson.
 Q. Did Dr. Doyle help him?—A. Not with me, he didn't.
 Q. What did Major Anderson offer you?—A. \$170.
 Q. What did you ask for the horse?—A. \$200.
 Q. And he beat you down to \$170?—A. Yes.
 Q. You came down in your price a good deal?—A. Yes.
 Q. Did he pay you there and then?—A. No, sir.
 Q. How were you paid?—A. The money came to the house some days afterwards, I was not present, but it was left with the money.
 Q. Did your wife tell you who brought the money?—A. Yes, sir.
 Q. Who did she say brought the money?—A. Mr. Anderson.
 Q. Was the money in an envelope?—A. Yes, sir.
 Q. Was the envelope sealed?—A. Yes, sir.
 Q. What was written on the envelope?—A. I do not know. The woman said it was sealed up and she asked me to open it and to count it and she opened it and counted it out herself.
 Q. And how much did it count out at?—A. \$170.
 Q. You were satisfied?—A. Yes.
 Q. Did you deliver the horse to them or did they call and take the horse away?—
 A. I handed it over to the Major and he took it away.

The witness retired.

THOMAS OULTEN, of Little Shemogue, farmer, sworn:

Examined by Mr. Thompson:

- Q. How did you become aware that Major Anderson wanted to buy horses for military purposes?—A. I heard it; I do not know whether I read it in the paper or heard it through the town.
 Q. Are you connected with the family?—A. Yes, kind of distant. I listed my horse with W. H. Anderson. I told him if the Major was around to tell him I had a horse.
 Q. Did you speak to him about it first, or did W. H. Anderson speak to you about it first?—A. I spoke to him.
 Q. You spoke to him first?—A. I certainly did.
 Q. You wanted to sell your horse?—A. I did.
 Q. And Major Anderson called afterwards and looked at your horse?—A. Yes, sir.
 Q. Was Dr. Doyle with him?—A. Yes, sir.
 Q. What examination did they give that horse?—A. They gave him a pretty close examination. He was a thoroughly good horse and could stand examination; they went over him, over his feet and mouth, and so on.
 Q. Did they make him trot up and down?—A. Yes.
 Q. Who negotiated the price?—A. Major Anderson and I.
 Q. What did you ask?—A. \$175.
 Q. What did he give you?—A. \$170.
 Q. Did he pay you there and then?—A. No, sir.

[Dorchester, Horses—Oulten.]

Q. What arrangement did he make about paying you?—A. I do not know we made any arrangement, but he told me to deliver the horse to W. H. Anderson on a certain day, and I did so.

Q. Did they deliver the money to you then and there?—A. No, sir.

Q. When did you get the money?—A. Three or four days afterwards.

Q. How did you get your money?—A. I went after it.

Q. Where did you go?—A. To W. H. Anderson.

Q. Did he have the money?—A. Yes, sir.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. Was the money in an envelope?—A. Yes, sir.

Q. Was the envelope sealed?—A. Yes, sir; I think it was.

Q. Did you read the envelope?—A. No, sir; I tore the end open.

Q. I suppose you were keen to see what was inside?—A. Yes, sir. I tore it open pretty quick.

Q. And what did you find in it?—A. \$170.

Q. And were you satisfied?—A. I certainly was.

Q. How old was your horse?—A. Coming five years old.

Q. What did the horse weigh?—A. 1,100 pounds.

Q. What colour was he?—A. Bay.

Q. Did you keep all that money for your own purpose?—A. Yes.

Q. You did not give any of it to Major Anderson?—A. No, sir. I did not.

Q. Nor you did not give any of it to Dr. Doyle?—A. No, sir.

Q. Nor you did not give any of it to W. H. Anderson?—A. No, sir.

Q. You used all that money for your own purposes?—A. I certainly did.

Q. Did W. H. Anderson tell you how much was in the envelope?—A. He told me it was the money for the horse.

Q. Did he tell you how much was in the envelope?—A. I think he asked me before we spoke how much I got for the horse and I told him.

Q. And you found the correct amount in the envelope?—A. Yes, sir.

The witness retired.

ALBERT L. WELLS, Baie Verte, Farmer.

The declaration of this witness was submitted to the Court.

Mr. THOMPSON, K.C.: A. L. Wells was served with a subpoena and he is prepared to attend here, but I have already from the other witnesses the information necessary, and I do not wish to compel him to attend as his wife is on the point of death. He sends in an affidavit, and the contents of that affidavit correspond with the information which I have.

The information is as follows:

I, ALBERT L. WELLS, of Baie Verte, in the County of Westmorland, Mail Driver, make oath and say:

1. That during the autumn of 1914, I think in September, I sold a horse to Major Boyd Anderson and another man whom I understood was Dr. Doyle. After looking at the horse for a moment I told them I wanted \$200, as he was perfectly sound and nine years old, and could prove he was not more than ten years old, his weight about 1,100 lbs. and in good flesh and he had been used and fed for a horse driving a daily mail. Anderson then asked the doctor what they had better do, and the doctor then offered me \$180 which I accepted. I delivered the horse the second day afterwards to W. H. Copp, and I was told he and W. H. Anderson took them to Shediak and when they returned Anderson, W. H.,

gave my son B. F. Wells in bank bills the amount due me, one hundred and eighty (\$180) dollars, which I received, and no more.

(Sgd.) A. L. WELLS.

Baie Verte, N.B.,

Sworn to before me this fourth day
of August, 1915.

(Sgd.) ROBT. C. GOODWIN,
Justice of the Peace, in and for the
County of Westmorland.

Sworn as amended this fourth day of August, 1915, at the said County of Westmorland, before me.

THOMAS J. ALLEN,
A Commissioner for taking affidavits to be
used in the Supreme Court.

MR. THOMPSON: My records show that two horses were purchased at Shediac, neither of which was mentioned by Dr. Doyle. One was sold by A. Bourque, and he is in Court. My information was that Dan McDonald sold the other. That would make 12 horses. I would like to leave the Anderson horses just at present and take up the Copp purchases, to enable these men to get away.

FRED. TURNER, farmer, Baie Verte, sworn:

By Mr. Thompson:

Q. Do you remember Copp going to your place last August?—A. Yes, sir.

Q. And you remember him speaking to you about selling your horse?—A. He came in and wanted to buy my horse.

Q. Did he tell you what he wanted to buy him for?—A. He said he would buy him if he would pass, and if he would not pass he would keep him himself.

Q. What price did he offer you for the horse?—A. He paid me \$160.

Q. Did you sell him to him for \$160?—A. Yes, sir.

Q. On that occasion when he called at your place you sold the horse to him for \$160?—A. Yes, sir.

Q. You sold him there and then?—A. Yes, sir.

Q. Are you sure about that?—A. Certain.

Q. Did you not tell him you wanted a Government voucher for the price for which the horse sold?—A. No, sir.

Q. Do you say that he paid you \$160 there and then?—A. He did not pay me there and then.

Q. What did he say about paying you?—A. That he would pay me later, and I thought he was good for it.

Q. You were relying on him to pay you the money?—A. I knew he was good for it, right, or I thought he was.

Q. And he paid you \$160?—A. Yes.

Sir CHARLES DAVIDSON: Did he buy the horse for the Government?

The WITNESS: He bought on his own account. He said he would take him up there and if he did not pass he would keep him.

By Mr. Thompson:

Q. He was buying practically for the Government?—A. I think he is in the livery business.

Q. He told you he would take the horse up to Shediac?—A. Yes.

[Dorchester, Horses—Turner.]

Q. What price were you asking?—A. I think it was \$175.

Q. What price did he offer?—A. He beat me down to \$160. Of course the horse was worth more money.

Q. Did he take the horse away with him?—A. Yes, he was worth more money, he was worth \$200.

Q. Then why did you take \$160 if he was worth \$200?—A. Well, times were pretty hard and I wanted the money.

Q. Was he a good sound horse?—A. Yes, sir.

Q. What was his age?—A. Five years old.

Q. What would he weigh?—A. About 1,000 pounds.

Q. What colour was he?—A. A dark bay.

Q. And Copp took the horse with him right away?—A. Yes.

Q. How long after that did he pay you?—A. In about a week.

Q. Did he pay you in cash?—A. Yes.

Q. Did he call for the money?—A. I was in Port Elgin and he came over and gave it to me.

The witness retired.

MOODY OGDEN, already sworn, recalled:

By Mr. Thompson:

Q. Did Copp take your horse away?—A. No sir, I took him to Shediack on my own responsibility.

Q. I think you said that Major Anderson told you that Copp would give you the money?—A. Major Anderson asked me would it be all right to put the price of my horse on W. H. Copp's cheque, and I said it would.

Q. Did you ever see Copp's horse that was sold to the Government?—A. Yes, sir.

Q. How did your horse compare with his?—A. I do not think my horse was as good as Copp's horse. He was not as good a road horse.

Sir CHARLES DAVIDSON: We have no proof yet that Copp sold a horse?

Mr. THOMPSON: Not yet, sir, but we are coming to that. (To the witness).

Q. What did you get for your horse?—A. \$170.

Q. What would you think Copp's horse was worth?—A. I do not know.

Q. Suppose you were buying that horse, what would you offer Copp for that horse?—A. Well that is a pretty hard question for me to answer. I do not think any way that I am very much authority on the price of horses.

Q. Are you not a farmer?—A. I was at that time.

Q. Suppose you were going to buy Copp's horse, what would you offer for him?—A. He was more of a road horse than mine.

Q. Would you consider him worth \$200?—A. I would not like to set a price on him as I do not know very much about him, but I saw him quite a lot on the road and I think he was a real nice road horse, but as far as setting a price on him I do not think I can.

The witness retired.

W. H. COPP, hotel and livery keeper, Port Elgin, sworn:

By Mr. Thompson:

Q. Did you hear what Fred Turner said about your buying his horse for \$160?—A. Yes, sir.

Q. What he said is correct, is it?—A. I bought that horse on my own account.

Q. At that time when you knew that Major Anderson was buying horses for the Government?—A. Yes, sir.

Q. You are brother-in-law to Major Anderson, are you not?—A. Yes.

Q. Did you hear what Ogden said about the conversation with Major Anderson as to sending the money to him through you?—A. Yes.

Q. Ogden's money was included in your cheque?—A. Yes.

Q. And you took in your own horse and Fred Turner's horse?—A. No, I took two of my own, Fred Turner's and my own.

Q. Did you sell to Major Anderson the horse you bought from Fred Turner?—A. Yes.

Q. Did you take the horse you bought from Turner, and another of your own, to Major Anderson?—A. Yes, sir.

Q. Where did you take them?—A. To Shediac.

Q. Did you drive them in?—A. Yes, sir, I did.

Q. Did Doctor Doyle examine the horse you bought from Fred Turner before you took it to Shediac?—A. No sir.

Q. Did he examine your own horse, the other horse that you had, before you went to Shediac?—A. No.

Q. What examination was given either of the horses at Shediac by Doyle?—A. They were led around there in the yard of the Weldon stable and he ran all over them.

Q. Both of them?—A. Both of them.

Q. What negotiations did you have with either Doyle or Major Anderson about the price?—A. I told Major Anderson about the price of the horses.

Q. What were the negotiations you had with Major Anderson about the horses?—A. We spoke about the price.

Sir CHARLES DAVIDSON: How much did you ask for the horses?

The WITNESS: I asked him \$400 for the two, \$200 apiece.

By Mr. Thompson:

Q. What did he pay you?—A. He paid me \$197.50 each, I got \$170 for the Ogden horse.

Sir CHARLES DAVIDSON: You did not sell the Ogden horse?

The WITNESS: No.

By Mr. Thompson:

Q. You were asking \$200 each for the pair?—A. Yes.

Q. What did they pay you?—A. \$197.50 each.

Q. That would make your cheque what?—A. \$565 including the Ogden horse.

Q. Was your horse better than the horse which you bought from Fred Turner?—A. I cannot say, he was just as good, he was a good horse, he was a sound horse.

Q. You paid Turner \$160 for that horse?—A. Yes, sir.

Q. So that your own horse would stand Major Anderson, to be paid by Major Anderson, \$235?—A. \$240.

Q. What bargaining did you have with Major Anderson as to the amount he was to pay for the horse?—A. I was talking to him and when I got through I told him I bought a horse and that if he did not want him I would take him back again. I told him I wanted \$200 apiece for the horses.

Q. And paid you \$197.50?—A. Yes.

Sir CHARLES DAVIDSON: What did the witness pay for his horse?

By Mr. Thompson:

Q. How long did you have your own horse?—A. Three years, he was a three year old when I got him.

Q. You bought him?—A. Yes.

Q. What did you pay for him?—A. I bought the whole rig, wagon, horse and harness.

Q. How much did the horse stand you?—A. I cannot say.

Q. What did you pay for the whole rig?—A. \$215.

Q. For the horse, rig, and harness, you paid \$215?—A. Yes.

[Dorchester, Horses—Copp.]

Q. What would the rig be worth?—A. About \$50 or \$60.

Q. What age was the horse then?—A. He was going on three years.

Q. Was he a better horse when you sold him to Anderson?—A. Yes.

Q. To the extent of about \$100?—A. Yes, more than that.

Q. Was that horse \$100 better than when you got him?—A. Yes.

Q. How do you account for that increase in his value?—A. He was a good road horse and speedy.

Q. Was he a bad horse when you got him?—A. He was just breaking in.

Sir CHARLES DAVIDSON: What would the harness be worth when you got it with the horse?

The WITNESS: Five or six dollars, I suppose.

By Mr. Thompson:

Q. Did you pay Ogden his money?—A. Yes, sir.

Q. Did you pay him the total amount that was due him?—A. Yes.

Q. Did you take any of it as commission?—A. No, sir.

Q. Did you give Major Anderson any part of your own cheque?—A. No, sir.

Q. None whatever?—A. No, sir.

Q. Did you keep it all for your own purpose?—A. Yes, sir.

Q. Did you give anything to him indirectly for having bought your horse at the top price?—A. No, sir.

Q. Because you know it was the top price, compared with the price paid for other horses in this district?—A. Well, I did not get anything to take the horse up there.

Q. Neither did the other men?—A. Perhaps not, but my horse was worth what was paid for him.

Q. Were your horses about the same as the other horses you saw there?—A. No, they were better.

Q. You think that Turner's horse was better than the other horses you saw at Shediac?—A. Yes, I figured he was.

Q. Was he better than the Raworth horse?—A. Yes.

Q. Was he better than the Milledge Allan horse?—A. Yes, he was.

Q. Was he better than the Blacklock horse?—A. Yes.

Q. And better than the Moore horse?—A. Yes.

Q. And better than the Simpsons' horses?—A. Yes.

Q. And better than Magee's horses?—A. Yes, better so far as I think.

Q. Did you see these horses?—A. Yes, I saw them all.

Q. Did you see the Judson Trenholme horse?—A. Yes.

Q. Do you think both your horses were better than his?—A. Yes.

Q. Was your horse better than Tom Oulten's horse?—A. I figure he was.

Q. Was he better than A. L. Wells' horse?—A. Yes.

Q. Do you say that you know all these horses?—A. Yes.

Q. You think your horses were both better than any of them?—A. Yes, sir.

Sir CHARLES DAVIDSON: Were you in the employ of the Government in any way?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: You had no commission to buy horses?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: What is your business?

The WITNESS: I am an hotelkeeper.

By Mr. Thompson:

Q. What did Major Anderson say about including Ogden's money in your cheque?
—A. He told me he would put it in my cheque.

Q. What reason did he give?—A. He did not give any.

Q. Why did he not make out a cheque for the other horse?—A. I cannot tell.

Q. Did you have any discussion with him about that?—A. No.

Q. Don't you think it curious that Moody Ogden did not get his own cheque?—
A. I do not know anything about that.

Q. Did he tell you he was going to do it or that he had done it?—A. That he had done it, he gave me the cheque.

Q. He did not make any comment at all to you?—A. No, he said he put Moody Ogden's money with my cheque.

Q. Did he tell you how much you were to give Moody Ogden?—A. I heard the bargain when he bought Moody Ogden's horse; Moody told me, he went up with me to Shediac.

Q. Did he examine Moody Ogden's horse?—A. Yes.

Q. Did you see him examined?—A. Yes, sir.

Q. Was he examined the same time that your horse was examined?—A. Yes, they were all examined together.

Q. Why did not Moody Ogden get his cheque there and then, do you know?—A. I cannot tell you that.

Q. You have no explanation to give as to why Moody Ogden's horse's purchase price was included in your cheque?—A. No.

Q. Did you give Major Anderson a horse in addition to any you sold him?—A. Did I do what?

Q. Did you give him a horse?—A. No.

Q. Did you give him any horse other than the horses you sold to him?—A. No.

Q. Did you promise to send him a horse?—A. No.

Q. Have you had any other dealings with Major Anderson in the way of buying and selling horses?—A. No.

Q. That is the only transaction you had with him?—A. The only transaction.

Q. Have you had any transaction with him since then?—A. No.

Q. Do you know a man named Bliss Taylor?—A. I do not know him.

Q. Do you know a man named Bruce Keith?—A. No, he did not belong down where I live.

Q. You never heard of Bruce Keith?—A. No.

The witness retired.

LAWRENCE S. DOYLE, veterinary surgeon of Moncton, N.B., already sworn, examination resumed from this morning:

By Mr. Thompson:

Q. Doctor, you have had a rest during luncheon?—A. Yes.

Q. How is your memory now?—A. Very good.

Q. Have you found the missing horses?—A. Yes, we have.

Q. Where are they?—A. These horses are three horses belonging to troopers that Major Anderson had in camp, two belonged to one man and one to another, they were soldiers.

Q. What about them?—A. They were brought into camp and I examined them and he put these in with W. H. Anderson's horses.

Q. Do you think so, or are you guessing?—A. I can remember now, I can remember Anderson horses.

Q. How was it that you, as you examined these horses, did not put them down on that bit of paper you turned into the Government, showing the number of horses you had examined?—A. These horses were brought into the camp at Moncton.

Q. Even so?—A. I did not know who owned them.

Q. And you were losing fifty cents a horse by not putting them down?—A. I was, I did not know I was getting paid that way at the time.

Q. Were these amongst the early horses that were brought in?—A. I forget the time they were brought in but they were somewhere around the first; no, they would not be, that would be somewhere about the middle of August, or thereabouts.

[Dorchester, Horses—Doyle.]

Q. But the W. H. Anderson horses did not come in until about the end of August?
—A. I will not be sure what time they came in.

Q. Which horses?—A. The troopers' horses.

Q. The troopers themselves were arriving and bringing in their horses?—A. Yes.

Q. And you think that was early in August?—A. No, it would be somewhere between the middle and the last of August.

Q. Now, this cheque that was made out to W. H. Anderson was at the end of August, the 28th of August, and so, having examined the troopers' horses, I would like to know whether you put them down on your list?—A. I just put them down as W. H. Anderson's horses.

Q. But you had not been talking about Anderson's horses at that time?—A. I did not put them down until the W. H. Anderson horses were examined.

Q. Why?—A. Because I did not know his arrangements.

Q. Then, why are they not in on the W. H. Anderson lot?—A. It was the Major did that.

Q. Perhaps it was, but you were keeping your own record with the Government for which you were getting your pay?—A. He said there is about 18 horses for W. H. Anderson.

Q. Did W. H. Anderson come into camp at that time?—A. I did not keep track of these horses.

Q. Why didn't you, you were getting paid at fifty cents a horse for inspecting them?—A. I did not know at that time I was going to get fifty cents a horse; I did not keep any record, Major Anderson did that.

Q. When did you know that you were going to be paid at the rate of fifty cents a horse?—A. Not until the whole thing was all over.

Q. How did you recollect then what horses you had passed and what horses you had rejected?—A. I had a record of every horse I examined.

Q. Where did you keep that record?—A. In a little book.

Q. Where is the book?—A. I do not know where it is now.

Q. Is that little book in existence?—A. It was just the number of the horses and no names. If a man came in to me sometimes I would take his name on a slip of paper, and I did that for Major Anderson.

Q. Did you hand the troopers' names into the Major?—A. No.

Q. What did you do with these three troopers?—A. I did not do anything with them.

Q. You must have done something as you kept a record for the Government of what horses you passed and what horses you rejected?—A. I remembered about the three troopers' horses.

Q. You put them on the list?—A. Yes.

Q. When?—A. With Anderson.

Q. That was in August?—A. Yes.

Q. Towards the end of August?—A. Yes.

Q. What sort of a record did you keep as you went along with your inspection?—
A. I did not keep any record at all.

Q. How were you able eventually to make your list which you turned in to the Government?—A. I got these from Major Anderson.

Q. Got what?—A. That list.

Q. How did Major Anderson keep a list of these which you were inspecting?—
A. He kept an account.

Q. Did he keep an account?—A. Yes.

Q. Of what?—A. Of every horse examined.

Q. Whether it was passed or rejected?—A. Yes.

Q. Did you make out your list which you turned in to the Government and on which you were paid from information supplied by Major Anderson?—A. Yes.

Q. Was it Major Anderson who told you to put the three troopers' horses in with W. H. Anderson's horses?—A. Yes.

Q. I am afraid you have too many horses now, you are in error, you have already accounted for ten horses, and then there are the four McManus horses which make 14, and then there is the Burke horse at Shediack, which makes 15, and then the three troopers' horses which make 18. Then there was the horse you examined at Shediack, the Taylor horse, which makes 19, and then you have to put in the Dan McDonald horse, which makes 20. And do you remember Bruce Keith?—A. Yes.

Q. Who is he?—A. I think he was a soldier.

Q. And was there a man named Bliss Taylor, a soldier?—A. Yes.

Q. How many Bliss Taylors were there?—A. That is the only one.

Q. You have too many horses, doctor, which will you cut out?—A. I do not know.

Q. Without any shifting around of the horses, or any juggling with them, you have got these horses sold by a man who testified that he sold ten in number, then we have the four which we are taking your word for that they were sold by Reid McManus, and you have also stated that you passed a horse at Shediack, which makes 15, do you remember that?—A. Yes, that was the Burke horse.

Q. No, it was not the Burke horse, it was the Taylor horse?—A. No, I do not remember passing anything for Taylor.

Q. You don't think it was Taylor, who was it?—A. I am not sure but I think it was Burke.

Q. Do you remember a man named E. A. Hebert?—A. Yes.

Q. Does that help your memory at all?—A. Yes.

Q. Do you know him?—A. Yes.

Q. Have you known him long?—A. I know him for a few years.

Q. Do you remember his bringing in a horse?—A. That is the Burke horse.

Q. Are you sure?—A. Yes.

Q. Now doctor, try and recollect?—A. I think that was the Burke horse.

Q. When did you see the Hebert horse?—A. That was the day I was at Shediack.

Q. Are you sure?—A. Sure.

Q. Are you quite certain about it?—A. Yes, that was the day.

Q. How much did you pay for that horse?—A. I do not know.

Q. My information is that he was bought for \$160, would that be about right?—

A. I think so.

Q. You are judging that by the prices you paid for the other horses?—A. Yes.

Q. What were the names of these troopers?—A. I think Taylor was one.

Q. What was the price paid to Taylor?—A. I do not know.

Q. Do you know a man named Bruce Keith?—A. I do not know him.

Q. You know you bought the McDonald horse?—A. Yes.

Q. What did you pay for him?—A. I do not remember.

Q. Are you sure it was not \$195?—A. I would not say for sure.

Q. Was it paid by cheque or by cash?—A. By cash.

Q. How long before did you buy the McDonald horses?—A. Three or four days.

Q. Are you sure it was not \$195 that was paid for that horse?—A. I won't say for sure.

Q. Which of the other horses did you trade off for the McDonald horse?—A. I do not know which one.

Q. What sort of horses were these horses that the troopers brought in?—A. They were good horses.

Q. Did the troopers bring them in at all?—A. Yes.

Q. Who were these troopers?—A. They joined the battery.

Q. How did these horses compare with the other horses?—A. They were just about the same.

Q. There was nothing extraordinary about them?—A. Nothing.

Q. Would they run at about the same value as the horses that came in from Shediack?—A. Yes.

Q. And you heard what these other men got for their horses?—A. Yes, they would average about the same.

[Dorchester. Horses—Doyle.]

Q. I would like to ask you a question right here, how did the Shediac horses compare with the horses you got from McNeill?—A. I do not think they were so good.

Q. Why?—A. The island horses were a better class of horses.

Q. Take the light horses that were coming from the island, not the heavy draught horses, what about them?—A. They were a very fine class of horses.

Q. Even the horse that was sold for \$125 or \$130 on the island and came over here, would he be up to these horses I speak of?—A. No poor horses came from the island, they were all good horses.

Q. Naturally, I suppose; you are a little prejudiced in favour of the island?—A. Oh no, I would not say that.

Q. You think that the light horses which came from the island were superior to the horses we have been speaking of just now?—A. They were a little better class of horses.

Q. How much per horse better in dollars would you say?—A. Ten or fifteen dollars.

Q. That is equivalent to about \$175 for an island horse as compared with those which we are treating of today, and which for ten horses cost \$1,682, or \$168 each—do you recollect the McManus horses?—A. Yes.

Q. How long before you went to Shediac did you look over the McManus horses?—A. It would be a matter of a few days.

Q. You recollect that now?—A. Yes.

Q. How do you say these horses compared with the horses of Allan and the others?—A. The McManus horses were heavy.

Q. They might be heavy horses and yet be no good?—A. They were good horses.

Q. How would you say these horses compared in value with the horses which these men have spoken of to-day?—A. They would be about the same kind, only they would be a little heavier horse.

Q. Would they be of the same value?—A. Oh yes, they would command a little higher price.

Q. Do you think that?—A. Oh yes.

Q. Would about \$185 each be a fair price for the McManus horses?—A. No.

Q. Would \$190 be a fair price?—A. No, you would have to go over \$200 for a horse of that class.

Q. Are you sure?—A. Quite positive.

Q. You recollect these horses now?—A. Yes, they were heavy horses.

Q. Were they horses of good quality?—A. Yes, of good quality.

Q. And you think you would have to go over \$200 each to buy these horses?—A. Yes.

Q. Suppose a man was a good bargainer, would he get them down to \$200 apiece?—A. He might.

Q. Would you be surprised to know that these four horses were bought for \$750 or \$187 per horse?—A. I would consider that he got them very reasonable if he got them for that price.

Q. What was that Burke horse worth?—A. I do not know; \$160 or \$170.

Q. When you countersigned that W. H. Anderson cheque No. 20, for 18 horses, did you countersign it in the bank?—A. Yes.

Q. Did you ask Anderson how he made up the 18 horses?—A. He told me.

Q. What did he tell you?—A. He told me the number of horses; I did not remember the number of horses that came in.

Q. But you saw them that morning?—A. Yes.

Q. Were you confused at the time?—A. I cannot remember now what he told me; of course, I knew of some, and then he mentioned the other horse.

Q. Which horse did he mention?—A. The one in Moncton, which made a total of 18.

Q. Did you total it up to see if that was the correct amount?—A. Yes, I did.

Q. Did you ask him how his prices ran?—A. No.

[Dorchester, Horses—Doyle.]

Q. Did you ask him what he was paying for any of them?—A. No.

Q. How long after you countersigned the cheque did W. H. Anderson come into the bank?—A. He was right there.

Q. During that conversation?—A. I cannot say for sure.

Mr. THOMPSON: That will do for the present.

Sir CHARLES DAVIDSON: I would like to ask you, Doctor, when, in countersigning a cheque, what duty did you consider to be involved in your countersigning that cheque?

The WITNESS: Just the number of horses.

Sir CHARLES DAVIDSON: That had nothing to do with the number of horses; it had reference to the price of the horses; you certified that that was the amount payable by the Government.

The WITNESS: I did not so understand it.

Sir CHARLES DAVIDSON: Would you be surprised to find that you certified to the Government that this amount was due for these horses, when, as a matter of fact, they cost, perhaps, \$25 or \$30 apiece less?

The WITNESS: I certainly would be surprised to know that I signed it, if I understood that. I thought I was only responsible for the number of horses.

By Mr. Thompson:

Q. You have not been able to tell us where these horses were got?—A. I have no record of that.

Q. And you can give us no information as to the prices paid for them?—A. No.

Q. Some of the witnesses said you took part in the bargaining, and Anderson would ask you as to the price, and you would acquiesce?—A. I kept clear of that altogether.

Sir CHARLES DAVIDSON: I must confess that I cannot understand how you could sign a cheque of that kind in that way. You are a man of education and intelligence and you know what your duty was.

The WITNESS: I asked Major Anderson what my duties were and he said simply to examine the horses.

Sir CHARLES DAVIDSON: And when you came to sign the cheque, did not you ask him what that was for?

The WITNESS: Yes, it was to guarantee the number and the quality of the horses.

Sir CHARLES DAVIDSON: But you have done more than that; are you examining horses for the Government now?

The WITNESS: No.

The witness retired for the present.

W. H. ANDERSON, farmer, already examined this morning and sworn, recalled:

By Mr. Thompson:

Q. You have produced a book in Court which I now have in my hand?—A. Yes. (Book filed as Exhibit No. 68.)

Q. Where did you find that book?—A. I found it in some of the Major's belongings.

Q. Did you find it in his desk?—A. Yes.

Q. This book is the only thing you found in his desk pertaining to the horses?—A. Yes.

Q. Did you find any cheques, or cheque-books, or stubs of cheque-books in his desk?—A. No, sir.

Q. Nor in his office?—A. No, sir.

Q. Or where he lives?—A. No, sir.

Q. Is this book all that you found that related to the horses?—A. Yes, sir.

Q. Was there any correspondence about them?—A. No.

[Dorchester, Horses—Anderson.]

Q. None whatever?—A. None.

Q. Were you at Major Anderson's office when he was mobilizing his battery?—

A. I do not know that I was.

Q. The reason I am asking you is because I want to know whether he had any typewriting machines there?—A. I do not know.

Q. Were there any letter books there?—A. No.

Q. And no correspondence whatever?—A. Not that I know of.

Sir CHARLES DAVIDSON: Where is the key of that office?

The WITNESS: It is open now, so far as I know.

Sir CHARLES DAVIDSON: Dr. Doyle said he went there twice and that the door was locked and he could not get in.

The WITNESS: That may be true; when I went there it was open.

Mr. THOMPSON: Did Major Anderson leave you the key of the office?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Is that office under lease to him while he is away?

The WITNESS: I do not know, I have no idea as to that.

By Mr. Thompson:

Q. Did you make any inquiry as to whether you could get into Major Anderson's office?—A. No, sir.

Q. Where is his office?—A. In Moncton.

Q. What building?—A. I do not know, I am very seldom up there.

Q. Were you in his office since he left?—A. I passed through it, I went and took this desk.

Q. Did you notice whether there were any other books, or letter books, or correspondence there?—A. There were some books there but I do not know what was in them, I did not look into them.

Q. And you found this book Exhibit No. 68?—A. Yes.

Q. Was this the only document you found in the desk when you took it away?—A. Yes.

Sir CHARLES DAVIDSON: Ask the witness when he found this book.

By Mr. Thompson:

Q. Where was the desk?—A. In his office.

Q. When did you take it away?—A. I cannot tell that, it was after the Major went away but I do not know when.

Q. Was it before Christmas last?—A. It was.

Sir CHARLES DAVIDSON: When did Major Anderson go away?

The WITNESS: I think he left on the night of the 4th of September.

Sir CHARLES DAVIDSON: Did he leave for Valcartier then?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Did you take the desk to your place?—A. Yes.

Q. When did you find this book?—A. Some time after. The men were down in the spring of the year.

Q. It was somewhere around May that you found it?—A. A short time after that.

Sir CHARLES DAVIDSON: That was after some inquiries were being made about these horses?

The WITNESS: Yes, I made a hunt and I found it. They were accusing me.

Sir CHARLES DAVIDSON: Who were accusing you?

The WITNESS: I do not know who they were.

[Dorchester, Horses—Anderson.]

By Mr. Thompson, K.C.:

Q. Some people were down here making inquiries about these horses?—A. Yes, they claimed to be from the Militia Department in Ottawa. I asked them their names and that is all the satisfaction they gave me. They asked me my name and I told them, and they said they were from the Militia Department in Ottawa.

Q. And you inferred that they had some idea you profited by the transaction?—A. They seemed to think I had pocketed a heap of money and sold a lot of horses besides, as far as I could tell.

Q. Will you look at that book and you will see there a list of names, is that in Major Anderson's handwriting?—A. I should say it was.

Q. You know your brother's writing?—A. I never take much stock in a man's handwriting.

Q. Would you have any doubt that is his handwriting?—A. I believe it is.

Q. Put your initials under that list of names?—A. Sure.

(The Witness wrote his initials under the list of names.)

Q. I want to know the page you have looked at, it is this page here, is it not?—A. Yes. Remember that I ain't swearing that is in his handwriting, because I do not have much correspondence with him.

Q. Will you write under here the words: "Identified by me, August 5, 1915".

The Witness wrote as requested.

Q. Will you sign there?—A. My own initials.

Q. Your own initials will do.

The Witness signed.

Q. You consider that page in that book to be in the handwriting of Major Anderson?—A. It looks enough like his to be it.

Q. You have no doubt about it?—A. I think it is, but further than that I would not say.

Q. Would you look through some of these pages, look and say if you think the writing in the note-book generally is in your brother's handwriting?—A. Some does not look like it.

Q. You think that some of the other entries in that book are in his handwriting and some are not?—A. I think so.

Q. When you were going around with Major Anderson to see the horses you had located, did you see this book in his possession?—A. No.

Q. Had you ever seen it before you found it in his desk?—A. No.

Q. Do you know a man named Bruce Keith?—A. No.

Q. Do you know a man named Bliss Taylor?—A. Yes.

Q. Was he one of the battery men?—A. Yes.

Q. Were there two Bliss Taylors in the battery?—A. I know only one Bliss Taylor; he had a brother but I do not know what his name was.

Q. Was he in the battery also?—A. Yes.

Q. There were two of them in the battery?—A. Yes.

Q. Do you know Bruce Keith?—A. No.

Q. Did you see him or hear of him being in the battery?—A. I think he has been perhaps.

Q. If you never heard of him, how do you know?—A. I heard my boy speaking of him.

Q. As being in the battery?—A. I would not say he was in the battery, but the year I was over on the Coronation contingent my boys were at camp and when they came home they were telling me of Bruce Keith. They said he wanted to trade horses with me, but I cannot say whether he was in the battery or not. That is all I know about Bruce Keith.

Q. Do you know a man named A. McDonald being in the battery?—A. No, I do not know one-half the men in the battery.

Sir CHARLES DAVIDSON: I understand, Mr. Anderson, that you were a non-commissioned officer in the battery for years?

[Dorchester, Horses—Anderson.]

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Up until what time?

The WITNESS: I was in camp last year.

Sir CHARLES DAVIDSON: And I suppose you would be acquainted with all the names on the internal economy of the regiment?

The WITNESS: I was not as closely connected with the battery then as some of the others. I had the books and papers and writing all to do, and for that reason I was not as much in touch with the men. I was orderly room sergeant, and I had to do the writing of the orders and so on, and for that reason I was not as much in touch with the men as some others.

The witness retired.

LAWRENCE S. DOYLE, veterinary surgeon, Moncton, N.B., already sworn, recalled:

By Mr. Thompson, K.C.:

Q. Did you trade the horse which you bought from Dan McDonald for the Burke horse?—A. No.

Q. You are quite sure?—A. Yes.

Q. You have heard W. H. Anderson state that Bruce Keith was probably in the battery?—A. Yes.

Q. Do you remember his bringing a horse down?—A. No.

Q. Can you describe these three troopers who brought their horses in?—A. The men?

Q. Yes?—A. The only thing I remember about Taylor is that he had a black moustache.

Q. There were two Taylors?—A. I don't know.

Q. Did Taylor bring a horse in?—A. That is what the Major told me.

Q. You did not recollect that before?—A. I told you that the troopers brought in three horses.

Q. But you did not tell me what troopers they were?—A. I told you that four brought in two horses, but I did not know who the third one was.

Q. It might have been Bruce Keith?—A. Yes, it might have been.

Q. I am a little disturbed about that McDonald horse, doctor, I would be very much more satisfied if I could clean that up. Can you fix what horse it was you got in trade for the Dan McDonald horse?—A. No.

Q. When I say the Dan McDonald horse I mean the horse that you bought from McDonald?—A. I cannot tell the man who owned the horse.

Q. You paid McDonald \$195 for that horse?—A. Yes.

Q. Which was a top price, even higher than the brother-in-law Copp got?—A. Yes.

Q. You were parting with a pretty valuable animal?—A. It was a good horse.

Q. More valuable, clearly, than the general run of horses used in this district, so that you probably would, would you not, pick out a pretty good horse from these 18?—A. I would pick out a horse that suited.

Q. And you picked that horse out of the 18?—A. Yes, sir.

Q. I suppose you would say that it was not one of the Anderson horses that you picked?—A. It was not.

Q. Do you think it was one of the troopers' horses?—A. No.

Q. Do you think it was one of the Copp horses?—A. No.

Q. Now, we have eliminated ten of them, would it be the Magee horse, do you think, that horse cost \$190?—A. The Magee horse was a heavy horse.

Q. And this horse which you got was not a heavy horse?—A. No.

Q. Now, we have got down to a pretty narrow limit, would it be the Wells horse?—A. I do not know.

Mr. THOMPSON: The reason I am asking about this is that the doctor has now accounted for 18 horses, and taking the notebook which W. H. Anderson has identified

[Dorchester, Horses—Doyle.]

as the property of Major Anderson, as having been taken from Major Anderson's desk, and as being in Major Anderson's handwriting, I find references to the W. H. Anderson horses. The prices you will find correspond with what these witnesses have already stated to-day, as having been paid to them, so that I presume, from this note book and the direct positive evidence which you had to-day, you can find exactly how much was paid Major Anderson for the 18 horses. There is only one horse which seems to be in doubt, and that is as to the name of the vendor, but that is probably immaterial. But for the purpose of perfect satisfaction, I was trying to get Dr. Doyle to clear the point up. This is what I find in the book:

2, Simpson.. . . .	\$310
1, Blacklock.. . . .	170
1, Tom Oulten.. . . .	170
1, J. Trenholme.. . . .	170
1, F. Magee.. . . .	190
1, M. Allan.. . . .	170
1, A. Wells.. . . .	180
1, Bruce Keith.. . . .	190
1, Bliss Taylor.. . . .	180
1, Smith Raworth.. . . .	162.50
4, Reid McManus.. . . .	750
1, McDonald.. . . .	195
1, Bliss Taylor (brother).. . . .	167
1, F. Turner (horse Will Copp).. . . .	170

You will notice, Mr. Commissioner, that the list, with the prices, corresponds exactly with the prices given by the witnesses to-day, even to the Smith Raworth horse, at \$162.50.

Sir CHARLES DAVIDSON: Give me the total entry in Major Anderson's book for the 18 horses.

Mr. THOMPSON: These 18 horses totalled \$3,175; then to that must be added \$100 paid to W. H. Anderson.

Sir CHARLES DAVIDSON: If you would be kind enough, I want to put in juxtaposition with that the amount which he charged the Government for these 18 horses, by his cheque, No. 20.

Mr. THOMPSON: \$3,945.

Sir CHARLES DAVIDSON: Making an average of what? What was the average which he actually paid?

Mr. THOMPSON: According to the evidence, he charged the Government \$3,945, and paid \$3,175, which would make an average of \$219.17 per horse. Eighteen horses at \$3,175 would give an average of \$176.30. That is approximately correct, with the exception that in this notebook there is the Fred Turner horse charged at \$170, and Turner, as a matter of fact, was paid out of the proceeds of the cheque issued to Copp, so that as a matter of fact there must have been another horse purchased here by Major Anderson to fill up the 18, and I would presume from Dr. Doyle's testimony, that it was probably the Burke horse.

Sir CHARLES DAVIDSON: Is that the little black mare?

Mr. THOMPSON: No, sir, the Burke horse, according to my information—Mr. W. H. Anderson has just called my attention to this entry: "F. Turner, horse, \$170", and he suggests that as the Moore horse does not appear in Major Anderson's notebook, that the A. R. Moore horse that was sold at \$170 should be inserted in that notebook, instead of the F. Turner horse, which would bring the total out the same thing. The F. Turner horse was sold at \$170.

FRED. TURNER (speaking from the body of the courtroom): At \$160, it is wrong down there.

[Dorchester, Horses—Doyle.]

Mr. THOMPSON: As the Turner horse was sold at \$160, and Major Anderson had it down at \$170, it would probably be A. R. Moore's horse which was sold at \$170.

Sir CHARLES DAVIDSON: In cheque No. 20 was included \$100 paid to W. H. Anderson?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: In that cheque No. 20 for \$3,145, was there included the \$100 paid to W. H. Anderson?

Mr. THOMPSON: There is nothing said about it in the cheque itself; it is simply for 18 horses and nothing more.

Sir CHARLES DAVIDSON: And we have no account from Major Anderson showing how he charged that; is it charged to the Government.

Mr. THOMPSON: There is no cheque from the Government.

Sir CHARLES DAVIDSON: Have you not some information about that in your brief?

Mr. THOMPSON: Yes, and that information came from Mr. W. H. Anderson. He said he received \$100 in cash, and as he received it in cash, evidently it was out of the proceeds of that cheque which Major Anderson received.

Sir CHARLES DAVIDSON: From the Government?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: Major Anderson cashed it at the bank.

Mr. THOMPSON: You cannot tell; that is only supposition. At any rate, Mr. W. Anderson **was paid by cash** in the same way as the others. If Major Anderson had issued a cheque on the Government, so to speak, we would have it here, but the Auditor General tells me it is not here.

Sir CHARLES DAVIDSON: He issued a cheque to Copp and that is fully accounted for; there is no excess in it.

Mr. THOMPSON: There is no excess in it. I asked Copp for an explanation of why he got \$20 higher than anybody else for his horse, with the exception of the Magee horse, and he said his horse was a good horse. To put it briefly, the amount received as the proceeds of the cheque was \$3,945, for these horses, which was paid out for horses, and \$100 paid to Mr. W. H. Anderson, and the horses having cost \$3,175, adding the \$100 paid to W. H. Anderson it is \$3,275, leaving the sum of \$670 to be accounted for.

Sir CHARLES DAVIDSON: If the \$100 came out of that fund?

Mr. THOMPSON: And if it did not come out of that fund it leaves \$770 to be accounted for.

Examination of the witness resumed by Mr. Thompson, K.C.:

Q. After having heard me read that list, and endeavouring to account for that Taylor horse instead of the Moore horse, which ought to have been in on that list, can you state what became of the Burke horse?—A. No.

Q. If he crowds into the same list he is going to overload it, and make 19 horses. If the Burke horse was passed and paid for, and if he received his money, which of these 18 horses ought to come out of the list; do you think that the McDonald horse should come out?—A. Oh yes, the McDonald horse ought to come out.

Q. If the McDonald horse comes out, it is going to make the addition a little different. What horse should go in instead of the Macdonald horse? Major Anderson has got down here the sum of \$195, did he pay cash?—A. No.

Q. Sure?—A. He never gave me a cent.

Q. He never gave you a cent?—A. No.

Mr. THOMPSON: That is all I can ask the witness, I think, at the present time. I take it now that from Dr. Doyle's evidence and the evidence of these other men, we know almost to a cent what these horses were worth and what was paid for them.

[Dorchester, Horses—Doyle.]

Sir CHARLES DAVIDSON (To the witness): When did you know that this book was in the possession of W. H. Anderson?

The WITNESS: Not until it was produced in court.

Sir CHARLES DAVIDSON: Not before to-day?

The WITNESS: Oh no.

Sir CHARLES DAVIDSON: And you know of no other better explanation in connection with this matter?

The WITNESS: None whatever, positively.

By Mr. Thompson, K.C.:

Q. Where did Major Anderson have his office?—A. In the Wyse Building, in Moncton.

Q. Does he hold his office yet?—A. Not that I know of.

Q. Who has the key of that office?—A. I think it is Mr. Friel. Major Anderson had an office in there, there were three offices together.

Q. Did he have any books?—A. No.

Q. What did you see when you were there, did you see any letter books?—A. No, just these recruiting forms and papers.

Q. Is that what he used his office for?—A. Do you mean before that?

Q. Yes?—A. I do not know.

Q. What incident was it that caused you to make the remark: "There must have been some graft in this"?—A. I do not know. When did I make that remark?

Q. I do not know when you made the remark, but you stated you made a remark like that.

Sir CHARLES DAVIDSON: You stated this morning that you did make such a remark.

By Mr. Thompson:

Q. What incident was it, that aroused your suspicion in that way?—A. They were asking me about the prices paid for the horses.

Q. Who were they?—A. These men.

Q. Who?—A. I do not know what their names were, they were the men who were making inquiries about the horses.

Q. Who were making the inquiries?—A. I think they were secret service men.

Q. That was somewhere along in April or May of this year?—A. Yes.

Q. That is when you made the remark?—A. I think that is it.

Q. And your suspicions were aroused before that?—A. No, I never had any suspicions.

Q. Did they tell you what had been paid for the horses?—A. They did.

Q. Did you know right along what had been paid for the horses here?—A. No.

Q. But you know what had been paid after their visit?—A. Yes, they just told me what was paid for some of the horses; they may have told me all, but I do not remember.

Q. And you knew, as a matter of fact, that the Government paid a much higher price than was paid here?—A. Yes, they told me the whole thing.

Q. That it what caused you to make the remark that there must be some graft in it?—A. I did not say that, I said it looked suspicious.

Q. Is that the way you put it?—A. Yes.

Q. Had you any suspicions about it last September or August?—A. No.

Q. Had you any suspicions that high prices were being charged the Government and low prices paid?—A. No.

Sir CHARLES DAVIDSON: And the cheque issued to W. H. Anderson, that was rather an extraordinary thing?

The WITNESS: I did not pay any attention to it.

[Dorchester, Horses—Doyle.]

By Mr. Thompson K.C.:

Q. Did you know that the money was being doled out in envelopes to the vendors of the horses?—A. Yes, Major Anderson told me.

Q. Did you think that was curious?—A. He explained that by saying these people would rather have money than a cheque.

Q. Did he say why they would rather have money than a cheque?—A. Because it would be more convenient.

Q. Was it not more convenient for Mr. Copp, who lives in the same district, to have his money in cash rather than in a cheque?—A. I did not pay any attention to it at all.

Q. Copp was in the same position as the others?—A. I suppose he was.

Q. And you signed that cheque?—A. Yes.

Q. Did it not occur to you at the time that that was a matter for comment, that in the case of this large cheque he would issue it to Anderson and write the next cheque out to Copp, because Copp was paid by cheque?—A. Copp was there.

Q. And some of these other men were there?—A. I do not know.

Q. They said they brought their horses in?—A. I do not know that.

Q. There was nothing to arouse your suspicion in that?—A. Nothing.

MR. THOMPSON: That is all the testimony I have to offer to-day, Mr. Commissioner, I would not suggest closing this case now. Of course, I would not suggest that the Prince Edward Island purchase of horses by Major Anderson should be definitely closed until we find whether there is some further evidence I have to offer affecting the purchase of any horses by Major Anderson.

SIR CHARLES DAVIDSON: And your impression is, Mr. Thompson, that as regards the number of horses they are now accounted for?

MR. THOMPSON: They are all accounted for, sir, and apparently in heaped-up measure, in the case of the little black horse, which seems to have been thrown in for ballast. However, it does not appear that the little black horse was paid for out of Government funds, although it was a Government cheque which was signed by Major Anderson and given to the owner.

SIR CHARLES DAVIDSON: But imperfectly signed, it not being countersigned.

MR. THOMPSON: It not being countersigned by the doctor. The Auditor General calls my attention to the fact that it is possible that the little black horse was charged up against the Government, but owing to lack of information it does not appear to have been charged up against the cheque, as in the case of the other vouchers.

SIR CHARLES DAVIDSON: Have you any evidence to take from the Auditor General in relation to this matter about the accounts; I suppose that that will have to be done at Ottawa.

MR. THOMPSON: I think there will be some further evidence, and possibly some at Halifax, from the officer in command, as to who wrote to the Bank of Montreal at Moncton and instructed the cheque for the little black horse to be paid, and on what conditions these instruction were given.

SIR CHARLES DAVIDSON: I would like to add to W. H. Anderson's evidence this—(To Mr. W. H. Anderson): Mr. Anderson, did you give your brother's address this morning?

MR. W. H. ANDERSON: No, sir, well, he is somewhere in Belgium.

The witness retired.

KENTVILLE, N.S., Saturday, August 7, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

At the sitting of the Court,

Mr. H. W. SANGSTER, of Windsor, Nova Scotia, barrister of the Supreme Court of Nova Scotia, filed the following application:—

KENTVILLE, N.S., August 7, 1915.

To Colonel the Honourable Sir CHARLES DAVIDSON,
Of the Royal Commission,
Kentville.

SIR,—I beg to apply for permission to appear on behalf of A. de Witt Foster on the hearing of this matter before this Commission, and to examine and cross-examine witnesses respecting such matters.

Sgd. H. W. SANGSTER,
Barrister of the Supreme Court of Nova Scotia.

SIR CHARLES DAVIDSON: Your application is granted, Mr. Sangster. I think, from the evidence which has already appeared before the Public Accounts Committee, and from information which has reached us, that Mr. Foster is quite sufficiently interested in this inquiry to justify such protection as may be afforded by counsel. I have permitted direct cross-examination by counsel, although I am aware that in some previous commissions the questions were directed through the counsel appearing in support of the inquiry, but I have found that in the permission of direct cross-examination the convenience of all parties is increased. I have no doubt, Mr. Sangster, that your examination will be properly directed.

MR. THOMPSON: Last August or September there were 21 horses purchased by Major Crowe at Sydney for the Overseas Expeditionary Forces. I have no information whatever that there were any irregularities in connection with the purchase of these horses, or that any of the horses were defective in any respect. Major Crowe, however, telephoned me the other day, when we were at Moncton, to the effect that he had heard remarks at Sydney that some of his horses were unsatisfactory, and he desired to take the earliest possible opportunity of appearing before the Commission to make a statement. Major Crowe was unable to appear before the Commission until to-day, because of our movements, but he is leaving for Kingston, Ontario, in order to take a further course in the artillery school there, he being authorized to mobilize a battery for overseas service, therefore I think he should be afforded an opportunity to make that statement, and he has appeared before us this morning to do so.

SIR CHARLES DAVIDSON: We will be very happy to hear Major Crowe.

[Kentville, N.S.]

MAJOR WALTER CROWE, reserve of officers, of Sydney, N.S., sworn:

Sir CHARLES DAVIDSON: I understand, Major Crowe, that you are about to take command of a battery?

MAJOR CROWE: I think so.

Sir CHARLES DAVIDSON: What battery is it?

MAJOR CROWE: I am to take temporary command of the 17th Battery; it is the Sixth Division and includes the three lower provinces.

By Mr. Thompson:

Q. Were you commissioned last August or September to purchase horses for military purposes?—A. I was by Colonel Neill, then at Ottawa.

Q. And pursuant to these instructions how many horses did you purchase?—A. I purchased twenty-one.

Q. Had you a veterinary surgeon assisting you?—A. I had.

Q. What was the name of the veterinary surgeon?—A. E. D. Thurston, who had been veterinary-major of the 17th Field Battery at Sydney for many years.

Q. Were you present when all the horses were purchased?—A. I was.

Q. Did you see the veterinary surgeon examine them?—As to that I would like to say this: that an advertisement was put in the paper that horses would be looked over on the 2nd of September, early that morning at Victoria Park in Sydney. There were very many horses offering, and I was down there in the morning and I saw it was going to be considerable of a task, and I told Thurston to go over the horses first and reject all that were obviously over age, as that would simplify the matter, and, that having been done, that he should take the balance and go over them generally for soundness, and also to see that the persons offering the horses were willing to sell within the Government limit of price, which was \$200. A number of horses had been sent there from owners, with men in charge, and they had possibly some higher price in their minds, and with those we did not intend to deal at all. Having done that I went down with him and he went over these horses, and in some cases he came himself to a provisional understanding as to the price he paid, and he and I conferred as to that. I may say frankly that I never did pretend to be a very good judge of a horse except from general appearance, and it would be upon the veterinary surgeon absolutely, as to their complying with the instructions as to soundness, age, height, colour, and so forth. As to the price. I left the veterinary surgeon to do the preliminary wrangler, at any rate, and dealing with the owner, but I confirmed the price that he had agreed upon in every case.

Q. Did you see the horses after they had been inspected?—A. I did.

Q. Did they appear to you to be satisfactory?—A. They appeared to me to be a sound lot.

Q. Did you see them moved about as to whether they were lame or not?—A. Yes, a number of them were lame but were rejected.

Q. What was the average price paid?—A. The average price paid for the 21 was \$182. \$3,940 is the gross amount of the cheques I issued, with the exception of one \$180 cheque which I issued to Charles McCormick under these circumstances—Major McLeod entrusted me with this battery on Friday afternoon. On Friday afternoon he packed up his stuff. The Government cheques were consequently not available and being short of horses that day he bought from Charles McCormick a horse and he told me the price was \$180 and he said: You should issue that cheque when the cheque-book comes from Ottawa. It did not come for some two or three days. Twenty-one horses was the number I bought.

Sir CHARLES DAVIDSON: That makes 22 horses.

The WITNESS: They took that horse away on Friday. I shipped 21 horses to Valcartier of my purchases, with the exception I am going to make as to that.

By Mr. Thompson, K.C.:

Q. Did you issue cheques to the vendors or did you pay them in cash?—A. I issued the cheques to the vendors in every case. Where one owner had sold more than one horse, we lumped it. For instance, there was one man who sold five, and I made one cheque to cover the five horses. The same man also sold three, and the prices of these three were grouped. The Dominion Coal Company, for example, sold three horses, and that was grouped, and all the others were individual cheques to the owners.

Q. Do you know of any rebate having been paid by the vendors to any person?—A. Not to my knowledge.

Q. Or by yourself?—A. Absolutely no, and no suggestion of anything of that sort ever came from any person.

Mr. THOMPSON: I think that covers everything I care to ask you, Major Crowe, unless you wish to make a statement yourself.

Sir CHARLES DAVIDSON: Your official cheques represent all the outlay for the horses?

The WITNESS: Quite so.

Mr. THOMPSON: In justice to yourself I should ask you how you were remunerated?

The WITNESS: I have not been remunerated.

Mr. THOMPSON: You received no remuneration?

The WITNESS: I received no remuneration.

Sir CHARLES DAVIDSON: Are your expectations high in that regard?

The WITNESS: I have not banked upon that. The instructions were to return in the number of days I was engaged. I returned them, but at that time the camp was assembling at Valcartier and the successor of Major McLeod was Major Clark. There was a tremendous correspondence in connection with accounts about the previous horses, the 100 odd horses that had been purchased, and that went on for a long time, and as Colonel Neill was overseas Major Clark knew nothing about it. There is a little explanation to make. In addition to the 21 horses, I shipped 24 to Valcartier under circumstances which I want to explain. Major Thurston represented to me that there were three horses left behind by Major McLeod under these circumstances. He had been training, your lordship will understand, his battery in Sydney for two or three weeks awaiting for orders to go to Valcartier. In the course of that time three horses became ill and they were stabled with one Robert Magown. I wrote to Colonel Neill on September 3rd as follows:

"To Lieut.-Col. NEILL,

"Director of Veterinary Service, Ottawa.

"From W. Crowe, R.O.

"SYDNEY, N.S., September 3, 1914.

"SIR,—Confirming my telegram of to-day I have to report that 21 horses have been purchased, two saddle, the others draught horses, for which there has been paid \$3,940.

"In addition to these horses, I find from E. C. Thurston, Veterinary Major, that Lieut.-Col. McLeod left behind him, when the 17th Battery went away on the 28th of August, three horses, one of them suffering from colic, another kicked, and a third left for reasons unknown to me.

"These three horses are also in order to be shipped.

"I have also to report that I issued a cheque for \$180 to pay for a horse purchased from Charles McCormick, as to which Lieut.-Col. McLeod left me instructions. For your information I am enclosing copy of a letter from Veterinary Major Thurston to me, with regard to five horses now in his care here.

"I have the honour to be, sir,

"Your obedient servant,

"W. CROWE,

"Major R. D."

Lieutenant-Col. McLeod was in command of the Third Artillery Brigade, but he went to the front as Major, leaving these horses behind him in the care of Robert Magown. The McCormick horse is the horse I have already spoken of. I had orders from Colonel Neill to ship these three horses with the 21. Colonel Neill was head of the Remount Department. My bill of lading, was, of course, for 24 horses. Now, in addition to that, Major Thurston reported to me that there were five horses still left in Sydney and as to these I want to read this letter. I would be glad if your lordship would allow me to read this letter.

Sir CHARLES DAVIDSON: Certainly.

The WITNESS: He wrote me as follows:

"From E. C. THURSTON, Veterinary Major;

"To Major W. CROWE, R.O.,

"SYDNEY, N.S., Sept. 3, 1914.

"SIR,—I have the honour to report that there are now in my charge five horses purchased by Lieutenant-Colonel McLeod which did not pass inspection. I did not pass these horses because they did not comply with the conditions of purchase as regards size.

"Will you be good enough to give me instructions as regards the disposal of these horses.

I have the honour to be, sir,

Your obedient servant,

E. C. THURSTON,
Veterinary Major."

Mr. THOMPSON: That letter was addressed to you?

The WITNESS: Yes, I passed that on in the same letter to Colonel Neill, in which I stated:

"For your information I am enclosing copy of a letter from Veterinary Major Thurston to me with regard to five horses now in his care.

"As to these horses I have telegraphed instructions to Major Thurston to ship these on to Valcartier with the marks and descriptions and I retained a copy of the communication I sent him."

These horses I mentioned here with their description, giving their marks and so on. As to these horses, of course they are really not my concern I had nothing to do with them.

May I supplement, with your permission, Mr. Thompson, that in the case of the 21 horses purchased by me I asked Major Thurston to give me a duplicate of the certificate of examination, to forward to Ottawa and, I have these duplicate certificates here if they are of any assistance in this matter.

Mr. THOMPSON: You might read a sample of one of them.

The WITNESS: Well, here is a horse which he purchased from the Dominion Coal Company on September 2. The horses are all numbered from 1 to 21. He gave a number to the horse, corresponding to the number I had on my list, the colour, the sex, the markings, for example: two hind white feet, weight 1,200, hands 15.3, and so on. Then he gave the name of the owner and in the column for remarks, he says:

"I, E. C. Thurston, examining officer, certify that I have this day examined a horse said to belong to and find him serviceable and sound."

Mr. THOMPSON: That certificate came with respect to each horse.

The WITNESS: With respect to each horse.

Sir CHARLES DAVIDSON: Where did you get these blanks?

The WITNESS: They were supplied from Ottawa. They came to me with the Government cheque book. I had previously sent sample signature to Ottawa. Per-

[Kentville, N.S., Sydney Horses—Major Crowe.]

haps I might say, in fairness to myself, that I undertook this duty very reluctantly. Colonel McLeod had not purchased the horses. Horses are rather high in Cape Breton, as any person will tell you who knows anything of our position down there, and he said he had been asked by Colonel Neill to name some person who would carry on the work after his battery left. He asked me to do it. I said: I did not care to do it, it was not in my line, I am not in the militia. Colonel McLeod came to me the following morning and persuaded me, and I accepted. He said the routine is to send three sample signatures to Ottawa and the Government cheque books and instructions would come along, and they did come along, and after they came along we advertised as I have said.

Sir CHARLES DAVIDSON: Perhaps Major Crowe might be asked to explain how he comes to be here to appear before the Commission. As I understand it, you did not summon him, Mr. Thompson.

Mr. THOMPSON: No, sir, I had no information that any of the horses purchased by him were unsatisfactory, nor were any complaints made to me about his horses. Major Crowe appears here at his own request, and he urged upon me that he be given an opportunity to be heard at the earliest possible moment.

Sir CHARLES DAVIDSON: You might explain, Major Crowe, how you came to be here.

The WITNESS: What moved me to write to you, sir, and I regret that my letter went astray, was, that suspicion seemed to be cast on every person who was buying horses, and ill-natured people in Cape Breton were beginning, not to say openly, but to hint, that there must be something wrong, therefore, with my purchasing horses. Things have moved a little rapidly with me this week. I had no notion when I wrote you on the 26th of July that I would be likely to be called upon, but as a matter of fact my name has been in offering my services for some time, and on Tuesday of this week I was told I had better get on to Kingston and take a brush-up course, and my transport came the other night, and I am on my way there now. I am a barrister and I closed my office, and this is the only opportunity I am going to have to make an explanation before this Commission. Hence my anxiety to know if the Commission was going to Sydney, so that I might have had an opportunity of offering my evidence there. Because of the non-receipt of my letter, I did not hear from you, and so I telephoned to Mr. Thompson to give me this opportunity.

Sir CHARLES DAVIDSON: For what reason were you so desirous to appear, what rumour affected you?

The WITNESS: May I tell that?

Sir CHARLES DAVIDSON: Yes.

The WITNESS: A friend of mine, a member of the House of Commons, told me that the General had said there were some bad horses came up from Sydney, purchased by McLeod and Crowe, and I thought it my duty to myself to explain the matter. I do not think there were any bad horses, certainly not in the lot that I purchased. These sick horses may have been in the order when the time for shipment came, and the other five were horses that Thurston would not pass. I do not know anything about that. At all events they were there in Sydney on the Government charge, and their expenses were running on and something had to be done with them.

Mr. THOMPSON: And even if it did turn out that these were unsatisfactory, you had no knowledge of it at the time.

The WITNESS: No, absolutely none.

Sir CHARLES DAVIDSON: I appreciate, Major Crowe, the eagerness you have shown to give these full explanations.

The WITNESS: Under the circumstances, I thought it was my duty to do so.

Sir CHARLES DAVIDSON: Under the circumstances, I believe it was your duty to do so, and personally I extend to you my congratulations.

The witness then retired.

[Kentville, N.S., Sydney Horses—Major Crowe.]

KENTVILLE HORSES—DISCUSSION *RE* APPEARANCE BEFORE THE COMMISSION OF WOODWORTH AND KEEVER.

Mr. THOMPSON: The next matter to be brought before the Commission will be the investigation of the purchase of horses by Mr. Foster in this county and the neighbouring counties. I do not purpose this morning to adduce any evidence in this respect, but I have had a consultation with Mr. Sangster, counsel for Mr. Foster, and I asked him about two very important witnesses, namely, Woodworth and Keever, to whom very large cheques were issued for the purchase of the horses, and Mr. Sangster informs me that these two witnesses are in the United States. Perhaps it would be better for Mr. Sangster to inform you, sir, as to the movements of these two men and as to what he desires.

Mr. SANGSTER (Counsel for Mr. Foster): I again ask your lordship's indulgence for not being robed.

I may say that after this Commission was issued, Mr. Foster deemed it his duty, under advice, to obtain for this Commission all information that would be possibly available to assist it in its efforts to arrive at the facts of the case. 'To that end, a particular effort has been directed towards securing the attendance of witnesses, and it occurred to him that these two gentlemen, whose names have been mentioned, Keever and Woodworth, are two of the most important. Just as soon as Mr. Foster was advised of the certainty of the sitting of the Commission here, that is to say on July 19 last, he wrote this letter to Mr. Woodworth.

Sir CHARLES DAVIDSON: How advised?

Mr. SANGSTER: I do not know how advised; he became informed of the fact.

Mr. THOMPSON: I wrote to Mr. Foster, and I also had an interview with him in Ottawa, and gave him the approximate date at which the Commission would sit here.

Sir CHARLES DAVIDSON: Have you the letter of Mr. Thompson to that effect?

Mr. SANGSTER: I have. Mr. Foster wrote to Mr. Woodworth on July 19, as follows:—

Sir CHARLES DAVIDSON: Was that in consequence of Mr. Thompson's letter?

Mr. SANGSTER: That was in consequence of Mr. Thompson's letter, advising Mr. Foster of the possible sitting of the Commission here.

Sir CHARLES DAVIDSON: I am aware of the fact that Mr. Thompson wrote, and of the general terms of his letter, but I thought possibly it should go on record.

Mr. SANGSTER: There is no intimation in that letter as to securing the attendance of any particular witness. The effort to secure the attendance of Mr. Woodworth and Mr. Keever arose solely on Mr. Foster's own judgment.

Sir CHARLES DAVIDSON: Have you the letter of Mr. Thompson here?

Mr. SANGSTER: I have not it here but I shall endeavour to secure it. May I read the letter which Mr. Foster wrote to Woodworth?

Sir CHARLES DAVIDSON: Yes.

Mr. SANGSTER: Mr. Foster wrote as follows:

KENTVILLE, NOVA SCOTIA,
JULY 19, 1915.

TODD C. WOODWORTH, Esq.,
Hotel McAlpin,
New York City.

DEAR SIR,—The Commission investigating the matters in connection with the purchase of horses for the Militia Department intend to sit at Kentville within the next few weeks.

I have been advised that it will be necessary that your evidence shall be submitted before that Commission, and that you produce there all documents in

[Kentville, N.S.]

your custody, power, or possession, relating in any way to the purchase or payment for any of the horses, or any transaction connected therewith. I want to say that it is a matter of the greatest import to me that you should attend, and I beg to urge your attendance.

I am not in a position to state just what day the Commission will sit, but I am now writing to you on receipt of the first intimation of its being about to take up the matter, and giving you all the information I have as to it in order that you may so arrange your business matters as to be present, and that you will now give me your assurance that you will be here. I will let you know the exact date as soon as I am certain of it.

Will you please let me have a prompt reply, giving me in detail any documents which you have, particularly any cheques or receipts for the sales of the horses?

Yours very truly,
A. de W. FOSTER.

That letter was mailed, by registered mail, in the post office, Kentville, on the 20th day of July, and attached to it is the registration receipt. Mr. Foster also wrote and caused to be mailed to Frank B. Keever, 31 State street, Boston, Mass., a letter of the same date, and similarly worded. I hold in my hand a copy of that letter, and also the registration receipt, bearing date July 20. Mr. Foster also, on the same day, wrote a letter in identical language to W. P. McKay, addressed Ottawa, Ont. That letter was also mailed to him from the post office, Kentville, on the 20th of July, and I hold a registration receipt for that. The following are copies of the letters addressed to W. P. McKay, Ottawa, and Frank B. Keever, 31 State Street, Boston:

KENTVILLE, Nova Scotia, July 19, 1915.

FRANK B. KEEVER, Esq.,
31 State St., Boston, Mass.

DEAR SIR,—The Commission investigating the matters in connection with the purchase of horses for the Militia Department intend to sit at Kentville within the next few weeks.

I have been advised that it will be necessary that your evidence shall be submitted before that Commission, and that you produce there all documents in your custody, power, or possession, relating in any way to the purchase or payment for any of the horses, or any transaction connected therewith. I want to say that it is a matter of the greatest import to me that you should attend, and I beg to urge your attendance.

I am not in a position to state just what day the Commission will sit, but I am now writing to you on receipt of the first intimation of its being about to take up the matter, and giving you all the information I have as to it in order that you may so arrange your business matters as to be present, and that you will now give me your assurance that you will be here. I will let you know the exact date as soon as I am certain of it.

Will you please let me have a prompt reply, giving me in detail any documents which you have, particularly any cheques or receipts for the sales of horses.

Yours very truly,
A. de W. FOSTER.

KENTVILLE, Nova Scotia, July 19, 1915.

W. P. MCKAY,
Ottawa, Ont.

DEAR SIR,—The Commission investigating the matters in connection with the purchase of horses for the Militia Department intend to sit at Kentville within the next few weeks.

[Kentville, N.S.]

I have been advised that it will be necessary that your evidence shall be submitted before that Commission, and that you produce there all documents in your custody, power or possession, relating in any way to the purchase or payment for any of the horses, or any transaction connected therewith. I want to say that it is a matter of the greatest import to me that you should attend, and I beg to urge your attendance.

I am not in a position to state just what day the Commission will sit, but I am now writing to you on receipt of the first intimation of its being about to take up the matter, and giving you all the information I have as to it in order that you may so arrange your business matters as to be present, and that you will now give me your assurance that you will be here. I will let you know the exact date as soon as I am certain of it.

Will you please let me have a prompt reply, giving me in detail any documents which you have, particularly any cheques, receipts for the sales of the horses?

Yours very truly,

A. de WITT FOSTER.

No reply was received by Mr. Foster to any of these letters. On the 31st day of July Mr. Foster forwarded to Kentville, to Frank B. Keever, care of Fortuna Mines Corporation, 31 State street, Boston, a telegram, of which this is a copy:—

Commission sits here sixth proximo. Important you should arrive here fifth; reply immediately.

Afterwards Mr. Foster wired to Todd C. Woodworth, Esq., McAlpin Hotel, New York City, July 31, 1915:—

Commission sits here sixth proximo. Important you should arrive here fifth; please reply immediately.

I hold in my hands his reply to the telegram, addressed to Keever, as follows:—

Hon. A. De WITT FOSTER,

Business of utmost importance makes it impossible for me to be away date mentioned; can't you come here meantime?

KEEVER.

The telegram of Mr. Foster was dated the 31st of July, and it would appear that the answer was of the second of August.

I also have a telegram dated July 31, 1915, addressed to A. de Wit Foster, from Mr. Woodworth, in New York, and it reads as follows:—

Impossible for me to leave, as my absence next ten days would seriously endanger matters pending here. Can meet parties here or make deposition.

There is no signature to that telegram, but it appears to have come from Woodworth.

Sir CHARLES DAVIDSON: What about McKay?

Mr. THOMPSON: He is in Ottawa, sir.

Mr. SANGSTER: McKay is in Canada, but these two men are outside the Dominion of Canada.

Sir CHARLES DAVIDSON: You did not telegraph to McKay.

Mr. SANGSTER: No, sir, we felt, of course, that he was in a different position from these people in the United States, and that he could be reached by the Commission. Regarding these two men in the United States, Keever and Woodworth, I wish to say that it is Mr. Foster's desire that their evidence should be secured. As I understand it is impossible for us to have any commission to take their evidence in the United

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States, but any method which can be devised whereby their evidence may be secured in Boston or in New York, as the case may be, will receive all the assistance that it possibly can receive from Mr. Foster. He is prepared, though a man of very moderate means, to pay the expense, incident to the matter of securing their evidence, either by way of deposition, by way of affidavit, or in any other way which this Commission may direct. In short, I perhaps cannot make it more general than to say that Mr. Foster is prepared to assist to his utmost in any effort which this Commission may direct towards securing the attendance of these men.

Sir CHARLES DAVIDSON: As I understand it, from reading the account of the proceedings before the Public Accounts Committee, these two men are in possession of receipts and other papers of great value in this inquiry. Has Mr. Foster secured possession of these? As I understand it, these men were his agents.

Mr. SANGSTER: As the matter stands at present these men were his agents, but under the true state of facts they were not. Nevertheless, Mr. Foster has made personal application to these men and secured all the documents which he is able to secure from them, including the receipts.

Sir CHARLES DAVIDSON: Representing the expenditure of \$72,000.

Mr. SANGSTER: Not the whole of the amount. All the receipts which Woodworth has, Mr. Foster has secured, but not the receipts which Keever has. Keever alleges he lost these receipts, that he has not paid any attention to them, and that they have been destroyed. It is a matter of the utmost importance to Mr. Foster that all the evidence possible to be had from these people should be had, and we are prepared to pay the expense, following any direction of this Commission, by way of securing the evidence of these men. It may develop in the course of the evidence that the fact that they are not in attendance may be attributable to influences other than those within Mr. Foster's control.

Sir CHARLES DAVIDSON: Well, Mr. Sangster, I wish to assure you as impressively as I can, that it is of vital importance to Mr. Foster to have these men here, and especially all the documents which represent the expenditure of this money.

Mr. SANGSTER: Mr. Foster quite appreciates that, my lord, but what more can I do, and what more can Mr. Foster do, than has been done.

Sir CHARLES DAVIDSON: The excuses they make gives one the impression that they are frivolous.

Mr. SANGSTER: I can assure your lordship that Mr. Foster is not satisfied with them. It occurred to me that possibly some arrangement could be made whereby they could appear, as they assure us, to make depositions before somebody in Boston, who, on behalf of Mr. Thompson, perhaps as well as of this Commission, might be authorized to examine them and to take their depositions.

Sir CHARLES DAVIDSON: Why won't they come here?

Mr. SANGSTER: The reasons which they give are the only ones that we know of.

Sir CHARLES DAVIDSON: Why not telegraph them, some early day might be fixed to examine them, it will only take 24 hours to get them here.

Mr. SANGSTER: Anything your lordship suggests. I would suggest that we telegraph to ask them what day they would come, and then we could see if that would suit the convenience of this Commission.

Sir CHARLES DAVIDSON: Do they think it necessary to obtain a safe conduct?

Mr. SANGSTER: That might be one inducement to bring them here, but I am not in a position to say as to that.

Sir CHARLES DAVIDSON: Mr. Thompson, what have you to say? I imagine you are of the same opinion as the Commissioner, that the presence of these men and the production of these papers is of serious importance.

Mr. THOMPSON: Yes, sir, and it would be with very great difficulty that we would be able to establish the true facts without the presence of these men and without all [Kentville, N.S.]

these documents. In addition to these two witnesses, there are two other witnesses of great importance, namely, the two veterinary surgeons who examined a large number of horses, Dr. Chipman and Dr. Wood. Perhaps my learned friend has some information as to them, because I think they ought to be here.

Mr. SANGSTER: I am instructed by Mr. Foster that he wrote to both these men, to Dr. Wood at London, Ont., and to Mr. Shipman addressed to his last address in a sanatorium in the United States. Mr. Wood's evidence we would have no difficulty in getting, I presume, because he is in Canada, but Dr. Chipman is in a very bad state of tuberculosis and is in this sanatorium.

Sir CHARLES DAVIDSON: Of course, Mr. Sangster, it cannot escape observation that we find ourselves at the moment in the presence of this state of things: that every one of the witnesses whose evidence is radically important is for one reason or another not produced.

Mr. SANGSTER: Your lordship can easily understand how that fact is appreciated by Mr. Foster. All we can do we are prepared to do, and that is to adopt any method which will receive the sanction of this Commission to secure their evidence.

Sir CHARLES DAVIDSON: Mr. Foster may make some further very earnest efforts to have them here. Dr. Chipman's physical condition, as I understand, is bad.

Mr. SANGSTER: Yes, Dr. Chipman's evidence was taken in Ottawa, but we wish to have it taken here. As I understand it, it is impossible for him to come here as he is in a very advanced state of tuberculosis and is in a sanatorium, and I am informed that it would be folly to make an effort to bring him here. With regard to Woodworth and Keever, their presence appears to us to be absolutely essential in order to get at the facts of this matter.

Sir CHARLES DAVIDSON: Could you not get into communication with them to-day, by telephone, for example?

Mr. SANGSTER: There is no telephone to Boston from here, and we could not telephone. To telegraph is the best we can do. I would suggest that your lordship might allow me to telegraph to them, asking them what day they could make it convenient to be here, and then see if that day would suit your lordship?

Sir CHARLES DAVIDSON: Yes, you can beg them to come.

Mr. THOMPSON: I would call serious attention to the fact that to the telegram dated the 21st of July there is no signature.

Mr. SANGSTER: It is supposed to be from Woodworth.

Mr. THOMPSON: I thought it only fair to my learned friend, Mr. Sangster, to give him an opportunity to make that statement this morning, so that he might receive your direction, Mr. Commissioner, as to these witnesses.

Sir CHARLES DAVIDSON: I hope he will leave no effort unmade to secure their attendance here.

Mr. SANGSTER: In doing what we have done, I feel that we have exhausted every effort possible, but anything more that can be done, we will do. I will immediately see that a telegram be sent to each of these men. Would your lordship issue instructions as to what would meet with your lordship's wish as to the witnesses Wood and McKay, who are both within Canada. Wood was in London, Ontario, the last we heard from him.

Mr. THOMPSON: I have subpoenaed McKay. He has received our subpoena and will be here when he is telegraphed for. I am making inquiries as to Wood's whereabouts. He is supposed to be in London, Ontario, but he is not there now. He also has disappeared.

The Commission adjourned from this day, Saturday, August the seventh, until Monday, August ninth, 1915.

ROYAL COMMISSION.

KENTVILLE, N.S., Monday, August 9, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,
Counsel to aid and assist the Commissioner in the inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

At the sitting of the Commission.

MR. THOMPSON: I purpose first this morning to call on Mr. A. de Witt Foster.

SIR CHARLES DAVIDSON: Did you make an announcement in the press that the Commission would sit in Kentville?

MR. THOMPSON: Yes, I sent an advertisement to the papers, but the announcement will not be published until to-morrow. The first witness will be A. de Witt Foster, for the purpose of establishing the fact that he was the Government agent and representative in this County for purchasing horses. The purpose is to establish a chain of responsibility.

ARTHUR DE WITT FOSTER, ex-Member of Parliament for Kings County, sworn:

By Mr. Thompson, K.C.:

Q. Were you, in August and September last year, the member of Parliament for King's County, Nova Scotia?—A. Yes.

Q. You called, with a person named Woodworth, on Colonel Neill, of the Remount Department, at Ottawa, I understand?—A. The first time I met Mr. Woodworth at Colonel Neill's.

Q. Is that correct?—A. Yes.

Q. At page 8467 of the evidence taken before the Public Accounts Committee you state: "I was in company with Mr. Woodworth, and I heard Colonel Neill make that statement."—A. That would be on the second visit.

Q. What day was it you made the first visit?—A. I cannot remember exactly; it would be in the week during the short session of Parliament.

Q. What was the date of the short session of Parliament?—A. I think from the 15th of August to the 20th of August; the session lasted five or six days.

Q. Was it during the session you called on Colonel Neill?—A. Yes.

Q. Was Woodworth with Colonel Neill when you called?—A. In the office.

Q. In Colonel Neill's office?—A. In Colonel Neill's office.

Q. In his private office?—A. Yes, in his private office.

Q. Was he talking to Colonel Neill?—A. Yes.

Q. Did you enter Colonel Neill's office when Woodworth was there?—A. When he was there, yes.

Q. You are aware, Mr. Foster, that it is rather unusual for a superior officer of the Government to receive one visitor while another is with him. I call your attention to it to see whether you may not be mistaken?—A. Might I explain the circumstances just precedent to that meeting at Colonel Neill's?

[Kentville, Horses—A. de W. Foster.]

Q. I want you, first of all, to verify the fact whether Woodworth was there when you called, or whether you took Woodworth with you?—A. He was there.

Q. Was that the first interview you had with Colonel Neill?—A. The first interview I had with Colonel Neill.

Q. Had you given Woodworth a letter of introduction to Colonel Neill?—A. No.

Q. Did you know how Woodworth came to know Colonel Neill?—A. No, I cannot say that I know how he came to know him.

Q. Had you spoken to Colonel Neill with reference to purchasing horses in King's County before the occasion on which you met him in his office?—A. Not to my recollection.

Q. How clear is your recollection on that point?—A. Well, pretty clear; this was my first visit to Colonel Neill.

Q. What was your object in going to Colonel Neill's office?—A. To urge upon him the appointment of a local man in my constituency to purchase remounts.

Q. Did Colonel Neill state to you why Woodworth was in his office?—A. I do not remember that he did.

Q. Would you say he did not?—A. Yes, I would say that he did not.

Q. Did you know the nature of Woodworth's business with Colonel Neill?—A. I knew what Mr. Woodworth had told me previously.

Q. In reference to the visit which he intended to make?—A. Yes; he said that he was anxious to get in touch with Sir Frederick Benson, the representative of the British Remount Commission, in order that he might place before him the possibility of selling to him, Sir Frederick Benson, 2,000 or 3,000 horses a month from St. Louis.

Q. Is that St. Louis in the United States?—A. Yes.

Q. Did you know that Woodworth was in Colonel Neill's office when you went down to Colonel Neill's office?—A. No.

Q. Were you surprised to see him there?—A. Quite.

Q. Was he surprised to see you?—A. I do not remember.

Q. Did you tell Woodworth that you would call on Colonel Neill about purchasing horses?—A. That I did?

Q. No, that you would?—A. Do you mean previous to seeing him in the office?

Q. Yes?—A. I do not remember particularly.

Q. Would you say that you did not tell him that?—A. I cannot say I did not because I was pretty anxious about getting a man appointed.

Q. Did you and Woodworth meet at Colonel Neill's office by arrangement?—A. No.

Q. Did Woodworth remain at the office while you had your discussion with Colonel Neill?—A. Yes.

Q. What did Colonel Neill say to you when you requested the appointment of a man in King's county?—A. He said that his allotment for Valcartier camp had already been placed in various parts of Canada and he did not propose, for that reason, to purchase in my constituency, second, he did not propose to appoint any local man here on account of the poor experience they had had in the South African war time, in purchasing horses in King's county, which had then been done by local men.

Q. Did he refuse your request?—A. He did.

Q. Was anything more said at that interview with reference to purchasing horses?—A. I cannot remember all the conversation, but I presume I talked that question very considerably and urged upon him the appointment of a local man, and it was then that Mr. Woodworth took up with Colonel Neill the possibility of his getting in touch with Sir Frederick Benson and saying that he could supply or was interested in supplying two or three thousand horses per month from St. Louis, and Colonel Neill said that he did not know exactly Sir Frederick Benson's address but he was either in Montreal or Toronto where he was making arrangements to handle his remounts later on.

Q. Did you remain there during the discussion?—A. Yes.

Q. You remained there after Colonel Neill had refused to appoint a local man?—A. Yes.

Q. Was not your business closed after that statement of Colonel Neill's, why did you remain?—A. I do not know that I had any particular reason, I may have been asked by Mr. Woodworth to remain.

Q. Were you asked by Woodworth to remain?—A. I do not remember that I was.

Q. Did you and Woodworth leave Colonel Neill's office together?—A. Yes.

Q. Did you have discussion with Woodworth after you left Colonel Neill's office with reference to purchasing horses in Kings county?—A. I do not remember that we had, although we may have discussed it.

Q. Will you say that you did not have such a discussion?—A. I cannot remember that we had.

Q. Will you say that you did not have such a discussion?—A. I would not like to say that we had not.

Q. What is the next step that you took towards procuring horses?

Sir CHARLES DAVIDSON: What, if any names, did Mr. Foster suggest?

By Mr. Thompson, K.C.:

Q. Whose names did you suggest should be the purchaser in Kings county?—A. The name of F. A. Parker, of Berwick.

Q. What was the next step you took towards having horses purchased in Kings county?—A. The next time I remember I was on my way to Colonel Neill's office to find out where Sir Frederick Benson was, in the hope that if I could not have remounts purchased in this constituency by Colonel Neill, that I might be able to have Sir Frederick Benson purchase down here. That would be a day or so later. I cannot remember exactly what date it was.

Q. Now, are you not confused, Mr. Foster, as to your visits to Colonel Neill, at page 847 of the Public Accounts Committee evidence you were asked the following questions by Mr. Carvell:—

Q. Will you tell us when, and under what circumstances, Colonel Neill first spoke to you about assisting him?—A. I went to Colonel Neill, I forget the exact date, but I think it was on Monday morning, and asked him if he would appoint an agent in my constituency.

By the Chairman:

Q. To what Monday morning do you refer?—A. About August 24, I should think, Mr. Chairman.

By Hon. Mr. Reid:

Q. The Monday around that date?—A. The Monday around that date, I think Monday, August 24, would be about the time. I asked if he would appoint Mr. F. A. Parker to purchase horses for Nova Scotia. He told me that the remounts had all been allotted to the various places for the First Contingent, and for that reason, and for the fact that he had had charge of or assisted in the purchase of horses in the South African campaign, they had decided to buy none from Nova Scotia. I left his office then. I may tell the committee frankly that I was in company with Mr. Woodworth, who heard Colonel Neill make that statement. I left his office and did not see him again until Wednesday morning, I think the 26th August, when he called me up at my office on the telephone, told me that he was in need of 800 more remounts, which he had to have at Valcartier within a week and asked me if I would personally go to Nova Scotia and assist the veterinaries in the procuring of these horses.

That does not correspond with what you have just related?—A. In reference to the statement there with regard to its being Monday; Monday was the occasion of my second visit, I think, on which Mr. Woodworth accompanied me to Colonel Neill.

Q. You stated before the Public Accounts Committee that your first visit was on Monday morning, that you went to meet Colonel Neill, and that Woodworth was with you, that you were in company with Woodworth?—A. That would not be correct. My first visit was made some time in the week of the short session.

[Kentville, Horses—A. de W. Foster.]

Q. What you say now is that on your second visit you asked Colonel Neill to request Colonel Benson to purchase, is that correct?—A. No, I would not say that. I went there with this in my mind, and while there I again pressed Colonel Neill for the appointment of a local man, as I said in my evidence before the Public Accounts Committee.

Q. Were you alone at that time?—A. I was in company with Mr. Woodworth.

Q. Why did you bring Mr. Woodworth?—A. I met Mr. Woodworth, as I remember, on the way to Colonel Neill's.

Q. Did Woodworth enter with you into Colonel Neill's office or did you enter alone?—A. We went in together.

Q. Did you ask Woodworth to accompany you in?—A. I do not remember.

Q. Don't you know it is rather unusual for a person on any business to enter with a member of Parliament or, for that matter, with any private individual, into such an office?—A. It was not a private office that Colonel Neill had at that time. His office was just a rough room. There was no privacy to Colonel Neill's office, it was in the Aylmer Apartments, a room unfurnished and improvised for his stay there. I do not remember asking Mr. Woodworth to go in with me.

Q. Will you say that you did not ask Woodworth to go in with you?—A. I do not remember having done so.

Q. Will you say you did not suggest that he should enter with you?—A. I do not remember having suggested that.

Q. Would you say that Mr. Woodworth entered, without any suggestion on your part, or as a result of any conversation you had with him on the way down to Colonel Neill's office?—A. Yes.

Q. You say it was without any such suggestion?—A. Yes.

Q. What conversation took place on that occasion?—A. I asked Colonel Neill again to reconsider the matter and to appoint a local man, and finally I suggested to him that if he would not do that I might get in touch with Sir Frederick Benson and have him purchase in my constituency, and in this part of Nova Scotia.

Q. What took place then, what did he say?—A. My recollection is, that he informed me on that occasion that he refused to consider the matter and gave me the address of Sir Frederick Benson as near as he could. It was a Montreal address, the Imperial bank, I think it was, and he suggested that a brother of Sir Frederick Benson, who was in the Militia Department, might know more definitely his whereabouts.

Q. Was anything further said?—A. I cannot remember any further conversation, although I dare say there was.

Q. Did you then leave Colonel Neill's office?—A. I heard Mr. Woodworth ask him practically the same question, if he had heard anything from Sir Frederick Benson, or did he find out anything further about it, and my recollection is that after that we came away.

Q. Did Woodworth leave Colonel Neill's office with you?—A. Yes.

Q. That is a visit which you did not refer to before the Public Accounts Committee?—A. It might have been that day, Mr. Thompson that I had in mind.

Q. Which day that you had in mind?—A. The Monday that I speak of, that I had in mind.

Q. But you only referred to one visit when you were examined before the Public Accounts Committee?—A. Yes, I know.

Q. What next took place with reference to the purchasing of horses in this county?—A. Nothing further was done until a day or so later, when I was in my office that morning and Colonel Neill called me on the phone and asked me: he first told me that his arrangements had miscarried and he should have his remounts at camp by the 28th of August, and he was unable to get them there, and he asked me if I would go down to Nova Scotia and personally assist in the procuring of 800 remounts or as many as we could in the short time allotted to us.

Q. Did you tell Colonel Neill that you would undertake the mission?—A. On the telephone, I did not.

Q. What did you tell him?—A. I told him that there were a great many difficulties in the way, and that as a Member of Parliament I did not feel that I could do that. After the telephone conversation was finished, I wrote Colonel Neill a letter in which the substance of our conversation was covered, or confirmed, and made observations in that letter, and as I remember the letter indicated to him that I might consider the proposition or would consider the proposition, I forget which.

Q. What did he say, did he reply?—A. That was a letter which I sent to him by messenger.

Q. Is this a copy of the letter which I now show you?—A. Yes.

“OTTAWA, August 25, 1914.

“LT.-COL. W. J. NEILL,

“Principal Veterinary Officer, Remount Dept.,

“Ottawa, Ont.

“DEAR SIR,—In confirmation of your telephone message to me this morning, in which you advised me that you are unable to obtain the required number of remounts allotted to the eastern townships, and requesting me to submit the names of certain veterinary officers whom you could engage in the Province of Nova Scotia to act for you in the purchase of horses, and requesting me to accompany the said veterinary officers and to render what service I can to facilitate the purchase of some four or five hundred horses within the next week, I beg to say, as I told you over the phone, there are almost impossible difficulties in the way of meeting your request.

“In the first place, the time is far too short, and the price, which must not exceed \$172 on the average, is entirely too low, considering the fact that we will have to purchase as nearly as we can heavy draught horses, which command a high price in Nova Scotia, and also artillery horses, which I do not anticipate can be purchased for the average price you mention, in the ratio of two horses, one artillery and one draught.

“I would much prefer to have nothing to do with this myself, and wish you could see your way clear to the appointment of Mr. F. A. Parker of Berwick, King's County, Nova Scotia.

“In regard to veterinaries, I would point out to you that in addition to Messrs. Wood and Chipman, veterinary officers of the active militia, Kentville, Nova Scotia, there is Dr. Arthur Gill of Mount Denison, Hants County, Dr. P. A. Gough, Halifax, Nova Scotia, and Dr. Chalmers of Truro. I think you had better wire the Members for these Counties for inquiry as to their qualifications and if satisfactory, advise them of their duties and employment by you, with full details and instructions.

“In view of the urgency of the requirements for horses to complete the contingent at Valcartier, I am inclined to accede to your request, on the distinct understanding that there shall be no remuneration of any kind or nature whatsoever for any services I may render, and that complete arrangements may be made which in no wise affect my standing as Member of Parliament.

“It will not be possible for me to leave for Nova Scotia to-morrow, and as the time is short, you had better give necessary instructions to the veterinaries and banks.

“Yours faithfully,

“Sgd. A. DE W. FOSTER.”

Q. After you wrote this letter to Colonel Neill, what was the next step?—A. About that time I was having conversations over the phone, or shortly after.

Sir CHARLES DAVIDSON: Was that letter answered?

The WITNESS: There was no letter to that. About the time I was having conversations over the phone, or shortly after that, when Mr. Woodworth came into my office and I told him I was going over to see Colonel Neill, and asked him would he come along.

[Kentville, Horses—A. de W. Foster.]

By Mr. Thompson:

Q. You told him, I presume, of Colonel Neill's conversation with you?—A. Yes, over the phone.

Q. And you and Woodworth went to Colonel Neill's office?—A. Yes.

Q. What conversation took place?—A. Well, first I went over the ground again with regard to the appointment of a local man, and Colonel Neill said that was impossible, that if I would go down and assist and take charge of the arrangements an opportunity would be provided, and I refused to take charge of the arrangements, on the ground that I was an inexperienced horseman, and, therefore, I could not be responsible for the class of horses obtained or their value, and that some other arrangement would have to be made. I further pointed out that if I assumed responsibility and engaged my local friends I would be responsible for their acts, and I would either have to pay them myself or have them work for nothing, as Colonel Neill had informed me on this occasion that the department made no provision for the pay of any person outside of myself, and, as a member of Parliament, I could not be paid. So I refused to accept the responsibility, and it was then that he turned to Mr. Woodworth and said: You, I understand, are a man of means, you are assisting here in Ottawa for some time, you are expecting to make an arrangement with Sir Frederick Benson whereby you will be interested in delivering two thousand or three thousand horses a month, why don't you go down and assist in this matter, and I will recommend you to Sir Frederick Benson? Now, I remember him saying that he had been in the brokerage business in either Toronto or Chicago, at any rate he had a clientele in places across the line, and that he had recommended some of these men to Sir Frederick Benson, and that Sir Frederick had accepted his recommendation. I do not remember the further conversation, which would naturally go on, but Mr. Woodworth said: "Well, there will have to be purchases going on at a number of places at the same time, and one man cannot procure horses in that short length of time, my partner is in the city and I will discuss the matter with him, and if he will go down I will go down." "Well," Colonel Neill said, "It does not make any odds to me who you take with you, we are in the position where we require these horses immediately, and we have got to do it quickly." I do not remember whether he said anything further about Mr. Woodworth appointing somebody else, but he may have done so.

Q. Why did you bring Woodworth with you to see Colonel Neill on that occasion?—A. My recollection is that we had an appointment about another matter at one of the departments that morning, and before going up there I suggested to Mr. Woodworth that he come along to Colonel Neill's with me and we would go up there later on.

Q. Having first told him, as you said, that you were going over about purchasing horses in Kings county?—A. Yes.

Q. Now, before the Public Accounts Committee, at page 850, examined by Mr. Carvell, he asked you this question:—

Q. And after he (Keever) came here you thought he would be a good man to take to Nova Scotia?—A. I really think—well, yes, answering your question.

Q. And you thought that Mr. Woodworth would be another good man to have down there?—A. Yes, Colonel Neill asked me to go with him.

Then I quote from page 853 of the evidence before the Public Accounts Committee:—

Q. Had you any other reasons for inviting these two men to come in and buy horses for the Dominion Government?—A. None.

Q. Other than that they were financially able to pay their own expenses?—A. None whatever.

Q. Then you were the man who did invite them to go down there?—A. Colonel Neill asked Mr. Woodworth to go with me and I asked him too. I presume Mr. Woodworth asked Mr. Keever and I presume I asked him also.

Q. Is that about the fact, that you asked Woodworth and Woodworth asked Keever?—A. I presume I did, I do not particularly remember.

Q. Would you say you did not?—A. No, I cannot say that.

Q. It is important, Mr. Foster, that you should remember as definitely and as accurately as possible, because your reputation is at stake, you know, in these purchases; you are the one responsible for very heavy expenditures. I do not intend this morning to examine you at any great length with regard to details, I simply want to establish a chain of responsibility, and I will take the examination of you up at a later date?—A. I cannot remember that I particularly asked either one of these men to go, but I probably did.

Q. Did you suggest it to them?—A. I do not remember that I did. Certainly no suggestion was made regarding their acting, previous to Colonel Neill's request made to Mr. Woodworth in his office.

Q. Why did not you ask Colonel Neill to make the banking arrangement for Woodworth to handle the money with which to pay the vendors of the horses?—A. I do not know that I thought of asking him to do that because he had suggested that I sign the cheques and issue them.

Q. And as such you were the principal man, were you not?—A. Well, I would not like to say that.

Q. Will you say you were not?—A. Yes, I would say,—if you mean by principal man that I was responsible for Mr. Woodworth, I certainly do not consider that I was.

Q. You consider that you are not responsible for the class of horses purchased?—A. Absolutely not.

Q. Do you say you are not responsible for the amount of money paid for each horse?—A. I was not.

Q. You say you were not?—A. I was not.

Q. Supposing they paid \$5,000 per horse, do you consider yourself in any way responsible?—A. Yes, in that case I would. Our instructions were as to a certain price, and they could not exceed that price.

Q. What was the price?—A. \$175 average, landed at Valcartier.

Q. And providing horses of any and every description were landed at Valcartier, at an average price of \$175, would you consider yourself responsible?—A. No.

Q. What do you think your responsibility was?—A. I was responsible for issuing the cheques or providing the funds to pay the vendors when the negotiations were first entered into, by cheque.

Q. Did you do so?—A. In some cases.

Q. Not in all cases?—A. Not in all cases.

Q. Do you recollect any of the cases in which you did that; do you remember any of the cases in which individual cheques were issued by you?—A. I do not remember the particular cases.

Q. We will come back to that later—cheques were furnished to you by Colonel Neill, were they not?—A. Yes.

Q. Before you left Ottawa?—A. Yes.

Q. Before I leave the subject of responsibility, I wish to read from page 853 of the evidence taken before the Public Accounts Committee, as follows:—

Q. Then you were the man who did invite them to go down there?—A. Colonel Neill asked Mr. Woodworth to go with me and I asked him too. I presume Mr. Woodworth asked Mr. Keever and I presume I asked him also.

Q. Anyway you take the responsibility?—A. Certainly I do.

A. Had I not come these men could not have come. I took the responsibility for their coming, they could not have come unless I did. But responsibility for their actions after they were here, I do not accept that.

Q. Why could they not come without your coming?—A. Because this arrangement was made jointly with me.

[Kentville, Horses—A. de W. Foster.]

Q. What arrangement was made jointly with you?—A. Their coming and my coming.

Q. Why should you be a necessary adjunct if you had no responsibility except the mere signing of the cheque in the way that one might do with a rubber stamp?—A. I really cannot answer that Colonel Neill may have had in his mind sufficient reasons.

Q. Do you now say again that you considered your sole and only responsibility was to see that the required number of horses were delivered at Valcartier at \$175 apiece?—A. Yes, I would think so.

Q. I have here a bunch of cheques, 49 in number, of the Remount Department, they are headed Remount Department, I think they were all signed by you, will you verify these?—A. Just as to the signature?

Q. Is that your signature?—A. Yes. I would say that all these bore my signature.

Q. You received some written instructions, I presume, from Colonel Neill?—A. Yes.

Q. At the time that you received the bunch of cheques?—A. Yes.

Q. Is this correspondence, which will be marked Exhibit 70, the instructions which you received?—A. Yes.

(Correspondence filed as exhibit No. 70.)

Sir CHARLES DAVIDSON: Practically the three classes of horses mentioned in that are alike, save as to weight.

Mr. THOMSON: Yes.

The correspondence contained in Exhibit No. 70 was read as follows:

REMOUNTS.

The following description has been approved by the Department:—

- (A) *Riding horses*.—Age, 5 to 8 years. Height, 15 to 16 hands. Weight, 1,000 to 1,150 lbs.
- (B) *Artillery horses*.—Age, 5 to 8 years. Height, 15 to 16 hands. Weight, 1,050 to 1,250 lbs.
- (C) *Draught horses*.—Age, 5 to 8 years. Height, 15-2 to 16 hands. Weight, 1,250 to 1,400 lbs.

Colours.—Bay, brown, black, chestnut, blue roan, red roan. *No greys*.

All horses must be sound in wind and limb and free from all blemishes.

V. 1, 6.

Circular Letter.

All Officers purchasing horses will report to the Remount Department, Headquarters, Ottawa, by wire, the number of horses they have purchased each day.

All horses will be cared for by the Units which the purchasing Officer represents. Daily parade states will be furnished by the officers commanding Units, in whose care Government horses are placed, who will forward same daily to headquarters, Remount Office, showing the number of horses on their charge, and condition of same.

In the event of Veterinary Services being required, Officers in charge of remounts are authorized to employ Civil Veterinary surgeons where no Canadian Army Veterinary Officers are available. Fees payable for such service will be \$1 per call, payable on M. F. D. 900.

Officers in charge of remounts will take the greatest precautions in the transportation of horses on their charge to Valcartier Mobilization Point.

When entraining horses, cars are to be thoroughly examined and all nails and other objects liable to cause injury will be removed, floors tested, and fastening of car doors examined.

Hay racks in cars are to be filled with hay, horses placed in cars heads and tails, and tied fairly short; horses are to be watered before entraining and hind shoes removed; accounts for such services to be rendered in triplicate on manuscript by the Officer in charge.

I have the honour to be, sir,

Your obedient servant,

Signed. W. J. NEILL, *Lt.-Colonel,*
Remount Officer.

Circular Letter.

DEPARTMENT OF MILITIA AND DEFENCE,
HEADQUARTERS, OTTAWA, August 21, 1914.

To,

Purchase of Remounts.

SIR,—In connection with the purchase of remounts for the Overseas Division, it has been found necessary to appoint men for the purpose of canvassing districts outside of the local Headquarters of units under mobilization, as the number of horses being purchased has not reached the average number per day that are required.

In order to facilitate matters it has been decided that authorized Purchasing Officers will canvass outlying districts for horses, making arrangements for day of inspection and purchase.

You will be guided by this letter as far as it meets the requirements of your case and report to me by wire what action you are taking. Any posters required can be obtained locally and the account forwarded to the office of the Remount Department, Ottawa.

The work of purchasing must be rushed, as it is required that all mounted units be on their way to Valcartier by the 30th instant.

I have the honour to be, sir,

Your obedient servant,

Signed. W. J. NEILL, *Lt.-Colonel,*
Remount Officer.

Circular Letter.

V-1-21.

"THE DEPARTMENT OF MILITIA AND DEFENCE,
"HEADQUARTERS, OTTAWA, August 24, 1914.

"To

"*Re Purchase of Remounts.*

"SIR,—I have the honour to request that as soon as you have purchased the authorized number of remounts, the cheque books issued to you be returned to me, and that a statement be rendered showing:—

"(a) The total number of horses purchased, classified as riding, draught and pack.

"(b) The price of each horse.

"(c) All accounts for maintenance of horses, and other expenses.

"(d) The places you were employed at, and the dates.

"I have the honour to be, sir,

"Your obedient servant,

Signed. W. J. NEILL, *Lt.-Colonel,*
"Director Veterinary Services."

"DEPARTMENT OF MILITIA AND DEFENCE,

"HEADQUARTERS, OTTAWA, August, 1914.

"To:

"Mr. A. D. W. FOSTER, M.P.,

"Kentville, N.S.

"*Purchase of Remounts.*

"SIR,—I have the honour to inform you that you are authorized to purchase eight hundred remounts for the Department of Militia and Defence.

"You are requested to consult the Officer Commanding, 6th Division, Halifax, N.S., in connection with (my) appointing (T. C. Woodworth) purchasing agents and inspecting veterinary officers.

"I have the honour to be, sir,

"Your obedient servant,

Signed.

W. J. NEILL, *Lt.-Colonel,*

"*Director Veterinary Services.*"

Mr. THOMPSON: That is the last of the correspondence,—now, Mr. Foster, have you the original of the last letter which I have just read? I find the name "T. C. Woodworth" in that letter is in parentheses and also the word "my".

The WITNESS: The original letter together with a copy of the letter which was mutilated, and which you just read a moment ago, were in the envelope which I produced in the Public Accounts Committee at Ottawa, the day I gave evidence, and they were turned over to the reporters there, and they have not been returned to me. I wrote to the Secretary of the Public Accounts Committee, the correspondence is there, who took the matter up with the reporters; the last letter being one to Mr. C. S. Blue, who is now in Scotland, endeavouring to locate the original of these letters which were presented to and left by me at the Public Accounts Committee at Ottawa.

By Mr. Thompson, K.C.:

Q. The reason I ask you about that is that the letter is rather extraordinary with that interlineation. The letter does not make English. Without the interlineation, the letter reads:—

"You are requested to consult the officer commanding 6th Division, Halifax, N.S., in connection with appointing purchasing agents and inspecting veterinary officers."

But with the interlineation, it reads:—

"You are requested to consult the officer commanding 6th Division, Halifax, N.S., in connection with (my) appointing (T. C. Woodworth) purchasing agents and inspecting veterinary officers."

That does not make sense?—A. Might I explain that. The original of that letter was given me with the cheques and with the correspondence, and I discovered some days after, perhaps the second day after it was given me by Colonel Neill, when I opened the package, which will appear subsequently in my evidence, and I took that original back. I looked at the letter and I said: "Here is the appointment of veterinary officers being made from Ottawa by Colonel Neill," and Mr. Woodworth having been appointed I took that letter back with me to Ottawa, when I returned from St. John, or Digby, and on Saturday morning I drew Colonel Neill's attention to the fact that he had appointed Mr. Woodworth as purchasing agent and also the vets., and I asked him why under those circumstances I should consult the Commander of the 6th Division at Halifax, and he said: "You will consult him regarding the requisition for cars and shipment of horses, and the fixing up of cars and such other items as he may be able to give you information on." He then wrote in the appointment of Mr. Woodworth, in the manner in which it appears in the letter.

[Kentville, Horses—A. de W. Foster.]

Q. I will come back to that later.

Sir CHARLES DAVIDSON: The correspondence speaks of posters; have you got one of these?

Mr. THOMPSON: I think I have.

Sir CHARLES DAVIDSON: I should like to see it, it might be put in evidence.

Mr. THOMPSON: I will produce a copy of the poster later.

By Mr. Thompson, K.C.:

Q. Did you when you received that correspondence and that bunch of cheques leave Ottawa?—A. Yes, quite immediately after I received them.

Q. And you wired, I understand, or you telegraphed to Mr. G. H. Oakes, in your constituency?—A. Yes.

Q. Is he your secretary?—A. No, he is the Secretary for the Liberal-Conservative Association.

Q. Where did you wire him from?—A. I would think probably from Ottawa.

Q. What did you say in that telegram?—A. I asked him to meet me at St. John the next day.

Q. Did you state in the telegram why you wanted to see him?—A. No.

Q. Did you meet him in St. John the next day?—A. I did.

Q. What did you want him for?—A. I wanted to discuss with him the situation as I have outlined it, and ask him to represent me in this county and in this neighbourhood with regard to the duties I had to perform.

Q. Did you give him the correspondence or show it to him, I mean the correspondence which I have just read and which is marked as Exhibit No. 70?—A. Yes.

Q. Did you hand over the cheques to him that I have just referred to?—A. One book.

Q. How many were in the book?—A. One hundred.

Q. Did you sign all the cheques before you handed them to him?—A. I signed about 25 perhaps, I do not remember, exactly, or it might be 20, in that book which I gave to him.

Q. Will you say that you did not sign all the 49 cheques which were produced to-day?—A. No, because I subsequently signed the balance myself, at another time.

Q. Were the cheques in blank?—A. Yes.

Q. Quite blank?—A. Yes.

Q. There were no items filled in?—A. No.

Q. With the exception of your signature?—A. Yes.

Q. Did you part company with Mr. Oakes at St. John?—A. No, I met him at St. John and as I was returning to Ottawa I had not time to discuss the situation with him, and so I came across on the boat from St. John to Digby, going back on the same boat on her return trip, which would give me 24 hours across the bay to discuss this matter with Mr. Oakes. Now when I opened the parcel which I had obtained from Colonel Neill—previous to my getting on the train at Ottawa I had not opened it, and I presumed there were 800 cheques in that parcel, when I opened the parcel I found there were only two cheque books containing 100 cheques each. I opened up some time after Mr. Oakes had been in conversation on the boat. The difficulty which arose then was how could I obtain 800 remounts and issue a cheque for each horse, with only 200 cheques to do it.

Q. Did you telegraph to Colonel Neill to point out the situation to him?—A. As I was going back on the next boat and train to Ottawa, I did not do that.

Q. Did Mr. Oakes then leave under your instructions for Kings county?—A. Yes, I left him at Digby, leaving one cheque-book with him with a number of these cheques signed.

Q. What did you do with the other cheque-book?—A. I took it back with me.

Q. Why did you do that when you were already short of cheques?—A. I was going to use it myself and I kept it.

[Kentville, Horses—A. de W. Foster.]

Q. Did you return to Ottawa?—A. Yes.

Q. Did you ask Colonel Neill for further cheques?—A. Yes.

Q. What did he tell you?—A. I think it was Saturday morning when I arrived back in Ottawa. I went to Colonel Neill and told him that I only had 200 cheques, two books of 100 cheques each. He said: "We have no more, our cheque-books are all used up," and I inquired the nature of what I should do. He said: "You will have to issue your cheques to your purchasing agents and they can pay in cash."

Q. Then I presume that after your instructions to Mr. Oakes he came to Kings county and started?—A. Yes.

Q. Did Woodworth and Keever come down with you on the train from Ottawa?—A. No.

Mr. THOMPSON: That will do for the present, Mr. Foster. This is merely laying the foundations to show how horses came to be purchased in Kings county. The main examination will take place later.

Mr. SANGSTER: Would your lordship permit me, at this stage, to refer to the witnesses Woodworth and Keever?

Sir CHARLES DAVIDSON: Yes.

Mr. SANGSTER: Pursuant to your lordship's instructions on Saturday afternoon I had Mr. Foster send these telegrams: The first one is addressed to F. B. Keever, 31 State Street, Boston.

KENTVILLE, N.S., August 7, 1915.

F. B. KEEVER,
31 State Street,
Boston.

Commission sat this morning. Mr. Sangster, my counsel, read your telegram, but Judge requires your attendance here. Urge you wire me immediately earliest date can attend. Greatest importance to me you comply.

(Sgd.) A. DE WITT FOSTER.

At the same time, on Saturday afternoon, Mr. Foster sent this telegram to T. C. Woodworth:

KENTVILLE, N.S., August 7, 1915.

T. C. WOODWORTH,
McAlpine Hotel,
New York City.

Commission sat here this morning. Sangster, my counsel, read your telegram, but Judge requires your attendance here. Urge you wire me immediately earliest date you can attend. Greatest importance to me you comply.

(Sgd.) A. DE WITT FOSTER.

Mr. Foster received this communication this morning:—

August 8th. Received at Kentville.

Re your service date, Woodworth hotel McAlpine signed Foster. Mr. Woodworth has not been in room this evening. We leave message there.

(Sgd.) H. M. New York.

No reply has yet been received from Keever.

That is all we know about the matter. All I can do is repeat what we said on Saturday: that we are prepared to pay the expense of getting the evidence of these men where we can get it, and to do everything to assist the Commission in the way of securing these men or any other witness in regard to the matter of the inquiry.

Sir CHARLES DAVIDSON: That is not very satisfactory.

Mr. SANGSTER: No, my lord, it is not satisfactory.

[Kentville, Horses—A. de W. Foster.]

Sir CHARLES DAVIDSON: I cannot accept these excuses.

Mr. A. DE WITT FOSTER was then recalled to the stand, and examined by Mr. Thompson, as follows:—

Q. You remember there was some discussion before the Public Accounts Committee at Ottawa as to the receipts which were signed by the vendors of horses, which you stated were furnished by Keever and Woodworth, have you any receipts signed by vendors of horses?—A. My counsel has.

Mr. SANGSTER: I have these receipts in my office, I did not know they would be required this morning.

Mr. THOMPSON: I should like to put them in, if you can get them.

Mr. SANGSTER: I got them from them. Would you allow Mr. Foster to go for them, he knows where they are.

Mr. THOMPSON: Yes, I would.

By Mr. Thompson:

Q. Did you have these receipts, Mr. Foster, when you were examined before the Public Accounts Committee?—A. No.

Q. When did you procure them?—A. Part of them came into my possession through Mr. Oakes. I do not know just when, but he could tell you the time. The balance I obtained from Mr. Woodworth in New York this summer.

Q. When?—A. Somewhere around the 1st of July, I would think.

Q. Were you in New York?—A. Yes.

Q. Did you ask him for the receipts?—A. Yes.

Q. Did he tell you how many he had?—A. No, he just gave me these as being what he had in his possession.

Q. Did he say that these were all the receipts he had?—A. Yes.

Q. Did you ask him whether he had any other documents concerning the purchase of horses?—A. Yes.

Q. What did he say?—A. None.

Q. How many receipts did you get from Mr. Woodworth?—A. I really do not remember just how many there were, perhaps 50 or 60.

Q. How many did you get from Mr. Oakes?—A. Probably 20 odd.

Q. Is Mr. Oakes in town?—A. Yes.

Q. He will be here to testify as to this?—A. Yes.

Sir CHARLES DAVIDSON: How many horses were bought?

Mr. THOMPSON: 428.

Sir CHARLES DAVIDSON: Do you purpose, Mr. Sangster, to telegraph to these men again. You might tell them that their own honour is at stake and that they are putting Mr. Foster's honour in peril.

Mr. SANGSTER: I feel that that is the reason we have gone to the extent we have gone. I will see that a telegram goes to them to-day to that effect.

Sir CHARLES DAVIDSON: And you can add the further statement that I am unable to believe that they are unable to come.

The examination of Mr. Foster terminated for the present.

HENRY J. CHUTE, of Somerset, Kings county, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. How many horses did you sell for military purposes last August or September?—A. One mare.

Q. Who bought her?—A. Well Dr. Chipman, as far as I was concerned.

Q. Chipman was the veterinary surgeon, was he not?—A. Yes.

Q. Who was the buyer?—A. I presume it was Mr. McKay.

[Kentville, Horses—Henry J. Chute.]

Q. You were informed it was Mr. McKay?—A. Yes, but I had no acquaintance with him, whatever.

Q. Was Chipman the veterinary surgeon?—A. He was.

Q. What price did you receive?—A. \$165.

Q. Were you paid in cash or by cheque?—A. By cash.

Q. What was the age of that horse?—A. I cannot tell you; I had the mare three years, I positively cannot tell you her age.

Q. Are you not a farmer?—A. Yes sir, but I am not a horseman.

Q. How many horses have you owned during the course of your life?—A. Quite a good many.

Q. When you buy a horse do you say you do not know what age that horse is when you are buying him?—A. Certainly I do not, how am I to know.

Q. Do you mean to say the average farmer cannot tell the age of a horse?—A. I cannot say that.

Q. How do you ascertain the age of a horse when you are buying him?—A. Mostly from the information I get.

Q. From the man who is selling him to you?—A. Yes.

Q. And are you as trusting a Christian as all that?—A. I do not know what you call that, whether it would be trusting or not.

Q. How long did you have this horse?—A. Three years.

Q. Who did you buy him from?—A. I bought him from—it is just gone from me now, in fact I cannot tell you just exactly.

Q. Surely you can tell who you bought him from?—A. No.

Q. Try and think it out—you are keeping a lot of other witnesses waiting, and the sooner we get through with you and some others the sooner you will get home—who did you buy that horse from?—A. A fellow by the name of Brennan.

Q. What is his first name?—A. I do not know what his first name is.

Q. Where does he live?—A. He lives in Aylesford.

Q. Does he live near you?—A. Some six or seven miles.

Q. And you say you do not know what his first name is?—A. I do not just recollect it, I said.

Q. How old did he say the horse was when he sold it to you?—A. I do not know that he named the age.

Q. Did you ask him?—A. He said he was not over ten years anyway.

Q. When he sold it to you?—A. Yes.

Q. Did you think he would be about ten years?—A. I would suppose somewhere in that neighbourhood.

Q. Do you think that horse was only ten years old when he sold him to you?—A. Yes.

Q. And you had that horse for three years?—A. Yes.

Q. That would make him about 13 years of age?—A. According to that, about that.

Q. Did you buy him from Brennan as a horse ten years old?—A. I do not know that I did.

Q. Did you buy him as a colt?—A. No.

Q. You surely must have had some idea of his age when you were buying him; what was his age; come now and tell us?—A. It was a mare; I bought her as a serviceable mare and I sold her for the same, and her age was not in any ways detrimental to her.

Q. We will see about that; did you examine her teeth when you bought her?—A. No, sir.

Q. Do you ever do that when you buy a horse?—A. No.

Q. And Brennan said she was not over ten when you bought her?—A. Yes.

Q. And you were satisfied with what he said when he said that?—A. Yes.

Q. You thought that a ten-year-old horse would be a serviceable horse for you?—A. Yes.

Q. And you had it for three years?—A. Yes.

Q. So that if that story is correct she would not be over 13 years old?—A. Not over 13 years old.

Q. Did you only sell one horse to the Government?—A. That is all.

Q. What was her weight?—A. Her weight would be, in good condition, about between 900 and 1,000 pounds.

Q. Was she in good condition?—A. She was in good condition.

Q. Therefore, you think she would be between 900 pounds and 1,000 pounds?—A. Yes.

Q. Therefore, you seem to know more about the weight of a horse than you do about the age of a horse; is that correct?—A. Yes.

Q. Now, I want to find out whether you do know more about a horse's weight than you do about a horse's age?—A. We often weigh the horses, you know.

Q. But you don't get a birth certificate; is that what you mean?—A. Yes, and we cannot tell exactly their age from their teeth, and we weigh them, and, therefore, we know much more about their weight than we do about their age.

Q. Did you weigh this ten-year-old mare when you bought her?—A. I do not know that I ever weighed her.

Q. You are making just a shot at the weight when you say the mare was between 900 pounds and a thousand pounds?—A. Yes.

Q. You evidently do know something about the weight of a horse?—A. Yes, certainly.

Q. You are sure you only sold one horse to the Government?—A. Yes.

Q. What did you pay Brennan for the horse?—A. I paid Brennan \$160 for the mare and she was in a better condition when I sold her than when I bought her.

Q. She had improved for three years under your care?—A. Yes.

Q. How many horses did you have in your stable in August or September of last year?—A. Three horses.

Q. Just try and remember how many horses were in your stable during August or September of last year?—A. Three horses.

Q. You are sure?—A. Yes, sir.

Q. Who lives with you?—A. My son lives with me.

Q. What is his name?—A. Roy.

Q. Does he own any cattle of his own or are they all yours?—A. He owns cattle.

Q. Does he carry on farming operations with you?—A. Yes, sir.

Q. On your farm?—A. On my farm or on his farm.

Q. Does he own a farm of his own?—A. He owns part of the farm.

Q. Do you own the other part?—A. Yes.

Q. You own part and he owns part?—A. Yes.

Q. Do you own all the horses or does he own part of them?—A. Well this mare was—

Q. Was that mare your property or was it your son's?—A. It was my property.

Q. Were the two other horses which you say were in your stable last August or September your property or his property?—A. He had one horse.

Q. Where?—A. In my barn.

Q. Was that in addition to the mare that you sold?—A. Yes, in addition to the mare I sold.

Q. That made two horses, and how many more horses were there?—A. One other horse.

Q. That would make how many altogether?—A. Three altogether in my stable.

Q. Now, Mr. Chute, you were examined before the Public Accounts Committee at Ottawa?—A. Yes, sir.

Q. Do you remember what you said there?—A. Yes, sir.

Q. What did you say as to the number of horses you owned?—A. Well you put it a little different you see; you put it: how many horses were there in my barn, and there were three.

[Kentville, Horses—Henry J. Chute.]

Q. I asked you how many you owned also?—A. I owned two.

Q. Did you say only two?—A. That was all.

Q. How many do you say now that you owned, of these three horses that were in your stable?—A. How many did I own?

Q. How many did you own in August last?—A. Two. I think that was my statement up there in Ottawa.

Q. That is what you say now?—A. I think so.

Q. You are sure that is what you say now?—A. Yes.

Q. This is what you were asked before the Public Accounts Committee at Ottawa.—I read from page 621:

Q. Did you sell any horses to the Militia Department last summer?—A. Yes, I sold one.

Then at page 622:

Q. How many horses did you have last summer at that time, was that the only horse you had?—A. Oh no, I have my team horses.

Q. How many altogether did you have.

And there was no answer, apparently, to that question.

Q. Did you have a team and this one, at the time?—A. Yes.

Q. Just the three?—A. That was all I had.

Q. That was all you owned?—A. Yes.

Q. Which is true, the statement you made before the Public Accounts Committee or the statement you are making to-day?—A. Well, you put it differently to me to-day, you have asked me how many was in my stable and I say three.

Q. Yes, and I asked you how many did you own in August, and you said two, and your son owned one?—A. Yes.

Q. To-day you say you had two horses in your stable last August?—A. Yes.

Q. And your son had one?—A. Yes.

Q. That makes three horses?—A. Three horses. I said that before, and I say to-day we had three horses in the stable.

Q. You had two and your son had one?—A. Well, that is three.

Q. Now, you said before the Public Accounts Committee, that you owned a horse which you sold to the Government and you also had your team, which would make three horses, you should have three horses, that is what you told the Public Accounts Committee.—A. I had two horses and the one made a team; one horse makes a team and I had this mare besides.

Q. You stated before the Public Accounts Committee that you had three horses, you were asked if you had three horses at the time and you said yes?—A. One horse would make a team.

Q. You told the Public Accounts Committee it was your team, was it your team or was it not?—A. Well, one horse would make a team.

Q. You said you had three horses?—A. We had three horses in the stable.

Q. You answered in the Public Accounts Committee that you had three horses at the time, you said you owned three horses, did you own them or did you not own them? I don't care which answer you give me, but I want an answer?—A. No, I did not own them, not in the way you mean.

Q. Then your evidence was not correct before the Public Accounts Committee, was it?—A. It was.

Q. It is not correct, unless what is yours is your son's and what is your son's is yours, is that correct?—A. Not exactly.

Q. Which is correct now, did your son own a horse?—A. Yes, he owned a horse.

Q. Have you ever given your son a deed of that part of the farm which you say he owns?—A. Yes, sir.

Q. You have given him a deed?—A. Yes.

Q. Has he a title to it?—A. Yes, sir.

Mr. THOMPSON: Mr. Chute, you will stand aside for the present and I will examine you again, after I examine your son.

ROY CHUTE, Somerset, Kings county, farmer, sworn

By Mr. Thompson, K.C.:

Q. How far is Somerset from Berwick?—A. Three miles.

Q. How far is Somerset from Kingston?—A. I do not know exactly to the mile.

Q. Never mind to the mile, I want to know approximately what the distance is?—

A. Ten or twelve miles.

Q. It is not more than ten or twelve miles?—A. I would not say exactly what it is.

Q. Do you think it would be under twelve miles, is it more than twelve miles?—A.

I do not know.

Q. Is it not nearer 15 miles?—A. It may be, but I would not say.

Q. Did you ever hear anybody say how far it was?—A. No, not that I remember.

Q. You are a son of Henry J. Chute who has just testified?—A. Yes.

Q. Did you hear what he said?—A. Yes.

Q. After he sold the horse to the Government which he has spoken of there were two horses left in the stable?—A. Yes.

Q. Did you own one of them?—A. Yes.

Q. And you sold one of them to the Government?—A. Yes, sir.

Q. You sold that horse for military purposes?—A. Yes, sir.

Q. Where did your father sell the horse he sold?—A. At Berwick.

Q. That would be a couple of miles away from your place?—A. About three miles.

Q. Your father sold his horse which was sound at Berwick, about three miles from where you lived?—A. Yes.

Q. Where did you sell your horse?—A. At Kingston.

Q. That would be twelve miles away from where you live?—A. Yes, sir.

Q. Why did you not sell your horse at Berwick?—A. I do not know.

Q. I think I know, and you might as well tell us?—A. I do not know any special reason.

Q. Are you sure there was not some special reason?—A. Yes.

Q. Was there not a very good reason for your not selling that horse at Berwick?—

A. Not any special reason as I know.

Q. There was some reason why you should drive your horse twelve miles to sell him instead of selling him two miles from where you live and where they were buying horses; now tell us what the reason was?—A. The only reason I know is we did not intend to sell him.

Q. You did not intend to sell him?—A. No, not when they were at Berwick buying.

Q. Did they buy at Berwick before they bought at Kingston?—A. Yes, sir.

Q. Had they closed buying at Berwick before they started buying at Kingston?—

A. I think so.

Q. Are you sure one way or the other?—A. Yes.

Q. You are sure of what?—A. That they stopped buying at Berwick before they bought at Kingston.

Q. How long had you that horse?—A. Five or six years about, I guess.

Q. Are you sure you did not have him 15 years?—A. Yes, I am sure of that.

Q. Are you sure you did not have him twelve years?—A. Yes.

Q. Are you sure you did not have him ten years?—A. I would not be sure.

Q. Didn't you have him at least ten years?—A. I would not say for sure.

Q. Who bought that horse, you or your father?—A. My father bought him.

Q. What year did he buy him in?—A. I cannot say.

Q. What did he pay for him?—A. \$160.

Q. Who did he buy him from?—A. He bought him from Mr. Parker.

Q. What Parker?—A. Edward Parker.

Q. Where does he live?—A. On the Mountain road.

Q. How far from Berwick?—A. About five or six miles.

Q. How near to Somerset?—A. About three or four miles.

[Kentville, Horses—Roy Chute.]

Q. What is his occupation?—A. A farmer.

Q. Did you or your father make any entries in any book as to when you buy or sell horses?—A. No.

Q. Do you keep any books of account?—A. No, sir.

Q. You have no book to show just how many years you had that horse?—A. I cannot say how many years I had him.

Q. How many years did you have him?—A. Between five and ten.

Q. Will you say it was nearer ten years or nearer five years; try and get this as accurately as you can, because I will call some more witnesses to see how close you are coming to the truth?—A. I cannot say.

Q. Would it be ten years?—A. It would be somewhere between five and ten years.

Q. Do you mean to say you cannot state more accurately how long you had that horse and that it was somewhere between five years and ten years?—A. I cannot say as to the year.

Q. Never mind as to the year; you have given me a range of five years within which to guess, and I want you to swear as to whether that is the closest estimate you can give me?—A. Six years or ten years, I do not know, as near as I can remember.

Q. How old was he when you bought him?—A. I cannot say.

Q. How old do you think that horse was—you are keeping quite a number of witnesses waiting here, and you will have to stay over here to-night if you cannot give me a better answer than that?—A. Six years or thereabouts.

Q. Do you say that is all the age he was when you bought him?—A. I would not say that was all, I am not sure as to his age.

Q. How old would that horse be when you sold him to the Government?—A. I cannot say that.

Q. How old do you think he was?—A. I suppose he was twelve years old.

Q. Are you sure he was not over 15 years old?—A. I am not sure.

Q. Did you and your father talk about the age of that horse, did you hear your father say what he thought about the age of that horse?—A. No sir, not particularly.

Q. Did he ever state to you his opinion as to the age of that horse?—A. He did not know his age exactly.

Q. Did he ever state how old he thought that horse was?—A. I do not know that he did.

Q. Did he or did he not?—A. No, he didn't.

Q. Will you swear that your father did not tell you how old that horse was, or how old he thought the horse was; I am rather interested in that horse and I am going to get him, if I have to subpoena a number of witnesses; it will save a lot of trouble if you tell me the truth?—A. I do not know that he ever did.

Q. Will you swear that he never told you how old the horse was?—A. I do not think he knew.

Q. That is not the question I asked you, answer the question?—A. No.

Q. Did your father tell you to sell that horse?—A. No, he did not.

Q. Did your father suggest to you to sell that horse?—A. In a way he did.

Q. What do you mean by saying that in a way he did?—A. We did not have much idea that we would sell him when we took him there.

Q. When you took him where?—A. To Kingston.

Q. Your father suggested that you should take him over to Kingston?—A. I do not know, I do not think so.

Q. Did you suggest to your father that you would take him over to Kingston?—A. Yes, sir.

Q. Did you suggest to your father that you would take him over to Kingston to sell him because he would not be known there, whereas he was known in Berwick and they would not buy him because they knew his age?—A. No sir.

Q. Are you sure of that?—A. Yes sir.

Q. Well, is that the reason why you did sell him?—A. No sir.

Q. Now, when that horse was lying down he had great difficulty in getting up?
—A. Not always.

Q. Did it depend on whether he had a good feed the night before or whether he was hard worked, or what did it depend on?—A. No.

Q. Did it depend on the state of the weather when he could not get up?—A. No.

Q. Then what did it depend on?—A. I do not know what it depended on.

Q. And when he had difficulty in getting up, how many men did it take to get him on his feet?—A. It was not very often he had difficulty in getting up.

Q. And when he did get up, how many men did it take to get him on his feet?—A. I do not know, he did not have difficulty very often.

Q. Answer the question, please, don't answer questions which I have not put to you.

Question repeated:

Q. And when he did get up, how many men did it take to get him on his feet?—A. Two men.

Q. How many men did it take to get him on his feet the day you sold him for military purposes over in Kingston?—A. I do not know.

Q. Did you get him on his feet?—A. He was on his feet all the time.

Q. Did your father get him on his feet that morning?—A. No sir.

Q. Did you call in any one that day to get him on his feet?—A. No sir, he was not off his feet.

Q. He was not lying down?—A. No sir, had not been for some time.

Q. Had not been what?—A. Had not been off his feet for some time.

Q. Was he lying down?—A. No.

Q. I do not know whether you are trying to play with me or not. When I said he was off his feet I meant that he was lying down. I do not know whether you were trying to be amusing or not but if you are it is a mistake. The morning you drove him to Kingston to sell him to the Government, was he lying down?—A. No.

Q. Was he standing up?—A. Yes.

Q. Did your father get him up?—A. No sir.

Q. How often did you have to assist him on his feet?—A. Not very often.

Q. How often?—A. We would not have to help him up very often.

Q. How often did you have to assist him to his feet?—A. Not very often.

Q. Whenever he lay down did he have to be assisted to his feet?—A. No.

Q. When he was lying down could he always get up by his own efforts?—A. Not always.

Q. Why?—A. I do not know why.

Q. For how many years had he been affected with that ailment whatever it was, which caused him so much difficulty in rising when he was lying down?—A. Perhaps a year.

Q. Was he like that when you bought him?—A. No.

Q. You swear you did not sell him at Kingston instead of at Berwick, because you could not have sold him at Berwick?—A. I do.

Q. How much did you get for that horse?—A. \$155.

Q. Who paid you the \$155?—A. I do not know, I suppose it was McKay.

Q. You think it was McKay?—A. Yes.

Q. What would the horse weigh?—A. I would judge between 1,000 and 1,100 pounds.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. Were you paid by cheque or by cash?—A. By cash.

The witness was ordered to stand aside for the present.

HENRY J. CHUTE, farmer, of Somerset, Kings county, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. Did you hear what your son said about the horse which he sold at Kingston?—
Yes.

Q. Did you buy the horse from Parker or did he buy?—A. No.

Q. Did you buy that horse from Parker, or did he, answer the question?—A. I bought that horse from Parker.

Q. How long did you have him?—A. I cannot say.

Q. Did you have him 15 years?—A. No.

Q. Did you have him twelve years?—A. I could not say.

Q. Was it approximately twelve years that you had him?—A. It might have been eight or ten years, I would not say it was twelve years.

Q. Try and think how long you had him?—A. I cannot say.

Q. You think you had him for eight or ten years?—A. Yes, sir.

Q. How old was he when you bought him?—A. He was six years old.

Q. Was he somewhere between 14 and 16 years of age?—A. Somewhere around that.

Q. You swear that he was not twenty years of age?—A. Yes, to the best of my knowledge I swear that he was not twenty years of age.

Q. How many years had he been affected with that ailment which prevented him from getting up, once he was lying down?—A. If you will allow me I will tell you about that. It was less than a year. They were ploughing with that horse and he got into the mud and he sprained a ligament in his leg, which did not affect the horse at all.

Q. It did not?—A. The horse did all of his work, and as far as the horse was concerned he was a good serviceable horse, now that is straight.

Q. A good serviceable horse, was he, once he lay down could he ever get up without assistance?—A. Yes, he could, that is all nonsense.

Q. Let us see whether it is nonsense or not, how often did you have to assist him up?—A. A very few times.

Q. Was he in that sort of shape when you say your son sold him to the Government?—A. Well I presume perhaps he was in a way, though he had not been that way for some time.

Q. He was not what way for some time?—A. That we had to help him up.

Q. Had he been getting better?—A. Certainly, he had.

Q. Was he lame when he walked?—A. No.

Q. There was no signs of lameness on him?—A. No sir, he was not lame.

Q. Did he show any signs of lameness?—A. Whether he did on the work?

Q. Just answer the question, did he show any sign of lameness?—A. I do not know what you call signs of lameness, I do not think he did.

Q. There was no indication, whatever, of lameness when he was being driven?—
A. He was a very ambitious horse.

Q. He may have been a love of a horse, and an ambitious horse, and all sorts of things, but was he lame?—A. He was not.

Q. Did you tell your son to take him over to Kingston?—A. No, I did not tell him to.

Q. Did he tell you he was going to take the horse over to Kingston?—A. Whether he told me or not, he did go.

Q. Why didn't you sell this ambitious horse at Berwick instead of at Kingston?—
A. We had no idea of selling him at all, and I had no idea of selling the mare, until we happened to be at Berwick and they wanted him and we sold him.

Q. Were they very keen to buy him, did they clamour for him?—A. We offered the mare for sale and they bought her.

Q. You offered the mare for sale?—A. Certainly.

[Kentville, Horses—Henry J. Chute.]

Q. They did not come and ask you at your farm whether you would sell a horse that had to be helped up when he lay down?—A. No, sir, certainly not.

Q. Didn't you sell him over at Kingston instead of at Berwick because you could not sell him at Berwick?—A. No, sir; we did not.

Q. Do you deny that?—A. Yes, I deny that straight.

Q. Did the veterinary surgeon ask you anything as to the horse's age?—A. I had nothing to do with the selling.

Q. What did you pay for that horse when you bought him seven or eight years before?—A. \$160, and it was a high price at that time.

The witness was ordered to stand aside.

ROY CHUTE, of Somerset, Kings county, farmer, already sworn, recolled:

By Mr. Thompson, K.C.:

Q. Did you know that that horse of yours was to be bought by the military authorities?—A. Yes, sir, I suppose so.

Q. What made you suppose so?—A. That was when they were buying horses.

Q. Were you in Berwick with your father when he sold the other horse?—A. No, sir.

Q. Had you seen any of the posters that were circulated about what kind of horses were wanted for military purposes?—A. No, sir.

Q. Did they advertise the fact that they wanted horses for military purposes?—A. No, sir; I heard of it.

Q. I suppose you knew these horses were for the expeditionary force and for the use of the soldiers?—A. I supposed that was what they would use them for.

Q. Did the veterinary surgeon ask you any questions about that horse?—A. Only as to age.

Q. What did you tell him about the age?—A. Eleven years, or twelve years, or thereabouts, or somewhere along there.

Q. Didn't you tell him it was twelve years old?—A. No, sir; well, it may have been ten or twelve.

Q. Which did you tell the vet.?—A. I did not tell him exactly; I did not know.

Q. When he asked you what age the horse was, what did you say to him?—A. I said ten or twelve years old.

Q. Are you sure that is what you told him?—A. Yes, sir.

Q. Did he ask you any more questions as to the horse's soundness?—A. No, sir.

Q. Did he examine the horse's teeth?—A. Yes, sir.

Q. Did he feel his legs?—A. No, I do not think he did; he walked around him.

Q. Did you tell him that that horse had to be assisted up sometimes?—A. No, I did not tell him anything more than what he asked me.

Q. What else did he ask you besides the horse's age?—A. I do not know of anything.

Q. Was that all he asked you?—A. Yes.

Q. Did he ask you whether the horse was sound or not?—A. He may have.

Q. Did he?—A. I would not say that for sure.

Q. Well, will you say he did not ask you?—A. No, I will not say he did not.

Q. Can you recollect whether he asked you if the horse was sound or not?—A. He may have, I would not say he did.

Q. Will you swear that you cannot state positively as to that?—A. I do.

Q. The veterinary surgeon in this case was Chipman—A. Yes.

Q. The buyer was McKay?—A. Yes.

The witness retired.

JOHN M. CHUTE, of Berwick, Kings county, sworn:

Examined by Mr. Thompson:

Mr. THOMPSON: I would suggest, Mr. Commissioner, that on account of the unsatisfactory manner in which these two last witnesses gave their testimony, that they be allowed no witness fees.

JOHN M. CHUTE, (the witness) was examined by Mr. Thompson, K.C., as follows:

Q. Did you sell a horse to the Government last August or September, Mr. Chute?

—A. Yes.

Q. How many did you sell to the Government?—A. One.

Q. Who was the buyer?—A. I do not know the man's name.

Q. Was it McKay or Woodworth?—A. I do not remember that I heard the man's name.

Q. Where was it you sold him?—A. At Berwick.

Q. Who was the veterinary surgeon?—A. I do not know his name.

Q. Did you hear anybody state what his name was?—A. I may have at the time, but I do not recollect now.

Q. Did you hear anyone state who the buyer was?—A. I do not remember of hearing of the name of the buyer, but I may have heard it at the time.

Q. You do not recollect that now?—A. No.

Q. What price did you receive for your horse?—A. I received \$160 or \$165, and I am not sure which.

Q. Was it paid to you in cash?—A. Yes, it was paid in cash.

Q. What was the age of your horse?—A. My horse was aged about nine years.

Q. Who did you buy that horse from?—A. I bought it from Fred Lyons.

Q. What did you pay Lyons for that horse?—A. \$180.

Q. What was the weight of that horse?—A. The horse weighed about 1,000 pounds.

Q. How long did you have him?—A. I think I had him for about two years.

Q. Was that horse sound when you sold him?—A. As near as I know he was sound.

Q. Did he give any indication of any unsoundness?—A. No.

Q. Why did you sell him at a less price than you paid for him?—A. Because it was the fall of the year and we sell out usually in the fall.

The witness retired.

ROY H. CREIGHTON, of Berwick, farmer, sworn:

Examined by Mr. Thompson:

Q. Did you sell a horse to the Government last August or September for military purposes?—A. Yes, sir.

Q. Did you sell only one horse?—A. Yes, sir.

Q. Who bought him?—A. I did not know the man's name.

Q. Did you hear it was McKay?—A. I heard it was McKay.

Q. Do you know who the veterinary surgeon was?—A. No, I did not know him.

Q. Did you hear who he was?—A. Yes, I understood it was Dr. Chipman.

Q. What price did you get for your horse?—A. I got \$100 for the horse.

Q. What was his age?—A. Seven years old.

Q. What did he weigh?—A. Between 900 and 1,000 pounds.

Q. Were you paid in cash or by cheque?—A. I was paid in cash.

Q. What was wrong with your horse?—A. Wrong in what way, what do you mean?

Q. In any way, first of all as to his spavins?—A. She had two spavins.

Q. And what about her hip?—A. She had one hip down.

Sir CHARLES DAVIDSON: What does that mean?

The WITNESS: She fell at the age of ten months and knocked her hip down. I do not know what it means. There was a slight difference in the point of the hip, one point was knocked down lower than the other.

By Mr. Thompson:

Q. Did not that tend to make her lame?—A. No, sir.

Q. Was there any other unsoundness about her except the spavins and the hip being down?—A. Not that I know of.

Q. Did you pay any part of that \$100 which you received for your horse to anybody else?—A. No, sir.

Q. Did you keep it all for your own purposes?—A. Yes, sir.

Q. And you state that you do not know either McKay or Chipman?—A. Yes, sir.

Q. Had you seen the posters that were put up calling for the classes of horses that were to be sold to the Government for military purposes?—A. Yes, sir.

Q. You were employed at Thomas' livery stable, were you not, at that time?—A. No, sir.

Q. You attended the horses in Thomas' stable?—A. No, sir.

Q. Are you sure you did not?—A. Yes, sir.

Q. Do you know how many horses were kept in Thomas' stable that night of the sale?—A. No, sir.

Q. You went with the horses to Valcartier?—A. I did.

Q. Were any of the horses down when you got there?—A. No, sir.

Q. Were they all standing up?—A. They were all standing up.

Q. Did you help to unload the horses at Valcartier?—A. No, sir.

Q. Did you see the horses unloaded?—A. No, sir.

Q. Did you see them up on the way to Valcartier?—A. I had one car.

Q. Was there anything unusual about the condition of the horses when you got there?—A. There was nothing unusual about them.

Q. Was there anything calling for remark about these horses in any way?—A. In what way do you mean?

Q. Was there anything unusual in any respect about the horses in the car which you had charge of?—A. We had no trouble with the horses whatever.

Q. How long did you have this horse which you sold?—A. I raised him.

Sir CHARLES DAVIDSON: Did you tell the veterinary surgeon that the horse was spavined, or did he know it?

The WITNESS: I would judge he knew it. I did not say that she spavined. He asked me was she sound and I said: "I thought you were a vet." And then I was asked if she was stiff or lame, and I said no.

Q. And you say you had nothing to do with the horses in Thomas' barn?—A. I had not.

Sir CHARLES DAVIDSON: Was this sold for a cavalry horse?

The WITNESS: I could not class it.

Sir CHARLES DAVIDSON: What was the weight of the horse?

The WITNESS: Between 900 and 1,000 pounds.

Sir CHARLES DAVIDSON: Was the horse in the riding class?

The WITNESS: I had ridden her.

Sir CHARLES DAVIDSON: Did you know that possibly that horse was to be ridden by a soldier on the field of battle?

The WITNESS: I sold her for military purposes.

Sir CHARLES DAVIDSON: And that her spavins might bring about his death, did you think of that?

The WITNESS: No, I think she was fit to go with any of them, for the length of time that any of them would last, that was my opinion of her.

[Kentville, Horses—Roy H. Creighton.]

By Mr. Thompson:

Q. I was asking you about Thomas' barn or Thomas' stables.—A. I was not in Thomas' stable that night.

Q. How do you know that there were horses there that were bought for military purposes?—A. I think I took one or two from there to the car next morning.

Q. Is that all you had to do?—A. That is all I had to do with it.

Q. Who asked you to go there and take the horses to the car?—A. I cannot say.

Q. How long were you in the stable?—A. Not over five minutes.

Q. Is that all you know about it?—A. That is Thomas' stable I am talking about.

Q. Yes, Thomas' stable?—A. Yes.

Q. Were you there the day before?—A. No, sir.

Q. Were you there two days before?—A. I cannot say.

Q. How many times were you in that stable during the time the horses bought for military purposes were there?—A. Only the once, I think.

The witness retired.

The Commission adjourned for luncheon.

After the luncheon recess.

S. W. BLIGH, agent, of Berwick, sworn:

By Mr. Thompson:

Q. You are a justice of the peace?—A. Yes, sir.

Q. Did you sell a horse for military purposes last August or September?—A. I did.

Q. Did you sell only one?—A. Only one.

Q. Who was the buyer?—A. The buyer was McKay.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price did you get?—A. \$175.

Q. What was the age of the horse you sold?—A. Seven years.

Q. What was the weight of the horse you sold?—A. Between 900 and 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. Who paid you, was it McKay?—A. McKay.

Q. Where was your horse bought?—A. At Berwick.

Q. Was that horse sound?—A. Yes, sir. I may say right here that I considered him sound. He had a little splint about as big as a bean, but outside of that he was perfectly sound. I call him sound, some may not.

Q. Did he show any signs of lameness?—A. No, sir.

Q. Did you keep that \$175 which you got for the horse for yourself?—A. I kept every bit of it. I made nobody any present. I took it right home and put it in the bank.

Q. And you have not paid out any part of it since?—A. No, sir, nobody is going to get a bit of that money unless they pay for it.

Q. What examination did Chipman give your horse?—A. Chipman came into the stable, if my memory serves me right, a little before sun-down. He wanted to know where the horse was, and I showed him the horse. I was acquainted with Mr. Chipman. He overhauled the horse and put a ticket on him and told me to go over and see Mr. McKay. I saw Mr. McKay and he asked me what I wanted for the horse and I said \$175 and he counted me out the money and I put it in my pocket.

Q. And you left the horse there?—A. I left the horse in the stable and the next day they took him away to the station.

Q. Did you sign a receipt for the money after they put a ticket on the horse?—A. I do not know whether I signed any papers at all, but if you bring me the receipt with my signature I would have to own up to it, to be sure, but I do not remember giving any signature to anything.

Q. Was McKay with Chipman when Chipman was examining the horse?—A. No, sir.

Q. Was he near?—A. Yes, sir. I can tell you exactly. Mr. Chipman came to my stable on the east side of the street and McKay was at Thomas' stable on the west side of the street, probably seven rods away.

Q. Did Chipman take your horse out of the stable to examine him?—A. Yes, sir, or I did, one of us took him out.

Q. And you moved him up and down?—A. Yes, sir.

Q. Did you see Chipman give McKay the stub or the counterpart of the ticket which was put on your horse?—A. I do not know, I did not see him give him anything.

The witness retired.

E. F. ROBBINS, master mariner, Berwick, Kings County, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. I did.

Q. How many did you sell?—A. One.

Q. Who was the buyer?—A. I suppose it was McKay or Chipman, I did not know at the time.

Q. Were you told it was McKay or Chipman?—A. Yes, McKay.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What were you paid for your horse?—A. I was paid \$160.

Q. What was the age of that horse?—A. Thirteen years old.

Q. What was his weight?—A. 1,060 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What examination did Chipman give your horse?—A. Scarcely any.

Q. Did he examine the teeth?—A. Yes.

Q. Did he move her about?—A. Not at all, no.

Q. Did he feel her legs?—A. No.

Q. Did he put a ticket on your horse?—A. Yes, he did.

Q. Did you sign the counterpart of that ticket?—A. I signed a receipt when I got my money, I think.

Q. How long after the horse was examined did you get your money?—A. About an hour.

Q. Who was it paid the money to you?—A. I think it was Mr. McKay, I think that was his name.

Q. Was he with Chipman when Chipman was examining your mare?—A. No.

Q. Was he close at hand?—A. He was in the neighborhood, he was paying someone else for their horses at that time.

Q. Was he paying any attention to your horse whatever at the time?—A. No.

Q. After your horse was fixed by Chipman did you take the horse away or what happened?—A. I sat there in the wagon.

Q. And you waited until McKay came around to you?—A. Yes.

Q. Did he negotiate with you as to the price?—A. He asked me what I wanted for the horse.

Q. What did you ask him for the horse?—A. I told him the price I wanted was \$160.

Q. Did he pay you the \$160 in cash?—A. Yes.

Q. And that payment was made about an hour after the horse was examined?—A. Yes, he called four of us into the office and paid the four of us about the same time.

Q. About what time of the day were you paid?—A. I presume it was about five o'clock in the afternoon.

Q. When was your horse examined, was your horse examined at four o'clock?—A. Somewhere around that time.

Q. When did you buy that horse?—A. I bought that horse four and a half years ago.

[Kentville, Horses—E. F. Robbins.]

Q. What did you pay for the horse?—A. I paid \$165.

Q. Was the horse sound?—A. She was perfectly sound.

Sir CHARLES DAVIDSON: Were you asked as to the age of the horse?

The WITNESS: I think he did ask me. I think the veterinary asked me her age and I told him either 12 or 13 years old.

By Mr. Thompson:

Q. Did you know that Henry J. Chute horse or the Roy Chute horse that had to be helped up to his feet whenever he lay down?—A. No, sir, I know nothing about any one of these horses but my own.

Q. That is not literally true, you do know something about some of the horses, don't you?—A. Not in this case, only hearsay and what I heard in the court this morning.

Q. You say you know nothing whatever about either of the Chute horses?—A. Outside of hearsay I do not know anything about them.

Q. I produce to the witness a ticket No. 114 which purports to be a receipt signed by E. F. Robbins, and on one side of that ticket are the following words "Received payment, E. F. Robbins." Is that your signature?—A. That is my signature.

Q. On the other side of the ticket, No. 114, there is: "E. F. Robbins, age 11, height 15, weight 1,000, saddle D" and the initials "B.M." On the side where the number appears, which I have just read, is that your signature "E. F. Robbins"?—A. That is not my signature.

Q. Your signature is to the receipt of the payment?—A. Yes.

Q. Some one else inserted the other signature as to the age, and the weight, and the height?—A. I presume it was the veterinary surgeon.

Sir CHARLES DAVIDSON: How does it come that the horse is ticketed at 11 years old and you say it is 13.

Mr. THOMPSON: He said he did not make these entries on that side of the ticket.

By Mr. Thompson:

Q. Did you tell McKay or Chipman that the age of the horse was 11?—A. My memory is that I told him the age was 12 or 13.

Q. You have no recollection of telling him that your horse was 11 years old?—A. No, I had no reason to conceal the horse's age. The horse was well worth what was paid for him.

Q. Do you recollect McKay or Chipman entering these details on the ticket?—A. No, he just put a ticket on the horse's head; there were 20 or 30 horses around at the same time.

Q. Do you recollect either of them asking you the weight of that horse?—A. No, I do not think they did, they simply looked at her teeth and went on.

Sir CHARLES DAVIDSON: What was the date of the sale, does that certificate show it?

Mr. THOMPSON: No, sir.

The WITNESS: I cannot remember the date exactly now.

Sir CHARLES DAVIDSON: Did you see the posters?

The WITNESS: I saw the posters previously, yes, sir.

Sir CHARLES DAVIDSON: What did they say?

The WITNESS: They called for three classes of horses and in regard to the colour, that is what I remembered.

Sir CHARLES DAVIDSON: Was there anything in the posters about the age?

The WITNESS: I do not remember anything about the age. My horse had not been used much, I had very little work for the horse, and she was just as good as though she were four or five years old.

By Mr. Thompson:

Q. Where did the sale take place?—A. Just at Berwick, east of the railway station.

Q. You spoke about three or four other men coming back to get their pay?—A. Yes, sir.

Q. What were their names?—A. S. B. Chute was getting paid for a pair of horses, I cannot recollect who the other two were.

Sir CHARLES DAVIDSON: You say he was getting paid for a pair of horses?

The WITNESS: Yes, for a pair, I think, at that time.

Mr. THOMPSON: Mr. S. B. Chute will be examined.

By Mr. Thompson:

Q. Do you know the names of the others who were there?—A. No, the reason it was impressed on my memory was because Mr. Chute was in at the stable and stated that the payment was taking place at Fred Parker's office and one of the others went in, and while I am always in a hurry to get money I did not go in at that time. One of the others wanted to go in and Mr. McKay turned him back and he said: one at a time.

Q. Was Mr. A. de Wit Foster there on that occasion?—A. No.

The witness retired.

FRED A. PARKER, farmer, Berwick, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September—A. Yes, sir.

Q. How many horses did you sell on that occasion?—A. One.

Q. Do you know who the purchaser was?—A. Yes, it was McKay.

Q. Who was the veterinary surgeon?—A. The veterinary surgeon was Chipman.

Q. What price did you get for that horse?—A. \$175.

Q. What was the age of that horse?—A. The horse was 15 or 16 years old.

Q. What was his weight?—A. I think he weighed about 1,100 or 1,150 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. Who paid you?—A. McKay paid me.

Q. What time of the day was your horse examined?—A. About five o'clock or half-past five in the afternoon.

Q. When were you paid?—A. At the same time as I sold the horse.

Q. Was McKay with Chipman when your horse was being examined?—A. Yes, they were both at the door.

Q. Did McKay do the bargaining for your horse or did Chipman?—A. Chipman did the bargaining.

Q. Did he pay you there and then?—A. He paid me within five minutes.

Q. Was it between five and half-past five in the afternoon that the payment was made?—A. Yes.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did they give you the counterpart of that ticket to sign?—A. I cannot say, I am not positive about that.

Q. Where was your horse bought?—A. The horse was bought in Berwick.

Q. What examination was made of that horse by Chipman?—A. Well, he went over his legs and examined him; I suppose he spent about three minutes, two minutes or three minutes, examining him.

Q. Was your horse hitched up in a buggy?—A. Yes, in a buggy, hitched to the corner of the warehouse.

Q. Did Chipman move your horse about?—A. No.

[Kentville, Horses—Parker.]

- Q. He just left him tied there?—A. Yes.
 Q. Did he examine his teeth?—A. Yes.
 Q. Did he examine his knees?—A. I did not notice.
 Q. Did he ask you how old the horse was?—A. No.
 Q. You are sure about that?—A. Yes.
 Q. Was your horse sound?—A. He was sprung a little forward.
 Q. He was sprung in the knees?—A. Yes, but he said it didn't hurt him for artillery purposes. I called his notice to it and he said it did not hurt him for artillery purposes.
 Q. You called his attention to that defect?—A. Yes, I did.
 Q. Had your horse any other defect except being sprung in the knees?—A. No, not so far as I know.
 Q. Did you see any other persons getting paid for their horses?—A. I did not; I was in the offices of my building and I did not see them handling money, and I did not know anything about the amount.
 Q. Did you see Mr. A. de Wit Foster around that day when the sale was taking place?—A. No.
 Q. Did you see the posters calling for horses for military purposes?—A. Yes.
 Q. Did you read that poster?—A. Yes.

The witness retired.

ARCH. LYON, farmer, of Berwick, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.
 Q. Did you sell more than one?—A. No, sir.
 Q. Who was the buyer?—A. I do not know his name.
 Q. Did you hear whether it was McKay or Woodworth?—A. Likely it was; I think it was McKay.
 Q. What made you think it was McKay; was it because I suggested it?—A. It was the same fellow that was buying the rest of them.
 Q. Did anyone tell you it was McKay?—A. No, sir.
 Q. What made you think it was McKay?—A. I do not know as anything made me think so. I suppose it must have been him; he was buying the rest of them.
 Q. Who was buying the rest of them?—A. The same fellow that bought my horse.
 Q. Who was the veterinary surgeon?—A. I do not know.
 Q. Did you hear anybody say who the veterinary surgeon was?—A. No.
 Q. Did you make any inquiry as to who the veterinary surgeon was?—A. No, sir, I did not.
 Q. Was it the same veterinary surgeon who examined the other horses there?—A. Yes.
 Q. It was the same veterinary surgeon who examined the other horses, the sale of which we heard about this morning?—A. Yes, sir.
 Q. How much were you paid for that horse?—A. \$165.
 Q. How old was your horse?—A. I do not know.
 Q. Was he not 14 years old?—A. I cannot tell you.
 Q. How long did you have him?—A. About six months.
 Q. Who did you buy that horse from?—A. Orland Rainsforth.
 Q. Where does he live?—A. He lives in Windermere.
 Q. How far is Windermere from Berwick?—A. About two miles.
 Q. What did you pay for that horse?—A. \$135.
 Q. Is Rainsforth living there now?—A. Yes, sir.
 Q. Did you examine the horse when you bought him?—A. Certainly.

[Kentville, Horses—Lyon.]

Q. How old did you think he was when you bought him?—A. I could not tell about his age.

Q. How old do you think he was?—A. I thought he might be somewhere around where he told me he was.

Q. What did he tell you he was?—A. He told me he was about 13 years old.

Q. And do you think that was true?—A. Yes.

Q. And you had that horse for six months, and as he was 13 when you got him he must have been thirteen and a half when you sold him?—A. Yes, six months is half a year.

Q. What was the weight of that horse?—A. 1,060 pounds.

Q. How were you paid, were you paid by cheque or by cash?—A. I was paid by cash.

Q. What examination did the veterinary surgeon make of that horse?—A. Looked at his teeth, stood him up and saw him.

Q. Did he feel his legs?—A. No, sir.

Q. Did he lead her about?—A. No, sir.

Q. Did he put any ticket on that horse?—A. Yes, sir.

Q. Did you sign the other part of that ticket?—A. No, sir.

Q. Did you see him give the other part of that ticket to anybody else?—A. No, sir.

Q. Who negotiated with you for the price?—A. I do not know what his name was.

Q. Is that the person you supposed to be McKay?—A. I supposed so, sir.

Q. That is the person anyway who negotiated?—A. Yes, sir.

Q. What time of the day was your horse examined?—A. Between four and five o'clock in the afternoon.

Q. And when were you paid for the horse?—A. Probably half an hour or so afterwards.

Q. Where were you paid?—A. In Fred Parker's office.

Q. Did S. B. Chute get paid his money at the same time?—A. Not at the same time, there was only one allowed in at a time.

Q. And you did not see anybody else get their pay?—A. No, I did not see anyone.

Q. Was the horse bought at Berwick by these people?—A. Yes, sir.

Q. Did you see Mr. A. de Witt Foster around there on that day?—A. No, sir.

Q. Do you know the H. J. Chute horse or the Roy Chute horse?—A. No, sir.

Q. Did you see that poster pasted up in various places calling for horses for military purposes?—A. No, sir.

Q. How do you know they wanted horses such as yours for military purposes?—A. I heard people talking about it.

Q. Did the veterinary surgeon ask you how old your horse was?—A. Yes, sir.

Q. Did you tell him?—A. Yes, sir.

Q. Did he make any remarks about the age?—A. He said he thought she was a little old for the price.

Q. Did the veterinary surgeon ask you the price as well as McKay?—A. No.

Q. How did the veterinary surgeon know what the price was?—A. He asked me. The other fellow came along that bought her and asked me the price. They were not both there at the same time, the veterinary surgeon was there and examined the horse.

Q. Was it the veterinary surgeon who said that the horse was a little old for the price?—A. No, sir.

Q. Who said that?—A. The fellow that bought him.

Q. How did he know what the age was?—A. Because he asked me.

Q. Did McKay asked you the price of the horse before he paid you for him?—A. Yes, sir.

Q. And he paid you after that?—A. Certainly he paid me after he bought her.

Q. Did you give any part of that money to McKay or to the veterinary surgeon?—A. No, sir, I wanted it all myself.

Q. Did you give anything to Mr. Foster or to anybody else?—A. No, sir, I did not give anything to any of them.

Q. Was your horse sound or unsound?—A. Sound.

Q. Would you write your name here, please?

The witness wrote his name.

Q. Is that your signature on this ticket?—A. It looks very much like it.

Q. Have you any doubt about it being your signature?—A. It looks like it.

Q. Have you any doubt about it whatever, compare it with what is written on that ticket?—A. It looks like it.

Q. Have you any doubt about it?—A. I know I never put it on that card.

Q. Have you any doubt about that being your signature on that card?—A. I know I did not write it there.

Q. Have you any doubt about that being your signature?—A. I did not write it there.

Q. Have you any doubt about that being your signature?—A. I did not write it there, I know that.

Q. Have you any doubt about that being your signature?—A. It cannot be mine if I did not put it there. When I did not put it there it ain't mine, that is certain, I wrote my name on no card that day or anything else.

Mr. THOMPSON: I ask you, Mr. Commissioner, to direct the witness to answer whether the signature on this card is or is not his signature.

Sir CHARLES DAVIDSON (To the witness): That is a very easy question to answer.

The WITNESS: I did not put it on that card.

By Mr. Thompson:

Q. Why don't you say whether it is your signature or not?—A. It ain't, I suppose, according to that.

Q. Is that your signature?—A. Well, no.

Q. Why didn't you say that at first, why do you keep clear in this senseless way? —A. I did answer it. I answered it before. I answered it twice right here now.

Sir CHARLES DAVIDSON: We will see about that.

Mr. THOMPSON: I submit to you, Mr. Commissioner, the signature which this witness has now signed and the one he has signed on the receipt.

Sir CHARLES DAVIDSON: The signatures are the same.

Mr. THOMPSON: Identically the same. It is a peculiarly odd signature and there is not the slightest discrepancy between the two. I would like to put on record both the receipt purporting to be signed by Arch Lyons and also his signature on the piece of paper signed by Lyons as one exhibit.

(Signatures filed as Exhibit No. 72.)

Q. Look at Exhibit No. 72 and state if that is your signature, which you have just signed?—A. Yes.

Q. You say that is in your handwriting and signed by you in Court?—A. Yes.

(The signature was attached to the first card.)

Q. Now look at that signature?—A. I might possibly have signed that card but I do not remember, I may have signed the card, it looks very much like my signature.

Q. Do you now modify your answer when you said that that was not your signature on the card?—A. Yes, I say I might have signed that on the card but I do not remember, but I must have signed it.

Sir CHARLES DAVIDSON: What object would the witness have in denying it?

By Mr. Thompson, K.C.:

Q. Why didn't you admit in the first instance that that was your signature?—A. I was positive I did not sign any card, but coming to think of it I might have signed a card not paying any attention when I signed, but I daresay I did sign.

Q. You think now that the signature on your card is your signature, do you?—A. Yes, it looks just like it and I suppose I must have signed it.

[Kentville, Horses—Lyon.]

Q. Did McKay, supposing it was McKay, who paid you the money, or did Chipman, supposing it was Chipman, who was the veterinary surgeon, or did either of them, ask you the age of your horse?—A. Yes.

Q. What did you tell them?—A. I told them the horse was between 12 or 13 years of age.

Q. Are you sure it was that?—A. Yes, I am sure it was that.

Q. This card, No. 108, says the horse was 11 years?—A. I did not tell them that, I told them the horse was 12 or 13 years old.

Q. Are you sure about that?—A. Yes, sir, and I had a man sitting right in the wagon with me.

Q. Who was sitting in the wagon with you?—A. Perry Borden.

Q. Was Perry Borden there during the whole examination that they made of your horse?—A. He was.

The witness was not further examined.

GILBERT R. NICHOLS, of Berwick, Kings County, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September to the Government?—A. Yes, sir.

Q. How many horses did you sell?—A. Two.

Q. Who was the buyer?—A. Mr. McKay.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

Q. What price did they pay respectively to you for these two horses?—A. They paid me \$325 for the two.

Q. Did they bargain with you separately for the horses, or did they pay you for them as a team?—A. They paid me as a team.

Q. What did they pay you for each horse?—A. They may have figured it out one way and I may have figured it out another but I received \$325 for the two horses.

Q. What were the ages of these two horses respectively?—A. I think the age I gave the veterinary surgeon was six years old each, but that was wrong.

Q. What was the true age of those horses?—A. One was only five years and one was six years.

Q. What would they weigh respectively?—A. The large horse would weigh between 1,200 and 1,300 pounds I think, I never had him weighed. In my judgment the horse would weigh that because he was a Clydesdale and was five years old.

Q. How much would the six year old horse weigh?—A. Something over 900 pounds, I never had her weighed.

Q. How were you paid for these horses?—A. I was paid in cash.

Q. By whom were you paid?—A. I was paid by McKay.

Q. When were your horses examined?—A. They were examined in the morning.

Q. Were they examined at your premises?—A. Yes.

Q. Is that where the sale took place?—A. Yes, it took place in the morning.

Q. When were you paid?—A. I was paid immediately, or before they left, I do not know just which.

Q. If your horses were examined in the morning, were you paid before noon of that same day?—A. Yes.

Q. Who paid you the money, was it McKay?—A. Mr. McKay.

Q. Where did he pay you?—A. He paid me in my stable.

Q. Who else was present when you were paid?—A. I would not say exactly.

Q. Did you see anybody else there?—A. There were some other men around the premises.

Q. Were they getting paid for their horses?—A. They were getting paid for their horses.

[Kentville, Horses—Nichols.]

Q. Were your horses sound?—A. One perfectly sound and one serviceably sound.

Q. And I suppose the one which was serviceably sound had some slight defect?—

A. Yes.

Q. What was that defect?—A. Slight curves on the hind feet. I think they were foaled with her or at all events if they were not they came on when she was very young.

Q. Did she go lame on account of that?—A. No.

Q. Had she any other defects that you know of?—A. No.

Q. Who examined your horses?—A. Chipman.

Q. What examination did Chipman make of them?—A. The large one he examined in his stall and the other one he took out and exercised around the yard, around the carriage horse, the carriage horse is large and he could exercise her there.

Q. He did not bring the other out at all?—A. No, he went into the stall.

Q. Did he look at the teeth of these horses?—A. I do not remember whether he did or not.

Q. He examined that horse in the stall?—A. Yes.

Q. Did he exercise the horse which had the defect in the hind feet?—A. Yes.

Q. He exercised him?—A. Yes, he looked at him.

Q. There is no doubt that he saw these defects such as they were?—A. Yes.

Q. Did you see Mr. Foster around that day of the sale?—A. No, I did not see him.

Q. How many horses were sold at your place by other men besides yourself?—

A. I would not like to say, but one or two.

Q. I just want to get an idea of how many were sold?—A. I think there were about ten or a dozen or more.

Q. Did you see them?—A. Yes.

Q. Did you look at them critically?—A. No.

Q. Do you know the Roy Chute horse?—A. Not particularly.

Q. Have you heard of him?—A. Yes, since coming here.

Q. You heard of him since he had the good fortune or the misfortune to be sold to the Government, but did you hear of him before that?—A. I really do not know how to answer you. I knew Mr. Chute and I knew his horses when I saw them.

Q. But you would not know that he had a horse that could not get up without assistance when it lay down?—A. No.

Q. You never heard of that?—A. No, I never heard of it until after the sale took place.

Sir CHARLES DAVIDSON: What date was that?

The WITNESS: I cannot give you the exact date, it was the latter part of August or the 1st of September. It was just at the time when the sale took place at Berwick.

By Mr. Thompson:

Q. Do you recollect signing a receipt such as you have seen here to-day when you got your money?—A. I do not recollect signing any receipt, but I think I would know my signature if I saw it.

Q. Do you recollect McKay asking you to sign any ticket like that?—A. I really do not think I did. I have no recollection along that line whatever, but if the ticket was there with my signature I think I would recognize it.

Q. I would like to ask you about some of the men who sold horses to the Government, do you know a man named Seth Kinsman, who lives north of Berwick?—A. Yes.

Q. Do you recollect how many horses he sold?—A. Not exactly, no, I do not, I think he had the reputation of selling a number.

Q. Do you recollect any one horse in particular that he sold?—A. I cannot say that I did at the time, I know of course certain things since.

Q. You did not see him selling any horses?—A. Not to my recollection.

Q. Did you see him examining any of the horses that were brought in?—A. No, I noticed that he rode in several.

Q. Did you retain all that purchase money for yourself?—A. Yes.

[Kentville, Horses—Nichols.]

Q. Did you give any money whatever to Chipman?—A. No, sir.

Q. Or did you give any money to McKay?—A. No, sir.

Q. Did you give any money to Mr. Foster?—A. No, sir.

Q. Or did you give any money to any other person by way of reward or rake-off?
—A. No, sir, not one cent.

Q. You stated that you saw eight or ten horses sold at your place?—A. Yes, sir.

Q. What did you think of the quality of the horses that were sold there?—A. I think there were some very good horses among them.

Q. And were there some bad horses among them?—A. Not particularly bad.

Q. Was the Chute horse sold at your place?—A. The F. M. Chute horse?

Q. No the Chute horse that had the difficulty in rising up and had to be assisted?
—A. No.

Q. Was the H. J. Chute horse sold at your place?—A. No, sir.

Q. Was Lyons' horse sold at your place?—A. No, sir.

Q. Was Parker's horse sold at your place?—A. No, sir.

Q. Was Robbins' horse sold at your place?—A. No, sir.

The witness retired.

WILLIAM SHEPHERD, of Berwick, Kings County, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Where did you sell him?—A. In Berwick.

Q. Who was the buyer?—A. Well, I think Mr. Chipman was the buyer.

Q. Who assisted Chipman, was it McKay?—A. McKay.

Q. You heard it was McKay?—A. Yes.

Q. What price were you paid for your horse?—A. \$160.

Q. Are you sure it was \$160?—A. Yes, sir.

Q. What age was the horse?—A. Well, I told him it was nine years old and he looked in his mouth and said it was more likely twelve years.

Q. How long did you have that horse?—A. Going on over six months.

Q. How much did you pay for him when you bought him?—A. I paid \$130 for him, he wanted \$145 but I got him for \$130. I would give the money I got to-day if I could get another mare as strong as she was.

Q. When did you buy that mare?—A. I bought her somewhere in April and I sold her in September, I do not remember whether it was the end of August or September or what date it was.

Q. What was the weight of that mare?—A. Well, probably she would weigh close on 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. By whom?—A. I was not paid by Chipman but by the other fellow.

Q. Was it by McKay you were paid?—A. I was paid by McKay.

Q. What time of the day was the horse examined?—A. Somewhere in the afternoon.

Q. Would it be three o'clock or after three o'clock in the afternoon?—A. I cannot say but I think it was somewhere between half-past three and four o'clock.

Q. What was the extent of the examination made by the veterinary surgeon?—A. Well, she was sound.

Q. What did Chipman do in his examination?—A. He looked around her and said she was perfect sound.

Q. Did he feel her legs?—A. Yes, sir.

Q. Did he look at her teeth?—A. Yes, sir.

Q. Was she hitched to a buggy?—A. No, sir.

[Kentville, Horses—Shepherd.]

Q. Was she on a halter?—A. No, sir, I had her in a wagon.

Q. Did he make you drive the mare up and down?—A. Yes.

Q. Was she sound?—A. She was sound.

Q. How long after the examination before you were paid by McKay?—A. It might have been probably, well he bought three or four there, it may have been 15 minutes probably, or it may have been a little longer.

Q. Did he pay you in the office or out in the open?—A. He paid me in the office.

Q. Did you see anybody else getting paid there?—A. Yes, sir.

Q. Whom did you see getting paid there?—A. He bought three there, I think there were three of us went in, there was Joe Salzman, he sold one.

Q. Where does he live?—A. He lives in Somerset.

Q. What did he get for his horse?—A. He got \$160 for his horse.

Q. Who else was there when you went in?—A. I cannot tell you, sir, but me and Salzman went in together, he was in front and I saw him.

Q. Was Salzman the only man you saw getting paid for his horse?—A. Yes, sir, there may have been some one else but I cannot remember now.

Q. Did you see Mr. Foster around on that day?—A. No, sir.

Q. Did they ask you the age of your horse?—A. They asked me the age and I told them it was nine years old and he said more likely twelve years. That was Chipman, I think the veterinary surgeon, who said that.

Q. Did you sign a receipt for your money?—A. Yes, sir, I did.

Q. Is that your signature on this card?—A. Yes, sir, it is.

Q. How much did you say you were paid for your horse?—A. \$160.

Q. I see \$175 on this card, and I want to know whether or not it was on that card when you signed it?—A. I do not know whether it was or not.

Q. The age stated on the card is seven years?—A. Yes.

Q. You say you received \$160?—A. Yes, sir, \$160, it was all paid in twenty dollar bills.

Q. You have a distinct recollection of that?—A. Yes, I know it was mostly paid in twenties, new twenty dollar bills.

Q. And if there was a five dollar bill among them the price might have been \$165?—A. It was all paid in new bills.

Q. And you are sure the price you received for your horse was \$160?—A. Yes, sir, it was.

Q. Did you give any part of that to Chipman?—A. No, sir.

Q. Did you give any part of it to McKay?—A. No, sir.

Q. Did you give any part of it to Mr. Foster?—A. No, sir.

Q. Did you rebate any part of it to anybody whomsoever?—A. No.

Q. You kept all that money for yourself?—A. Yes, sir.

Q. When you bought that horse did you know what age he was?—A. Well, sir, when I bought that horse they told me he was seven years old.

Q. Did you take it on trust that he was seven years old or did you examine his teeth?—A. I took Dr. McNeill's word in Berwick. Dr. McNeill drove him for two or three weeks and he said she is a mighty good little mare if you buy her.

Sir CHARLES DAVIDSON: What was your opinion as to her age when you sold her?

The WITNESS: I do not think she was as old as that.

Sir CHARLES DAVIDSON: You thought your statement about her age was true?

The WITNESS: Yes, sir, I do. She was a young mare and I do not think there is any mare would have stood the distances she used to travel with me, because I drove all over the country with her, and she was a good tough mare and sound, and the only trouble was that if you left her unhitched or anything like that she would run away.

By Mr. Thompson, K.C.:

Q. You are absolutely sure, are you, of the amount of money you received for that mare?—A. Yes, sir.

[Kentville, Horses—Shepherd.]

By Mr. Sangster:

Q. How long have you been in business in this country?—A. I suppose I have been in business myself thirteen years.

Q. What is your business?—A. I am a farmer.

Q. How many horses do you keep?—A. Just one.

Q. How long did you have this horse?—A. I had her for probably a few months. I bought her in April.

Q. Where are you carrying on business, is it in Kentville?—A. Yes.

Q. I suppose you pay a good many bills?—A. Yes, sir.

Q. Do you keep receipts for them when you pay them?—A. I pay a good many bills, yes, and of course I keep receipts for them.

Q. And when people pay you do you give them receipts?—A. Yes.

Q. Are you in the habit of writing out the receipts that you give people?—A. Yes, sir.

Q. You would not sign without knowing why?—A. I do not suppose I would.

Q. You are a very careful sort of a man and you would not sign your death warrant without knowing what it was?—A. No, I do not think I would, it may be that when they paid me they said: Just put your name here.

Q. It may have been, was that what happened?—A. I cannot say.

Q. You do not remember about that?—A. No, sir.

Q. Is that how you told us that you do not remember what was paid to you when you were paid the money?—A. He paid the \$160 down and said: Sign your name here.

Q. Are these the words he used?—A. Yes.

Q. Did you sign your name right on the card here?—A. Yes.

Q. You remember all that writing about it?—A. Yes.

Q. Now look at it and see if your name is there where that writing is?—A. It is not on that side of the card.

Q. Is it not where the age 11 years appears; it is not on that side, there is no writing above your name at all?—A. I signed my name on a card, a little slip he gave me, that was my signature there. (Indicating.)

Q. There is no writing about it like what you said there was?—A. I simply swore that that was my writing on that side of the card.

Q. Is your memory as defective regarding the price you got for your horse as it is regarding the other things there were on the card?—A. I got \$160 and that is all I got, and you cannot make any more out of it.

Sir CHARLES DAVIDSON: Is the name on the ticket?

Mr. SANGSTER: It is on the front of the card where the writing is. I pointed the card out to him and asked him if he signed above the line.

The WITNESS: I put my name on the card, I did not look where I signed it.

By Mr. Sangster:

Q. You say you were paid how much?—A. \$160.

Q. How long have you had that recollection that you got \$160?—A. Since last fall.

Q. Have you ever had a different opinion about the price you got for your horse?—A. No, sir.

Q. Did you ever tell anybody else anything to the contrary?—A. No, sir.

Q. Did you tell Walter Moore, in his stable at Kentville, within the last three months, that all you got was \$75?—A. No, sir.

Q. Did you not make a statement to him to that effect?—A. \$175?

Q. No, \$75?—A. Oh my, no.

That is too ridiculous to think off?—A. \$75?

Q. Did you ever tell him that?—A. Oh, no, I never did, I never mentioned that to anybody.

Q. You have never mentioned it from that day until the present?—A. No.

[Kentville, Horses—Shepherd.]

Q. You never mentioned it directly or indirectly to Walter Moore?—A. Not a word.

Q. You know him?—A. Who?

Q. Walter Moore?—A. Yes.

Q. You have been in his livery stable?—A. Yes, sir.

Q. And I suppose you have heard the horse business talked about?—A. I have heard a little bit about it, but I never took much interest in it at all.

Q. You never discussed it at all?—A. No, sir.

Q. When others were talking of it you would say nothing?—A. I never said anything.

Q. And were they not talking about it in Mr. Moore's stable when you were there?—A. I never heard them.

Q. What were you in the stable for?—A. Cannot I go and put my team in?

Q. Is that what you were there for to put your team in?—A. Yes.

Q. Was that what you were doing there when you were talking about this horse?—A. I was not talking about my horse at all.

Q. You never mentioned this or anything else to anybody about the horse?—A. No.

By Mr. Thompson:

Q. Do you know Henry J. Chute or Roy Chute?—A. I know them but I do not know anything about their business.

Sir CHARLES DAVIDSON: Mr. Sangster, have you a witness to call as to this?

Mr. SANGSTER: I purpose asking Mr. Moore later on as to this conversation.

Sir CHARLES DAVIDSON: Then you can make the suggestion to Mr. Thompson and he will examine him.

The witness retired.

A. M. THOMAS, constable for the town of Berwick, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell any horse for military purposes last August or September?—A. Yes.

Q. How many horses did you sell?—A. Two.

Q. Where did you sell them?—A. At Berwick.

Q. Who was the buyer?—A. A man they told me was named McKay.

Q. Was there a veterinary surgeon assisting him?—A. Yes.

Q. What was the name of the veterinary surgeon?—A. His name was Chipman.

Q. What price were you paid for your horses?—A. I was paid \$325 for the pair.

Q. Did you bargain with him for the horses separately?—A. Well, I do not know; I would not say whether they did or not; I cannot say.

Q. And they paid you \$325 for the two?—A. Yes.

Q. What were the ages of these horses?—A. I think that one horse was either nine or ten years old.

Q. What was the age of the other horse?—A. The other horse I got to be 11 years old.

Q. What was the weight of the younger horse?—A. I considered him a little over 1,000 pounds, but I never had him weighed.

Q. And what was the weight of the heavier horse?—A. That was the heavier horse.

Q. Well, what was the weight of the lighter horse?—A. Somewhere about 1,000 pounds; there was not much difference in the weight of the two horses.

Q. How were you paid for these two horses?—A. I was paid by money.

Q. What examination did Chipman make of these two horses?—A. He looked them over and then he had me lead them out of the barn and then he looked them over again.

Q. Did he feel their legs?—A. Yes.

Q. Did he examine their teeth?—A. I think he did.

Q. Would you be sure whether he did or not?—A. I cannot swear positively as to that, but I believe he did, but to be positive I do not know that I could be positive.

Q. About how long did he take to examine these two horses?—A. I would say about ten or fifteen minutes.

Q. Did you see any other horse examined on that occasion?—A. Yes.

Q. About how many horses did you see him examine on that occasion?—A. I seen him examine several during the afternoon.

Q. How many?—A. I cannot say how many, but several.

Q. What sort of examination did he give them?—A. I understood that he examined them; I did not see him driving any of them, or if any of them rode. I did not see any horse tried out, to my knowledge now, but I seen the men looking in their mouths, and then they looked at one foot, and then they looked over his legs and walked around him.

Q. Did he give the other horses about the same sort of examination that he gave yours?—A. Yes, a good deal the same. There was some that he did not examine as long as he examined mine; he had mine led out and trotted out and he did not do that with some of the rest.

Q. You think that the examination made of your horses was a little better than the examination made of some of the others?—A. It seems to me that probably he was a little longer with mine than with some of the others.

Q. What time of the day was your horse examined by the veterinary surgeon?—A. I cannot say positive.

Q. What time do you think it was?—A. It was somewhere around five o'clock in the afternoon.

Q. How long after that were you paid for the horses?—A. Right away after that.

Q. Was McKay present when your horses were being examined?—A. Yes, sir.

Q. Was he standing by them?—A. Yes, he was right there.

Q. Did he put a ticket on your horses?—A. Yes.

Q. Did the veterinary surgeon give the other part of the ticket to McKay?—A. I do not know about that.

Q. Do you recollect signing a receipt for the money you got?—A. Yes.

Q. Were your horses sound?—A. They were serviceably sound.

Q. In what respect was either or both of them unserviceably sound?—A. They were both sound, but for one thing, that one of the horses had what they call a jack spavin.

Q. Is that what they call a blind jack?—A. It was not exactly that but it was visible and you could see it. The horse was not lame.

Q. The horse had not gone yet lame when you sold him?—A. No.

Q. What about the other horse?—A. The other horse was perfect sound.

Q. Was that blind jack the other defect in that other horse?—A. That was the only thing that I know of.

Sir CHARLES DAVIDSON: You say it was not a blind jack?

The WITNESS: No, it was visible. I do not know exactly what a blind jack would be, I suppose it would be a jack that you could not see.

By Mr. Thompson, K.C.:

Q. A thoroughpin is another name for a blind jack?—A. I did not know that a thoroughpin was called a blind jack.

Q. How long did you have these horses?—A. I had one of these horses I think a little over a year and the other one in the neighbourhood of about six months.

Q. What did you pay for them?—A. I paid, well I owned half of one of these horses and traded another horse, a young man and I did, and we owned what I considered the best horse together. Then I bought out the other man's half of the horse and paid him \$105 for his share, and the other horse I traded and got.

[Kentville, Horses—Thomas.]

Q. Well never mind all that, what was the value of the horse that you parted with in the trade?—A. The best horse, you mean?

Q. Yes?—A. What did I value him at?

Q. Yes, what did you value him at?—A. I considered the horse was good value for what I sold him for.

Q. When you made the trade what did you value the horse at?—A. We calculated that we had over \$200 in the horse.

Q. Then he evidently had gone down a bit when you sold him?—A. I know he had, and I could explain the reason why I sold him, if you wish to know.

Sir CHARLES DAVIDSON: You can do it if you can do it in a word.

The WITNESS: He was a horse that was scared more of autos, he was a good horse, and a sound horse, and a smart horse, a race-horse, and he was scared of autos, and it was not everybody that could drive him.

By Mr. Thompson, K.C.:

Q. That was the Willie Mack horse?—A. Yes.

Q. He was a pacer?—A. Yes.

Q. Did he kick?—A. No, sir.

Q. You have quite a barn, have you not?—A. Not very large.

Q. The horses were stabled there over night that were bought at Berwick?—A. Some of them that were sold in my place were stabled there.

Q. About how many were left there over night?—A. I think there were six there, left over night.

Q. Including your two?—A. Yes.

Q. That would make eight altogether?—A. Including my two there were only six in the barn. I had two more in charge.

Q. Were you paid for their feed over night?—A. Yes.

Q. Who paid you?—A. Mr. Oakes.

Q. How much did he pay you?—A. I took care of these horses and then I helped them to fix the cars up to load the horses the next day.

Q. Did you assist him to load the horses on the cars?—A. Yes.

Q. What did he pay you for all that?—A. I think it was seven and a half dollars.

Q. I just wanted approximately, what did you get paid?—A. I think it was seven and a half dollars.

Q. Did he pay you by cheque or by cash for that?—A. That I am not positive about; I could not swear positive if I got that seven and a half dollars by cheque or by cash, I cannot remember exactly, but it strikes me I got it by cheque.

Q. Are you sure Mr. Oakes paid you?—A. I believe it was sent to me by the Militia Department.

Q. Do you recollect how your bill was made out?—A. No, I do not, but I believe it was sent to me.

Q. That would be the regular way in which to do it?—A. Well I think that is right too, I was thinking Mr. Oakes paid me, but he did not.

Q. Perhaps you gave your bill to Mr. Oakes?—A. I was under the impression, when you first asked me, that it was Mr. Oakes paid me, but I know now it was sent to me, and I think it was seven and a half dollars.

Q. What was that seven and a half dollars for?—A. That was for taking care of these horses over night and then helping to load the next day and take care of them.

Q. That would be the usual charge, would it?—A. I think so. I do not think they paid me anything extra, to tell you the truth.

Q. You sent in your bill, did you?—A. I would not say about that. I would not swear whether I did or not.

The witness retired.

The Commission then adjourned until half past ten to-morrow, Tuesday morning, August tenth.

KENTVILLE, N.S., TUESDAY, August 10, 1915.

PRESENT:

HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,

Commissioner.

JOHN THOMPSON, K.C.,

Counsel to aid and assist the Commissioner in the inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

At the sitting of the Court:

ROY CREIGHTON, farmer, already sworn, recalled:

By Mr. Thompson, K.C.:

Q. You told us yesterday of having sold a horse for military purposes with a hip down and a couple of spavins, I think you also sold a horse for a person named Aza Lutz?—A. No, sir, as I understand you mean to the Government?

Q. Yes?—A. No, sir.

Q. Did you sell a horse to the Government for any other person than yourself?—A. No, sir.

Q. Did you sell any horse to the Government other than the one you have spoken of?—A. No, sir.

BRENTON CORKUM, sworn:

By Mr. Thompson, K.C.:

Q. You are employed by Isaac Ilsley?—A. Yes sir.

Q. Do you remember selling a horse to the Government for Mr. Ilsley last August or September?—A. I remember taking a horse to the sale.

Q. Where does he live?—A. Berwick.

Q. What is his occupation?—A. I suppose he is a merchant.

Sir CHARLES DAVIDSON: Don't you know whether he is a merchant or not?

The WITNESS: He is a merchant and a farmer, he has a store and hires a man on the farm.

By Mr. Thompson, K.C.:

Q. How many horses did you take for him to sell?—A. One.

Q. Who was it bought the horse?—A. These men who were buying the horses. I do not know their names.

Q. Did you hear what the man's name was?—A. Yes, but I forget it.

Q. Would you know it if I told it to you now?—A. I do not know as I would, I know one of the men.

Q. Who do you know?—A. Mr. Oakes. I know the veterinary also.

Q. Who was the veterinary surgeon?—A. Mr. Wood.

Q. Who paid you?—A. No one paid me.

[Kentville, Horses—Corkum.]

Q. Did not they give you any money when the horse was examined?—A. No sir.
Q. Did you arrange the price?—A. I had a letter from Mr. Ilsley arranging the price.

Q. What was the price?—A. I didn't read the letter.
Q. Do you know what price Ilsley got for the horse?—A. He told me afterwards.
Q. How much did he get?—A. He got \$175.
Q. What was the age of that horse?—A. The horse was ten years old.
Q. What was the weight of the horse?—A. 1,090 pounds.
Q. Who was the veterinary surgeon, did you say?—A. Mr. Wood, I think.
Q. Do you remember a man named McKay being around there when they were purchasing horses?—A. There were some gentlemen there, I do not know their names, and I never asked any questions, they looked at the horses.

Q. In addition to Oakes?—A. Yes.
Q. Where was your horse bought by the Government, was it at Berwick?—A. At Berwick.

Q. Do you know any of the people who were present on that occasion?—A. There were quite a few people there and I knew some of them.

Q. Did they sell horses?—A. Yes.
Q. Who sold horses on that occasion?—A. They had horses examined and tags put on them, but I do not know whether they sold them or not, I suppose they paid them, I did not see any of them, however, get any money.

Q. Did you sign any receipt?—A. No sir.
Q. Did you sign anything at all on that occasion?—A. No sir.
Q. What examination did the veterinary surgeon give your horse?—A. He looked him all over.

Q. Did he examine his teeth?—A. Yes sir.
Q. Feel his legs?—A. Yes sir.
Q. Did he move him about?—A. Yes sir.
Q. To what extent did he do that?—A. Running him down the road a ways.
Q. Was the horse sound?—A. As far as I know he was.
Q. How long had Mr. Ilsley had him?—A. He had him as long as I had been there to work, off and on for five years.

Q. Had he any blemishes?—A. Not as I know of.
Q. Did Oakes or any person give you money to take back to Mr. Ilsley?—A. No, sir.

Q. Did you know anything more about the horse in addition to what you have told us?—A. No, sir.

Q. Was he a kicker?—A. No, sir.
Q. Would he bite?—A. No, sir.
Q. Could he get up without help when he lay down?—A. Yes.
Q. Was he sound so far as you know?—A. He was as good a horse as I ever drew a rein over.

Q. What height would he stand?—A. He was a tall horse.
Q. What do you mean by a tall horse?—A. He was as tall as the common run of horses.

Q. What do you consider the height of the common run of horses?—A. I do not just know. He was a tall horse, a high horse for a man to mount on the saddle.

The witness retired.

DOWNNEY MORTON, farmer, Lakeville, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes.

Q. How many horses did you sell?—A. One.

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[Kentville, Horses—Morton.]

Q. Who bought him?—A. I do not know the man's name. It was a man that was buying here in Kentville, I sold him here in Kentville.

Q. Did you hear the man's name?—A. I do not know as I did, I heard quite a lot of names, I did not know the man, I never saw him before.

Q. Would you know the name if I told it to you?—A. I do not know as I would, he was a stout man with a light complexion and sandy hair.

Q. Was it McKay?—A. I do not know what his name was.

Q. Was it Keever?—A. I do not know.

Q. Who was the veterinary surgeon?—A. Mr. Wood.

Q. What price did they pay you for your horse?—A. \$185.

Q. Did they pay you in cash?—A. Yes, they paid me in cash.

Q. What was the age of your horse?—A. Eight or nine years old, eight I think.

Q. What was his weight?—A. About 1,300 pounds.

Q. When was your horse examined?—A. He was examined that day.

Q. What part of the day?—A. I think it was in the afternoon.

Q. Do you know how late in the afternoon it would be?—A. It might have been three or four o'clock, I dare say.

Q. When were you paid?—A. Right there.

Q. Do you know on what date that sale was made?—A. No, I do not.

Q. What examination was given your horse by the veterinary surgeon?—A. He looked him over and moved him around some.

Q. What do you mean by moved him around some?—A. Walked him around, turned him around.

Q. Did he make you move the horse around?—A. No, he moved him around himself.

Q. Was that all the movement that was given to your horse?—A. Yes, I think so.

Q. Was the horse sound?—A. Yes, sir.

Q. Was it perfectly sound?—A. As far as I know, yes.

Q. How long had you had him?—A. About two years.

Q. From whom did you buy him?—A. I got him from A. E. Parmentier.

Q. What did you pay Parmentier for that horse?—A. I traded with him, I gave him about \$200 in a way.

Q. Is that what you considered the value of the horse when you got him?—A. Yes, he cost me \$200. I traded him a smaller horse and paid the difference.

Q. Was Mr. Foster there on that occasion?—A. No, I did not see Foster that day.

Q. Was Mr. Oakes there?—A. No.

Q. Do you know Foster and Oakes?—A. Yes.

The witness retired.

C. E. CHUTE, Waterville, farmer, sworn:

By Mr. Thompson:

Q. Did you sell a couple of horses belonging to your father for military purposes to the Government last August or September?—A. Yes, sir.

Q. You sold two horses?—A. Yes.

Q. Did you sell any horses for any other persons?—A. No.

Q. Who was the buyer?—A. I do not know his name.

Q. Did you hear what his name was?—A. I heard it mentioned as McKay, I did not know the man.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

Q. Where did the sale take place?—A. At Berwick.

Sir CHARLES DAVIDSON: I want to try and fix the date of the sale at Berwick.

By Mr. Thompson:

Q. Do you know what date in August or September it was?—A. Not definitely.

Q. What did they pay you for the horses?—A. \$175 and \$185.

[Kentville, Horses—Chute.]

Q. Who negotiated as to the price?—A. This gentleman who did the buying.

Q. The one you called McKay?—A. Yes.

Q. When were your horses examined?—A. That day.

Q. What time of the day?—A. About two o'clock, I should think.

Q. When were you paid?—A. Right away.

Q. Were you paid in cash?—A. Yes, I was paid in cash.

Q. What were the ages of the horses?—A. One was five years old and one was ten years or eleven years.

Q. What did the five-year-old horse weigh?—A. He weighed about 1,350 or 1,400 pounds.

Q. What did the other horse weigh?—A. About ten and a half hundred.

Q. What examination did the veterinary surgeon give your horses?—A. He moved them around, I led them past him.

Q. Both of them?—A. Both of them.

Q. Were they hitched to a wagon or a buggy?—A. No, I led them.

Q. Did he look at their teeth?—A. Yes.

Q. Were the horses sound?—A. Yes.

Q. Both of them?—A. Yes.

Q. Were they perfectly sound?—A. Yes.

Q. Did you give the money to your father?—A. I was doing the business at the time, I banked it.

Q. Did you give any part of it to the veterinary surgeon, Chipman?—A. No.

Q. Or did you give any part of it to McKay?—A. No.

Q. Or did you give any part of that money to any other person?—A. No, sir.

Sir CHARLES DAVIDSON: Where was your father, was he here?

The WITNESS: He was not.

Sir CHARLES DAVIDSON: Where was he?

The WITNESS: He was absent at the time.

By Mr. Thompson:

Q. You sold the horses on your father's instructions, I presume?—A. Yes, sir.

Q. Did you sign any receipt?—A. No.

Q. Did you see them put a tag on either of the horses?—A. Yes, they were both tagged.

Q. You were not asked to sign any receipt for the money?—A. No.

The witness retired.

BUD SPICER, farmer, Wellsford, sworn:

By Mr. Thompson:

Q. How many horses did you sell for military purposes to the Government last August or September?—A. One.

Q. Who was the buyer?—A. I could not say.

Q. Did you hear his name?—A. I heard his name, I cannot say what his name is now.

Q. Would you recollect it if you heard it?—A. I do not know as I would.

Q. Was it McKay?—A. I cannot say.

Q. Who was the veterinary surgeon?—A. Dr. Chipman, I think.

Q. Where was the horse sold?—A. At Berwick.

Q. Do you know the date of the sale?—A. No, I do not.

Q. What price were you paid for the horse?—A. \$175.

Q. What was the age of the horse?—A. Eleven years old.

Q. What was his colour?—A. Black.

Q. What was his weight?—A. He weighed 1,200 pounds.

Q. How were you paid?—A. I was paid in money.

Q. By whom were you paid?—A. By the man that bought him.

[Kentville, Horses—Spicer.]

Q. When was your horse examined?—A. Right that day.

Q. What time was your horse examined?—A. About four o'clock in the afternoon.

Q. How long after he was examined were you paid?—A. About five minutes afterwards.

Q. Was anybody else being paid on that occasion that you saw?—A. No, there was not.

Q. Was Mr. Oakes present?—A. I cannot say, I do not know him.

Q. Do you know Mr. Foster?—A. No.

Q. You do not know Mr. Foster to see him?—A. Well I never seen him until here this morning.

Q. Now that you saw him this morning, do you recollect having seen him at the sale?—A. No, I do not think I saw him at the sale.

Q. Did you sign a receipt?—A. I do not know whether I did or not.

Q. Will you say you did not?—A. I do not know whether I did or not.

Q. Are you in doubt as to whether you did or not?—A. I think I did, but I cannot be positive.

Q. Did you give any part of that money to the man who paid you the money?—A. No, sir.

Q. Did you give any part of it to any other person?—A. No, sir.

Q. Did you keep it all for your own purposes?—A. Yes.

Q. What examination did the veterinary surgeon give your horse?—A. He just looked him over.

Q. Did he move him about?—A. No, sir.

Q. Did he feel his legs?—A. Yes.

Q. Did he look at the horse's teeth?—A. Yes.

Q. What was wrong with your horse?—A. Well, she had a thoroughpin on each hind leg.

Q. What about the heaves?—A. She didn't have no heaves.

Q. Didn't she have the heaves pretty bad?—A. No, sir.

Q. Will you swear she had not?—A. I will.

Q. Are you quite sure she did not have the heaves?—A. I know she did not.

Q. Did she have anything else except the thoroughpin?—A. There was nothing else wrong with the horse.

Q. Did she walk lame?—A. No, she was not lame at all.

Q. How long did she have the thoroughpin?—A. Two years.

Q. What did you pay for that horse?—A. \$175.

Q. From whom did you buy that horse?—A. From Mr. Reid, Lighburn.

Q. Are you sure your horse was not more than eleven years old?—A. I bought her for that, I bought her for nine years and I had her two years.

Q. Did you have her examined by a veterinary surgeon when you bought her?—A. No, sir.

Q. Did you know that she had a thoroughpin on the hind leg when you bought her?—A. Yes.

Q. Had they decreased during the time you had her?—A. No, sir.

Q. Was there anything else wrong with the horse?—A. Not a thing.

Sir CHARLES DAVIDSON: You might explain what a thoroughpin is from your point of view?

The WITNESS: Well I hardly know what it is, only it is an enlargement on the hind leg, it is nothing that makes them lame, it did not make her lame anyway.

By Mr. Thompson, K.C.:

Q. What part of the leg is the thoroughpin on?—A. On the hock joint.

Q. It is a spavin, is it not?—A. Well it will all go down after you drive the horse.

Q. But when you stop the horse it comes up?—A. Yes, after she stands a day or two.

[Kentville, Horses—Spicer.]

Q. It looks like a spavin, does it not?—A. I suppose it does, still it does not hurt.

Q. Do horses ever have these thoroughpins on their front legs?—A. I do not think so.

Q. And you say the thoroughpins disappear when you drive the horse?—A. Yes.

Q. And when it goes down how long is it before it puts in an appearance again?—

A. Half a day.

Q. How long had you driven the horse from your place to the place you sold her?

—A. Four miles.

Q. Had the thoroughpin disappeared when you got there?—A. Well I guess it had, I was there for three or four hours before I sold her.

Q. You say it takes half a day to come on again, was there any appearance of the thoroughpin when the horse was examined by the veterinary surgeon?—A. I do not know.

Q. Did the veterinary surgeon ask you any questions as to the soundness of the animal?—A. No.

Q. None whatever?—A. No, sir.

Q. Did you tell the vet. about the thoroughpin?—A. No, sir.

The witness retired.

RUFUS MORTON, farmer, Lakeville, sworn :

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Did you sell just one?—A. Just one.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Who bought your horse?—A. He told me his name was McKay, he was a stranger to me.

Q. Who was the veterinary surgeon?—A. Dr. Wood.

Q. What price were you paid for that horse?—A. \$165.

Q. What was the age of the horse?—A. Six years, I think.

Q. What was his weight?—A. I never weighed him but he would be about 1,000 pounds.

Q. Were you paid in cash or by cheque?—A. In cash.

Q. When was the horse examined by the veterinary surgeon?—A. In the morning, he was about the first examined.

Q. Was McKay present when the horse was being examined?—A. Yes.

Q. Was he near the veterinary surgeon and near the horse then?—A. I think so.

Q. The horse was examined in the morning, and when were you paid?—A. I was paid in the morning, right there.

Q. Who negotiated the price?—A. McKay.

Q. How much did you asked for the horse?—A. Well I asked \$165, that is what I thought he was worth, and they gave it to me.

Q. Was the horse sound?—A. He was perfectly sound.

Q. Was Mr. Foster there on the occasion of the sale?—A. No, sir.

Q. This sale took place at Berwick?—A. No sir, at Kentville.

Q. Did you see any other people get their money for the horses they sold?—A. No, sir.

Q. Did you sign a receipt for your money?—A. Yes, sir.

Q. Was the receipt presented to you by McKay?—A. Yes, sir.

Q. Did you read the receipt before you signed it?—A. Yes, I suppose so; I usually do.

Q. Do you know a man named George Porter?—A. Yes, sir.

[Kentville, Horses—Morton.]

Q. He lives at Lakeville?—A. Yes, sir.

Q. Do you remember the horse he had that was pretty old?—A. Yes.

Q. How many horses had he last year, do you remember?—A. I think only one.

Q. Do you know Porter pretty well?—A. Yes, sir.

Q. Do you live near him?—A. Yes, sir.

Q. How far away from him do you live?—A. About half a mile.

Q. You are familiar with the live stock he has on hand, are you not?—A. Well, not very much; I was never in his stable, but I knew his horse when I saw him on the road.

Q. How many horses did he have last August or September?—A. One, I think.

Q. So far as you know, that is all he had?—A. Yes.

Sir CHARLES DAVIDSON: What was the date of the sale?

The WITNESS: I cannot tell you; it was on Thursday, but I do not know the date of the month.

The witness retired.

GEORGE PORTER, farmer, Lakeville, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes.

Q. How many horses did you sell?—A. One.

Q. Who was the buyer, do you know?—A. One of these gentlemen that was there at the time, but I do not know his name; it was either McKay or Keever; it was one of them, I suppose.

Q. Did you hear his name mentioned on the occasion of the sale?—A. No, sir.

Q. Who was the veterinary surgeon?—A. Mr. Wood.

Q. What price were you paid for your horse?—A. \$165.

Q. What was the age of the horse?—A. Twenty years old.

Q. What was his weight?—A. About a thousand pounds.

Q. How were you paid; were you paid by cheque or in cash?—A. By cash.

Q. By whom were you paid?—A. By this gentleman, which ever one of them it was.

Q. When was the horse examined?—A. In the morning, the same day, right there.

Q. Where was he examined?—A. He was examined in the stable.

Q. At what place?—A. At Walter Moore's stable in Kentville.

Q. When were you paid?—A. Right there the same day.

Q. How long after the horse was examined were you paid?—A. Just as soon as he could get his money he paid me.

Q. Did he get the money from some other person?—A. No, sir; he took it right out of his pocket.

Q. Was that in the forenoon?—A. About nine o'clock in the morning.

Q. Did any other person get their money for horses on that occasion, do you know?—A. No, sir; there was nobody else there.

Q. What examination did the veterinary surgeon give your horse?—A. They backed him out of the stall and looked him over.

Q. Did they take the horse out of the barn?—A. No, sir.

Q. Did they examine his teeth?—A. Yes, sir.

Sir CHARLES DAVIDSON: Had the horse any teeth?

The WITNESS: Yes, they were good. The horse's teeth were all right.

By Mr. Thompson, K.C.:

Q. Had you fixed his teeth up beforehand?—A. No, sir.

Q. Did you instruct any other person to fix his teeth up?—A. No.

Q. Had any person fixed his teeth up to your knowledge?—A. No, sir, never.

[Kentville, Horses—Porter.]

Q. What was the condition of that horse?—A. In good condition.

Q. What about his broken ankle?—A. That was a small fracture in his ankle, but the fracture never hurt him.

Q. Did it never hurt him at all?—A. No, sir, after he got well.

Q. How long before you sold the horse did that fracture occur?—A. I do not remember, somewhere about eight years.

Q. Did the horse go lame?—A. Not after he got over it; he went lame about a year or two and then he went all right.

Q. Was it noticeable?—A. Very slightly.

Q. What about the heaves?—A. Sometimes his wind would bother him a little, but that did not amount to much.

Q. Had he not the heaves rather bad?—A. I do not think so, never with me.

Q. How long had you owned that horse?—A. About eighteen years.

Q. How long had he had the heaves?—A. I do not know.

Q. How long do you think he had the heaves?—A. I cannot tell you.

Q. Had he had the heaves for five years?—A. I do not know that he had. The horse was a peculiar fellow, we worked him hard and he seemed to have bad spells, some little choking in his throat, and then you would not consider it any trouble.

Q. How long had he had that little choking in his throat?—A. Perhaps sixteen years, when he was three or four years old we noticed it.

Q. Do you think he got better?—A. He was just about the same.

Q. Did you treat him for that little choking in the throat?—A. No, sir.

Q. Did you ever have him treated for it?—A. No, sir.

Sir CHARLES DAVIDSON: Did you tell the veterinary of these defects in the horse?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Did you tell the veterinary surgeon what the age of the horse was?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Did you know he was being sold for military purposes?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Well you ought to be ashamed of yourself; a man of your age to negotiate and with the connivance apparently of a Government official to carry out a fraud of this kind in days like these; you ought to be ashamed of yourself. The witness will get no expenses.

The WITNESS: Mister, I considered that horse, and the public all know him, that he was well able to go and fill his place at the front as any horse they bought, and gentlemen that knew him in the community know he was.

The witness retired.

RUFUS MORTON, already examined, recalled:

By Mr. Thompson, K.C.:

Q. Did you hear the questions I asked the last witness, George Porter, about the age of his horse?—A. Yes, sir.

Q. Is it not a fact that that horse had the heaves very badly?

The witness hesitated.

Sir CHARLES DAVIDSON: Now be frank, Mr. Morton.

The WITNESS: Well, I suppose he did have the heaves bad.

By Mr. Thompson, K.C.:

Q. Did he have the heaves bad—A. I suppose so.

Q. If the veterinary surgeon had moved that horse a couple of hundred yards up the street and back again at a good pace, would he have had the heaves?—A. I cannot say that he would.

[Kentville, Horses—Morton.]

Q. He might not?—A. He might not.

Q. What do you say about the broken or fractured ankle, would that make the horse go lame?—A. He was lame for some time after it was done.

Q. I mean at the time of the sale?—A. I think he was about all right when he was sold, I think he showed a little limp, but not very much.

Q. Even when he was sold?—A. I always thought I noticed that limp when I passed him in going along the road.

The witness retired.

PERCY FOSTER, farmer, of Waterville, sworn:

By Mr. Thompson, K.C.:

Q. How many horses did you sell for military purposes last August or September?
—A. One.

Q. Did you sell only one?—A. Yes.

Q. Who was the buyer?—A. I think he said his name was McKay, I did not know him personally.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

Q. What price were you paid?—A. \$160.

Q. What was the age of the horse?—A. Either ten years or eleven years, not older than eleven years.

Q. What was his weight?—A. I should judge about 950, I do not know exactly.

Q. How were you paid, were you paid by cheque or by cash?—A. By cash.

Q. By whom were you paid?—A. By Mr. McKay, I suppose.

Q. When was your horse examined?—A. He was examined in the morning, I think.

Q. Where was he examined?—A. At Nicholson's.

Q. Where was the sale of that horse?—A. At Berwick.

Q. Do you know the date of the sale?—A. No.

Q. Did you see any other person or persons get paid for the horses they sold on that occasion?—A. No.

Q. Was Mr. Foster there?—A. I do not think he was.

Q. Did you see Mr. Oakes there?—A. I do not know him.

Q. How long after the horse was examined did you get your pay?—A. Right shortly after, not more than 15 minutes after, I would judge.

Q. Was that in the morning?—A. In the morning.

Q. Did you keep all that money for yourself?—A. Yes, sir.

Q. Did you give any information to anybody in connection with the sale of the horse?—A. No, sir.

Q. Nothing whatever?—A. Nothing whatever.

Q. You did not make any allowance to any person in connection with the sale of the horse?—A. To nobody.

Q. Was the horse sound?—A. Well not exactly sound, there was a little jack spavin.

Q. He was a little lame was he not?—A. I have seen her when she would limp at times.

Q. Would that be after she was in the barn for some time?—A. She was puffed behind in the hind ankles, and when you gave her a hard drive she was sometimes a little stiff.

Q. And when she stood in the barn for some time the puffiness would increase?—A. No, sir.

Q. It was always there?—A. Yes.

Q. Even when she was examined?—A. Yes, sir.

Q. Could the veterinary surgeon see it?—A. Yes.

[Kentville, Horses—Foster.]

Q. Did you not think that the veterinary surgeon would make some comment on that when you brought the horse in to be sold?—A. I do not know.

Q. Did he ask you anything about that puffiness?—A. Nothing.

Q. Nothing whatever?—A. Nothing whatever.

Q. What examination did the veterinary surgeon give the horse?—A. I had her with the saddle on her, and I trotted her down the road.

Q. Did you ride her yourself?—A. Yes, sir.

Q. Was McKay standing by when the horse was being examined?—A. I think he was, yes.

Q. What further examination did the veterinary surgeon give the horse?—A. He looked at her mouth.

Q. Did he look at the legs?—A. Yes.

Q. Did he make an examination for the puffiness?—A. I do not think he put his hand on the puffs.

Q. Did you see him looking at them?—A. I saw him putting his hand on the spavin joint.

Q. Why do you speak of the spavin joint?—A. He rubbed his hand over the spavin joint, there was not a spavin on her.

Q. Explain what the spavin joint means?—A. It is on the hind leg, we call it the spavin joint and that is all I know about it, I am not a horseman anyway.

Q. Where exactly was the puffiness?—A. On her ankles.

Q. On the ankles of both hind feet?—A. Yes, wind puffs I think you call them.

Q. Will you indicate about how large these puffs were, were they the size of an egg?—A. About the size of an egg, I would judge.

Q. Were they the size of an orange?—A. Oh no.

Q. Would it be fair to say that each of these puffs was about the size of an egg?—A. Yes, I would say so.

Q. You knew these horses were being bought for military purposes?—A. Yes.

Q. Had you seen the poster?—A. Yes.

Q. You say you saw the poster?—A. Yes, I saw it.

Q. That I presume is why you rode your horse in because you thought her a fairly good saddle horse?—A. Yes, she was all right for the saddle.

MR. THOMPSON: I suppose it is clear, Mr. Commissioner, that this horse had not a spavin, the spavin joint is where the spavin would be.

SIR CHARLES DAVIDSON: Read him that poster as to the quality of the horses that were required for military purposes.

MR. THOMPSON: He said he read the poster.

By Mr. Thompson, K.C.:

Q. Did you read that poster?—A. I do not know but I think I did read it.

SIR CHARLES DAVIDSON: You have already stated that you did read it.

THE WITNESS: I may have seen that poster but I do not think that I read all of its contents.

By Mr. Thompson:

Q. You said you knew the horse would do for a riding horse?—A. I knew the posters were up and I glanced at that, but I do not think I read the poster, not that I remember.

Q. You remember having some knowledge of the poster as to the weight of horses required?—A. I think so, yes.

Q. And as to the colour of the horses and so on?—A. Yes.

Q. Did you know that riding horses, as well as other horses, were required?—A. I think I did, yes.

Q. Don't you recollect this statement on the poster:

All horses must be sound, of good conformation, free from blemishes and broken to harness or saddle.

[Kentville, Horses—Foster.]

A. I do not recollect that, not to my knowledge.

Q. You say now you were not aware of the contents of this poster?—A. I was not aware, no.

Sir CHARLES DAVIDSON: Upon your oath, you say that you were not aware of these conditions in that poster?

The WITNESS: I was not aware, no.

By Mr. Thompson:

Q. Did you know that the age was limited?—A. No, I do not think I did.

Q. Will you say you did not?—A. I do not think I did.

Q. Will you say you did not?—A. Yes.

Q. How long had you had this horse?—A. I think about eight years.

Q. From whom did you buy the horse?—A. Mr. Lee Neary of Kentville.

Q. How old was the horse when you bought it?—A. She was two years coming three.

Sir CHARLES DAVIDSON: What did you pay for the horse?

The WITNESS: \$135.

By Mr. Thompson:

Q. Had she these wind puffs when you bought her?—A. I think they were started, yes.

Sir CHARLES DAVIDSON: Here is another case in which a vendor of a horse, knowing it to be sold for military purposes, initiates a fraud upon the Government, and with the connivance of a public official carries this through. The witness will not get any expenses. It makes one indignant to think that men should come forward and sell horses of this kind for the use of our gallant fellow Canadians.

The witness retired.

R. D. LYONS, farmer, Waterville, sworn.

By Mr. Thompson, K.C.:

Q. How many horses did you sell for military purposes last August or September?—A. Two.

Q. Only two?—A. Only two.

Q. You are quite sure about that?—A. Yes, sir.

Q. Did you sell any other horse for any other purpose to the Government?—A. No, sir.

Q. Where was the sale?—A. At Berwick.

Q. Who was the buyer?—A. I suppose it was McKay.

Q. Were you told it was McKay?—A. I understood it was.

Q. Who was the veterinary surgeon?—A. Dr Wood.

Q. Was Woodworth there, do you know Woodworth?—A. No.

Q. What price were you paid for your horses?—A. I was paid \$375 for the two.

Q. What were the ages of your horses respectively?—A. One horse was four years old and the other was five years old.

Q. What did they weigh?—A. One weighed 1,000 pounds and the other weighed 1,020 pounds.

Q. Were you paid by check or by cash?—A. I was paid by cash.

Q. By whom were you paid?—A. By McKay, I suppose.

Q. What time of the day were the horses examined?—A. Probably two o'clock in the afternoon.

Q. When were you paid?—A. About six o'clock, I was paid between five and six o'clock the same afternoon.

Q. Did you see any other persons get their money at the same time?—A. I think there were a couple being paid, but I cannot tell the name of any one who was paid.

[Kentville, Horses—Lyons.]

Q. Do you know what they were paid?—A. No, sir.

Q. Do you know the names of the men who were paid with you?—A. No, sir.

Q. What examination did the veterinary surgeon give your horses?—A. Scarcely any.

Q. Were they hitched to a buggy or what?—A. No, sir, the two of them were together.

Q. Were they hitched up or did you bring them in on a halter?—A. I drove one and led one.

Q. Did the veterinary surgeon examine their legs?—A. Well, I do not think he did particularly.

Q. Did he feel their legs?—A. I do not know.

Q. Did he look at their teeth?—A. I do not know, he may have looked at one's mouth.

Q. Are you sure he did not look at both of them?—A. I do not mind that he did.

Q. Did he move them about?—A. No, sir.

Q. Did he make you drive them up and down?—A. No, sir.

Q. Did he make you move them up or down in any way?—A. No, sir.

Q. Was McKay standing by at the time?—A. The two men were there.

Q. The man who paid you the money was standing by all the time?—A. Yes, sir.

Q. Were your horses sound?—A. Sound.

Q. Quite sound?—A. Practically sound, as far as I know.

Q. Had they any defects that you know of?—A. No, sir.

Q. Had they any blemishes?—A. No, not any.

Q. Did you pay any person any part of that money by way of commission?—

A. No, sir, not a cent.

Q. Did you sign a receipt?—A. I think so.

Q. Did you read the receipt before you signed it?—A. I do not think I did.

Q. Was Mr. Foster there when the buying was going on?—A. I did not see Mr. Foster there at all.

Q. Do you know Roy Chute?—A. Well, I do not know that I do.

Q. Do you know his father?—A. Yes, sir.

Q. Do you know whether Chute's horse could get up once he was lying down?—

A. I have heard it of him.

Q. Have you ever seen him?—A. No, sir.

Q. Did you ever see him lying down?—A. I never saw him at all.

The witness retired.

GEORGE WOODWORTH, farmer, of Rockland, South Berwick, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes sir.

Q. How many did you sell?—A. One.

Q. Where was the sale?—A. At Berwick.

Q. Who was the buyer?—A. I do not remember his name.

Q. Did you hear his name that day?—A. He was a fellow with reddish hair.

Q. Were you informed what his name was?—A. I have heard it but I never could remember it.

Q. Was it McKay?—A. That might be it.

Q. Was it Oakes?—A. I think McKay is it.

Q. Was it Keever or Woodworth?—A. No, McKay, I think.

Q. He was a stout man, clean-shaven?—A. I do not know about that but he had reddish hair.

Q. Who was the veterinary surgeon?—A. Mr. Wood, I think.

Q. What price were you paid for your horse?—A. \$160.

[Kentville, Horses—Woodworth.]

Q. What were you asking?—A. I asked him \$175.

Q. What was the age of your horse?—A. Ten years old, nine or ten.

Q. What was the weight of your horse?—A. 1,050 pounds, I never had him weighed.

Q. Were you paid by cheque or by cash for your horse?—A. Cash.

Q. When were you paid?—A. About two hours after I seen the man.

Q. When did you see the man?—A. I expect it was about three o'clock in the afternoon.

Q. So that you would be paid about five o'clock in the afternoon?—A. Yes, I should think that was about the time.

Q. Was it this same stout man with the reddish hair that paid you?—A. Yes sir.

Q. What examination did the veterinary surgeon give your horse?—A. He looked him all over, I think he held on to him with the bridle and turned him and gave him a quick jog or two. He did not seem to do very much to him, he looked the horse over and said the horse was all right.

Q. Did he examine his teeth?—A. I do not think he did.

Q. Did he make you drive the horse up and down?—A. He did not ask me to.

Q. Did he feel the horse's legs?—A. No.

Q. Was McKay standing by all this time?—A. This was Mr. Wood who did that.

Q. Wood was the veterinary surgeon?—A. Yes.

Q. Was the man who paid the money standing by when the examination was going on?—A. I do not think he was there at all.

Q. Who else was there?—A. There were a lot of people around there, I may have known some of them but I do not remember now who they were.

Q. Did you sign a receipt for your money?—A. I think I did sign a card or something or other.

Q. Did you see them put a tag on your horse?—A. Yes, on the bridle.

Q. Did Wood put a tag on the bridle?—A. Yes, Mr. Wood did.

Q. Did you see him take part of the tag or retain part before he put the other part on the horse?—A. I would not say about that, whether he took part off or not; I do not think he did.

Q. Did you give anything to Wood for passing your horse?—A. No.

Q. Did you give anybody else anything on account of your horse being passed?—A. No, sir.

Q. Was your horse sound?—A. As far as I know, he was.

Q. How long had you had him?—A. Three years.

Q. From whom did you buy him?—A. From Mr. Huntley.

Q. Where does Mr. Huntley live?—A. He lives at Hall's Harbour.

Q. What is his first name?—A. Carey Huntley.

Q. What did you pay him for the horse?—A. He wanted \$175 for the horse.

Q. What did you pay him?—A. I brought him down to \$160.

Q. Did he show any signs of lameness when you had him?—A. He did not, he wanted to sell the horse, it was late in the fall and he did not want him.

Q. Did the horse show any signs of lameness when you had him?—A. No, sir.

Q. Was he spavined?—A. No, sir.

Q. Did he have the heaves?—A. Not that I know of.

Q. Were there any blemishes on the horse?—A. No, sir.

The witness retired.

NOBLE TAYLOR, farmer, of Rockland, South Berwick, sworn:

By Mr. Thompson, K.C.:

Q. How many horses did you sell for military purposes last August or September?—A. One.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Who was the buyer of your horse?—A. I cannot tell you.

[Kentville, Horses—Taylor.]

Q. Did you here the man's name mentioned?—A. I might have heard it mentioned but I do not remember.

Q. You would recollect it now, would you not, if you heard it?—A. I do not think I would, sir.

Q. Where was the sale, was it at Berwick?—A. Yes, sir.

Q. Who was the veterinary surgeon?—A. I cannot tell you.

Q. Do you know the day on which the sale was held?—A. No.

Q. What were you paid for your horse?—A. \$150.

Q. What was the age of your horse?—A. I got him for 11 years.

Q. How long had you the horse?—A. I had her a year.

Q. That would make her twelve years old?—A. That is what I got her for.

Q. She was eleven years old when you bought her?—A. Yes.

Q. What was the weight of that horse?—A. 940 pounds.

Q. Were you paid by cheque or by cash for the horse?—A. By cash.

Q. When was the horse examined, was it in the morning or the afternoon?—A. About dusk at night.

Q. When were you paid?—A. I was paid right after.

Q. Did you see any other persons get their money at that time?—A. No, sir.

Q. Do you know any other person who sold horses then?—A. No, sir.

Q. Did you pay the veterinary surgeon anything for passing your horse?—A. No, sir.

Q. Did you pay any part of the purchase money to any person by way of commission?—A. No, sir.

Q. Did you see Mr. Foster there on the day of the sale?—A. No, I would not know him to see him.

Q. Was your horse sound?—A. I got her for a sound horse.

Q. Was she sound when you had her?—A. Yes, perfectly sound, as far as anything I know.

Q. Were there any indications of spavins?—A. Not as I know.

Q. Or a lameness?—A. Not as I know.

Q. Or any blemishes?—A. Not as I know.

Q. And you had the horse for a year?—A. Yes, she never took a lame step the time I had her.

Q. What did you use her for?—A. I just used her for driving.

Q. Were you asked by the veterinary surgeon as to her age?—A. Yes, sir.

Q. And what did you tell him?—A. I told him I got her for eleven and that now she would be twelve.

The witness retired.

THADDEUS LOVELACE, of Wellsford, farmer, sworn:

By Mr. Thompson:

Q. How many horses did you sell for military purposes last August?—A. One.

Q. Who was the buyer?—A. McKay, I think.

Q. Who was the veterinary surgeon?—A. Well I would not say but it was Chipman, I think.

Q. You think it was Chipman?—A. Yes.

Q. Where was the sale?—A. At Berwick.

Q. What did you get for your horse?—A. \$150.

Q. What was his age?—A. Ten years old.

Q. How long did you have him?—A. I bought him in the spring and I sold him you know at the time they bought the horses at Berwick.

Q. Did you examine the horse when you bought him?—A. Yes.

Q. What age did you think he was then?—A. I do not think he was any older than ten years old, that is what I bought him for.

Q. What was his weight?—A. He probably weighed 1,000 pounds or pretty close to that.

[Kentville, Horses—Lovelace.]

Q. Were you paid by cheque or by cash?—A. I was paid cash.

Q. By whom were you paid?—A. By Mr. Oakes, I think.

Q. What time of the day was your horse examined?—A. Just about night.

Q. How long after the horse was examined were you paid for him?—A. Well he looked at the horse and this fellow paid me.

Q. Who looked at the horse?—A. The veterinary surgeon.

Q. How long after he looked at the horse were you paid?—A. Soon after he bought him, maybe a half an hour or an hour afterwards.

Q. Did the veterinary surgeon give the horse an examination?—A. Yes, he stood and looked at him and put a tag on the head-stall.

Q. Did you sign a receipt for the money?—A. Yes, sir.

Q. Did the veterinary surgeon move your horse up and down?—A. I did.

Q. How far?—A. Three or four rods.

Q. Did he examine his teeth?—A. Yes, he looked in his mouth.

Q. Did he feel his legs?—A. No, sir, he did not have to. He was a good, smooth, solid, sound horse; he could tell by looking at him he had good legs.

Q. Was the horse sound?—A. Yes, sir.

Q. Quite sound?—A. Yes, sir.

Q. Did he have any blemishes that you know of?—A. No, there was not a splint on him.

Q. There was no sign of any unsoundness?—A. No.

Q. Did you consider him a good horse?—A. Yes, sir, I did not like him to drive; he was a little slack or I would not sell him.

Q. What do you mean by being a little slack?—A. A little lazy, but he was a very high-strung horse every other way.

Q. How lazy was he?—A. You would have to touch him with the whip once in a while.

Q. How often would you have to touch him with the whip?—A. According to how fast you wanted him to go.

Q. How often would you have to touch him with the whip to keep him moving at a fair gait?—A. You could ride him without a whip all day if you wanted to, he would jog along, he was not too bad a horse.

Q. You say there was nothing wrong with the horse except that he was lazy?—

A. No, sir, the man I got him from gave \$150 for him, and I did not give that quite.

Q. Are you perfectly sure that Mr. Oakes was the person who paid you the money?—A. I am quite sure.

Q. You are positive as to that?—A. Well, not exactly, but I think Mr. Oakes is the man that gave me the money.

Q. Was Mr. Oakes present when your horse was being examined?—A. I do not know Mr. Oakes very well, but I think this man paid me the money. I said to him: "You are Mr. Oakes," and I think he told me he was.

Q. Did you see any other persons get their pay?—A. I think there was a man named Silas Thomas. There was another man who came in to get his pay and I was thinking it was Thomas, but now I could not say for certain. I know Thomas sold one horse about the same time.

Q. Where does he live?—A. He lives away over on the mountain, what they call Kellyville, back of Aylesford.

Q. Who paid Thomas?—A. The same man, Oakes, I think.

Q. Did you see any other person paying money to any person for their horses?—A. No, nor I did not see that fellow, he just said: Come in.

Q. Look at Mr. Oakes now who is in court and say whether that is the man who paid you the money?—A. Yes, I kind of think it is.

Sir CHARLES DAVIDSON: Is it Mr. Sangster's desire to call Mr. Oakes on this point? Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: I think that is fair.

The witness retired.

[Kentville, Horses—Lovelace.]

GIFFORD H. OAKES, insurance agent, Kentville, sworn :

By Mr. Thompson:

Q. Did you hear what Lovelace, the last witness, said?—A. I did.

Q. Did you pay him the purchase money for his horse?—A. I did not.

Q. Were you present at Berwick on the occasion on which his horse was bought?
—A. Yes.

Q. Who paid the vendors for their horses on that occasion?—A. Mr. McKay.

Q. Did McKay carry the money?—A. Yes.

Q. Did you carry any money?—A. No, I carried money from the bank to Mr. McKay but I did not hold it.

Q. Did you pay any farmers at all at Berwick on that day?—A. No.

Q. What was the date of the sale at Berwick?—A. That was on Thursday, September 3.

Q. Where horses bought in Berwick on more than one day?—A. No.

Q. Was that the only occasion on which a sale would take place in Berwick, namely, the third of September?—A. Yes.

Sir CHARLES DAVIDSONS May I ask, Mr. Oakes, when the sale was at Kingston?

The WITNESS: On Friday, the following day.

Sir CHARLES DAVIDSON: Was it at Kingston that H. J. Chute sold the other horse?

Mr. THOMPSON: Mr. Chute sold the old horse at Kingston.

The witness retired.

E. J. POTTS, of Berwick, sworn:

By Mr. Thompson:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. I did.

Q. Who was the buyer?—A. I think it was Mr. McKay.

Q. Who was the veterinary surgeon?—A. I am under the impression that it was Mr. Wood.

Q. Where did the sale take place?—A. At Berwick.

Q. What price were you paid for your horse?—A. \$140.

Q. What was the age of the horse?—A. I could not tell, I told the veterinary surgeon she was either twelve or thirteen, I was no sure which.

Q. What weight was your horse?—A. Between 800 and 900 pounds.

Q. How were you paid, were you paid by cash or by cheque?—A. I was paid by cash.

Q. When was the horse examined?—A. She was examined about three o'clock in the afternoon.

Q. And when were you paid?—A. I was paid about two hours afterwards.

Q. That would be about five o'clock in the afternoon?—A. Yes.

Q. Did you see any other persons receive their money on that occasion?—A. I saw one or two receive their money in the small office, in the fruit company's office.

Q. Do you know what their names were?—A. I saw Mr. Samuel Chute, I was not absolutely present, but he went in to receive his money and we were asked to leave the office, the two or three of us that were there.

Q. Did they only admit one at a time?—A. Yes.

Q. What size was the office?—A. It was quite a small place.

Q. Did they give you any reason for excluding the others?—A. No, Mr. McKay said: "Now, gentlemen, if you will just clear out, please, one at a time," and so we just went outside the door.

Q. Did you pay any part of your money to any other person by way of rebate or commission?—A. No, sir, not a cent.

Q. And you gave nothing to the veterinary surgeon?—A. No, nothing.

Q. Or to McKay?—A. No, nothing whatever.

Q. What examination did the veterinary surgeon give your horse?—A. He asked me to trot him down the road, which I did.

Q. Did you do so?—A. Yes.

Q. How far did you trot him?—A. About 30 yards and back again.

Q. Were you riding the horse?—A. No.

Q. Were you driving the horse?—A. Driving, she had only been driven, I never knew she had been ridden at all.

Q. Did he look at her teeth?—A. Yes.

Q. Did he feel her legs?—A. Yes.

Q. She was a bit lame, was she not?—A. She was not lame but she was a little bit sprung in the knees, she had done a considerable amount of work on the mail route.

Q. And that caused the unsoundness?—A. There was just a little slant over, she was on the mail route and done 18 miles a day.

Q. How long had you had her?—A. Not quite two years.

Q. What did you pay for her?—A. \$150.

Q. Was she sprung in the knees when you got her?—A. Yes, she was, and I had driven her regularly since the time I had her.

Q. Was that spring in the knees noticeable?—A. Oh, yes, it was noticeable, just a little hang-over.

Q. She was a very small horse?—A. Yes, she was comparatively small but was compactly built.

Q. She was built something like a cob?—A. She was more than a cob, I think she would be fifteen and a half hands.

Q. Then how did she come to weigh only between 800 and 900 pounds?—A. I never had her weighed, I am only presuming it.

Q. How many hands high do you say she was?—A. Fifteen and a half.

Q. Was she well filled out?—A. Yes, she was in very good condition.

Q. In good condition?—A. Yes.

Q. Then she should weigh more than 800 pounds?—A. I am only guessing at it because in England we don't go by weight, we go by the height of a horse.

The witness retired.

FRANK McCONNELL, of Wellsford, sworn.

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. How many did you sell?—A. One.

Q. Who was the buyer?—A. I think it was Mr. McKay.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price were you paid?—A. \$175.

Q. What was the age of the horse?—A. Seven years old.

Q. What was the weight of the horse?—A. I should think about 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. When was the horse examined in the morning or in the afternoon?—A. In the afternoon, I should think about five or six o'clock.

Q. How long after that were you paid your money?—A. I should think about half an hour afterwards.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. By whom were you paid?—A. I was paid by Mr. McKay.

Q. Did you see him pay any other person their money?—A. I cannot say that I did.

[Kentville, Horses—McConnell.]

Q. Who else sold horses at Berwick where you sold?—A. Mr. A. M. Thomas sold two and Mr. Harden Thomas sold two, I think Mr. Edgar Horsnell sold one.

Q. Where does he live?—A. I think they call it Victoria.

Q. Who else sold horses?—A. Mr. Lovelace, I think that is all I know anything about.

Q. What examination did the veterinary surgeon give of your horse?—A. The man took him by the halter and trotted him around the yard, and he looked at his legs and opened his mouth.

Q. Was your horse sound?—A. Perfectly sound.

Q. How long did you have him?—A. Probably about nine months.

Q. What did you pay for him?—A. I traded a young mare for him.

Q. What did you value your young mare at?—A. \$175 and I gave some difference too.

Q. Did you see Mr. Foster in Berwick that day?—A. Mr. Foster was not there, I do not think, at all.

Q. Did you see any of the other men paid for their horses?—A. No, I did not.

Q. Are you quite sure McKay paid you?—A. I am quite sure.

Q. How many horses did you see purchased?—A. These that I mentioned are all I saw purchased.

Q. Did you pay any part of that \$175 that you got for that horse to the veterinary surgeon?—A. No, I did not.

Q. Nor to Mr. McKay?—A. No, sir, to nobody at all.

Q. Did you see who paid Lovelace for his horse?—A. I think not but I would not be positive.

Q. Were you paid in the office or out in the yard?—A. I was paid on the veranda of Mr. Thomas' house.

Q. Was Mr. Oakes on the verandah?—A. No, he was not.

Q. Did anybody tell you that Mr. Oakes paid them for their horses on that day?—A. I do not think Mr. Oakes paid anybody, I do not believe he did.

Q. Did you see him handle any money?—A. No, I did not.

Q. Where was Lovelace paid?—A. I think he was paid the same place I was.

Q. Did you see him come out of the office?—A. He was not in the office.

Q. Did you see him go on to the verandah to get his pay?—A. I cannot swear that I did but I would not swear positive on that.

Q. Was Oakes on the verandah?—A. I did not see him on the verandah at all, he was around there some of the time and some of the time he was not there or I did not see him.

Q. Was your horse sound?—A. Perfectly sound.

Sir CHARLES DAVIDSON: It is quite possible that Mr. Lovelace made a mistake as to who paid him.

The witness retired.

E. B. PINEO, of Waterville, sworn:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir, I did.

Q. Did you sell more than one?—A. No, sir.

Q. Who was the buyer?—A. They told me his name was McKay.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. Where did the sale take place?—A. At Berwick.

Q. What were you paid for your horse?—A. \$155.

Q. What was the age of your horse?—A. I got him to be eight years old, but the vet. looked at his mouth and pronounced him nine years.

Q. What would he weigh?—A. I suppose about a thousand pounds, he was fifteen hands high exactly.

Q. How were you paid, were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was your horse examined?—A. It was in the afternoon probably, around three o'clock in the afternoon.

Q. How long after the horse was examined were you paid your money?—A. It might have been an hour or it might have been longer, I would not say.

Q. Did you give any part of this money to McKay or to Chipman?—A. No, sir.

Q. Or did you give any part of it to any other person?—A. No.

Q. Did you pay any money whatever to any person by way of commission?—A. No, sir.

Q. What examination did the veterinary surgeon make of your horse?—A. He came along, and I said I wanted to sell this horse and he said: is he sound, I have no time to look him over, and I said there was a crack on his knee, his knee was a little enlarged and there was a crack across.

Q. There was a bit of a lump on the knee?—A. Yes, a cut from a barbed wire, and he was not lame any and I told him so.

Q. Did it affect him any in his going?—A. No.

Q. Was he perfectly sound apart from that blemish?—A. Yes, as far as I know.

Q. How long did you have him?—A. A little over a year.

Q. What did you pay for him?—A. \$145.

Q. Had he the lump on the knee when you bought him?—A. Yes.

Q. Was Mr. Foster present when your horse was being examined or during that day?—A. I would not know him at that time if I saw him.

Q. Did you see anybody else get their money in payment for the horses they sold?—A. No, I did not.

Q. Did you know that other horses were sold on that occasion?—A. Yes, I seen one horse sold.

Q. What horse was that?—A. John Burns, right near me. Just after this man McKay bought my horse he walked over to Burns' horse and I heard him buying his horse, that is all the horses I saw bought, he paid \$140.

Q. Did John Burns get \$140?—A. I heard him say: I will give you \$140.

Q. Where does John Burns live?—A. West of Berwick.

Q. Who said he would give Burns \$140 for the horse?—A. This man McKay. He said take him up to the warehouse and I will give you \$140, come into the office and get your money so he unharnessed him and got the money, I suppose.

Q. Did he put a ticket on your horse?—A. Yes, Dr. Chipman did.

Q. Did you sign a receipt for your money?—A. Yes.

Q. Did you read what was on the receipt?—A. I think it was a small ticket, and one horse put down on it, and I signed my name underneath.

Q. What time of the day does the bank close at Berwick?—A. Three o'clock in the afternoon, that is except Saturdays.

Q. Was this on a Saturday?—A. I do not know.

Sir CHARLES DAVIDSON: What bank is in Berwick?

The WITNESS: The Royal Bank of Canada is the only one, I think.

The witness retired.

N. W. KEDDIE, merchant, of Berwick, sworn:

Examined by Mr. Thompson, K.C.:

Q. How many horses did you sell for military purposes to the Government last August or September?—A. I sold one.

Q. Only one?—A. Yes sir.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Who was the buyer of your horse?—A. Mr. McKay, I think.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

[Kentville, Horses—Keddie.]

- Q. How much were you paid?—A. \$150.
- Q. How much were you asking?—A. I asked \$150 and sold for the same.
- Q. What was the age of the horse?—A. My horse was about fourteen years old.
- Q. Are you sure he was not more than fourteen years old?—A. That is the age he should be from what I bought him for, I had her six years.
- Q. What did you pay for her?—A. I got the horse cheap when I bought her, I bought her from a sea captain who was going away.
- Q. What did you pay for her?—A. \$85, but I refused \$150 for her several times.
- Q. Did you have the horse examined when you were buying her?—A. Dr. Chipman examined her.
- Q. When you were buying her from the sea captain did you have her examined by the veterinary surgeon?—A. No.
- Q. You bought here from James Craig?—A. No, sir.
- Q. Are you sure?—A. Yes.
- Q. Did James Craig own that horse once?—A. He did.
- Q. James Craig lives in Cambridge?—A. Yes.
- Q. How long did James Craig have her?—A. I really do not know. I bought her from Captain Cook.
- Q. And Captain Cook bought her from whom?—A. Probably from Craig, but I do not know.
- Q. Did he tell you who he bought her from?—A. I do not know at the time.
- Q. Did you examine the horse yourself when you were buying her?—A. I drove the horse myself from my door up to the post office and back and gave him his money.
- Q. You gave him \$85?—A. Yes.
- Q. What was the weight of the horse?—A. She would weigh about nine hundred pounds and a quarter, I think.
- Q. Were you paid by cheque or by cash for the horse?—A. I was paid by cash.
- Q. By whom were you paid?—A. Well, I think it was Mr. McKay, but I did not know the gentleman.
- Q. Where was the sale?—A. In my yard in Berwick.
- Q. What time of the day was your horse examined?—A. I think it was in the afternoon after dinner, probably two o'clock.
- Q. How long after your horse was examined were you paid for her?—A. Probably five minutes. He put a tag on my horse and gave me the money.
- Q. Who put the tag on your horse?—A. I think it was McKay.
- Q. Was it McKay or Chipman put the tag on the horse?—A. I think it was McKay, I am not sure but it was either one or the other.
- Q. Who gave you the ticket to sign?—A. I think it was McKay.
- Q. Did you read the receipt you signed?—A. It was just a card.
- Q. What was on the card?—A. Just what they gave me for the horse.
- Q. What was the age put on?—A. I do not know.
- Q. What was the weight put on the card?—A. I do not know.
- Q. Was the horse sound?—A. Practically so, I think.
- Q. When you say practically sound, what was the defect?—A. I do not know of any. I had her for six years and I did not know of anything wrong.
- Q. Was she lame?—A. No.
- Q. Did she have the heaves?—A. No, she was perfectly sound so far as I knew.
- Q. Were there any blemishes on her?—A. They said she had a couple of little jack spavins, but I may be wrong about that.
- Sir CHARLES DAVIDSON: Who said that?
- The WITNESS: Well a little enlargement of the joint.
- Sir CHARLES DAVIDSON: Who said she had a little enlargement of the joint?
- The WITNESS: The people I bought her from, the veterinary surgeon did not say anything about it.
- Sir CHARLES DAVIDSON: Did you tell the veterinary surgeon?

THE WITNESS: No, I told him nothing about it. I said: "There is my horse, and if you want her you can have her." I was not particular about selling her. I have been kicking myself since that I sold her. You could not pick up a horse like her every day.

By Mr. Thompson K.C.:

Q. What was her age?—A. Fourteen years, putting her at what she was supposed to be when I bought her.

Q. Did she go stiff in the beginning whenever you took her out of the barn?—A. No, sir, she was all right.

Q. She did not show any signs of lameness?—A. No, sir, she was always up to her work.

Q. Did you see Mr. Foster in Berwick on the day of the sale?—A. No, sir.

Q. Did you see Mr. Oakes there?—A. Oakes was in Berwick, but not in my yard.

Q. What is a jack spavin?—A. Perhaps some one else is more acquainted with it than I am. I am not much of a judge but I believe it is an enlargement of the joint in the hind leg.

Q. Would you notice it if you felt the horse?—A. You would notice it if you were a horseman.

Q. Could you notice it if you felt the horse's legs?—A. I do not think I could.

Q. How did the price of horses compare six years ago when you bought this horse with the price of horses last August in Berwick?—A. Horses were a good deal lower then and this was a chance that you don't pick up every day. This man wanted to go to sea and he had the horse on his hands and wanted to sell her.

Q. Do you know of any one else having refused to buy that horse at \$85?—A. No.

Q. You thought you got a bargain?—A. I did too.

SIR CHARLES DAVIDSON: Was the horse ever lame?

THE WITNESS: I had her for six years and she never was. She was all right and every time I wanted to take her out she was one of the good ones.

The witness retired.

KENNETH ILSLEY, clerk, general store, Berwick, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Was it your own horse?—A. It was my mother's horse.

Q. Who was the buyer?—A. I think his name was McKay.

Q. Who was the veterinary surgeon?—A. I think it was Dr. Chipman.

Q. What price did they pay for the horse?—A. \$165.

Q. What was the age of the horse?—A. I could not tell exactly.

Q. What did you estimate the age at?—A. I think she was sixteen or seventeen years and not more.

Q. What was the weight of the horse?—A. About 1,020 pounds.

Q. How were you paid, were you paid by cheque or by cash?—A. By cash.

Q. Where was the sale?—A. At Berwick.

Q. What time of the day was your horse examined?—A. I think it was about noon.

Q. When were you paid?—A. Very shortly after that.

Q. Would it be within an hour after the horse was examined?—A. Yes.

Q. By whom were you paid, was it by McKay?—A. I think it was McKay, yes, it was the same man that bought her.

Q. Did you sign a receipt?—A. No, I do not remember.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Are you sure they did not ask you to sign a receipt for the money?—A. I do not think I signed a ticket, but anyway I do not remember.

[Kentville, Horses—Ilsley.]

Q. Who else sold horses on that day that you know of?—A. Young Chute, who gave his evidence here, I think G. R. Nicholls, who gave his testimony yesterday, and Percy Foster, who gave his testimony, and Corkum had a horse for Ilsley. I do not remember whether there were any more or not, but there may have been more.

Q. Was Mr. Foster there at the time of the sale?—A. I did not see him.

Q. Did you know for what purpose that horse was required by the Government?—A. I sold mine for a saddle horse. It was a well-trained saddle horse, a very fine runner, and a good jumper, and a good horse all round.

Q. How did you know they wanted saddle horses?—A. I think I saw the posters around.

Q. Did you read the posters?—A. I imagine I did.

Q. Was your horse sound?—A. Yes.

Q. Was your horse perfectly sound?—A. She may have had a small wind gall that you could notice, but ninety per cent of the horses have that, and they are not called a blemish, that I know of.

Q. You say your horse had a wind gall?—A. A very slight wind gall.

Q. To what extent?—A. Nothing that you would notice at all.

Q. When your attention was called to it, about what size would it be?—A. About the size of the end of your finger.

Q. Did it affect the horse?—A. Not in anyway.

Q. That poster, as you are aware, called for horses from five years to eight years old?—A. Yes, but I understood that they did not go according to the posters. Anyway I took the horse there and if they did not want it they did not have to buy it. I left it with the vet. and I supposed he knew his business.

Q. Did he ask you what age the horse was?—A. I do not remember that he did.

Q. What examination did the veterinary surgeon give your horse?—A. He looked her over carefully and asked me to run her around.

Q. Did you canter the horse?—A. Yes, I run her up and down and ran her past him.

Q. Were you riding her?—A. Yes, sir.

Q. Did he examine the teeth of the horse?—A. Yes.

Q. Had you doctored the teeth in any way?—A. None whatever.

Q. You sold a horse for some other person, didn't you?—A. Yes, for Clifford Rockwell.

Q. How did Clifford Rockwell ask you to come to sell his horse for him?—A. He was at that time working in the same store that I am working in.

Q. What is his full name?—A. Clifford Rockwell.

Q. Where does he reside?—A. Hantsport, at present.

Q. Where did he reside then?—A. At Berwick.

Q. What was his occupation?—A. He was clerk in a store.

Q. Did you only sell one horse for him?—A. Yes.

Q. Did McKay buy that horse?—A. Yes.

Q. Was it the same veterinary surgeon who passed your horse?—A. Yes.

Q. What was the price paid for that horse?—A. \$150.

Q. Who bargained for the price, was it McKay or the vet.?—A. McKay.

Q. What was the age of the Rockwell horse?—A. I think it was eight years old.

Q. You think it was only eight years old?—A. Yes.

Q. Did Rockwell tell you it was eight years old?—A. Yes, he told me eight years and no older.

Q. What was the weight of the Rockwell horse?—A. It was over 1,000 pounds, I should judge.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. Did you receive the money yourself?—A. Yes.

Q. Did you pay the veterinary surgeon any part of that money?—A. Nothing.

Q. Or did you pay McKay any part of it?—A. No, sir.

Q. Or did you pay any other person any part of that money?—A. No.

[Kentville, Horses—Ilsley.]

Q. Did you pay any person a commission in respect to the sale of these two horses?—A. Nobody whatever.

Q. What examination did the veterinary surgeon give of the Clifford Rockwell horse?—A. He did not give as much examination as he did to mine, I did not run it around for him.

Q. Did he ask you to run her around?—A. I rode her around.

Q. Did he ask you to run her around?—A. I rode her out.

Q. And I suppose you rode yours in?—A. I rode his and also mine, I started on mine and he would not lead.

Q. Did the veterinary surgeon look at the teeth of the Rockwell horse?—A. Yes.

Q. Did he feel his legs?—A. I do not remember.

Q. That horse was badly sprung in the knees?—A. Quite sprung.

Q. Badly sprung?—A. Yes.

Q. Noticeably so?—A. Yes, he was noticeably so.

Q. How long had that horse been sprung in the knees?—A. I understood he always had been sprung in the knees ever since he was a colt.

Q. Did it affect his gait?—A. Not that I could notice.

Q. How long did you have the Rockwell horse under notice?—A. I think for a year. He had it on the grocery team and it stood its work well and it was hard work, it did not make a bit of difference to the horse.

Q. Was it a saddle horse?—A. I do not think it ever had been used in the saddle.

Q. Was that horse bought as a saddle horse?—A. I suppose he was, I don't know, he did not mention what they were buying him for.

Q. What was the weight of that horse?—A. Over 1,000 pounds, I think.

Q. What was the weight of your mother's horse?—A. A thousand pounds I think, it weighed about that, perhaps a little more.

Q. I suppose that Rockwell paid you a commission for selling his horse?—A. Nothing.

Q. Did you do it as a matter of friendship for him?—A. Yes.

SIR CHARLES DAVIDSON: Did you sell Rockwell's horse after you got rid of your own?

THE WITNESS: I had them both there and they looked at both together and they put the tags on.

By Mr. Thompson:

Q. Which horse did they buy first?—A. I think they bought the Rockwell horse first.

Q. Did you go to Valcartier with the horses?—A. Yes, sir.

Q. How many cars did you look after?—A. Five cars.

Q. Did you help to load the horses into the cars?—A. Some of them.

Q. Was the famous Chute horse there when you were loading them?—A. There were four or five Chute horses there.

Q. I am referring to the famous Chute horse, the Roy Chute horse?—A. I do not think so, there was a horse there that Henry Chute sold, a chestnut.

Q. How many cars did you have charge of on the way to Valcartier?—A. I looked after one car in particular.

Q. Only one?—A. Only one.

Q. Did you see the horses unloaded at Valcartier?—A. No, sir, I did not unload them.

Q. Can you state anything as to how the horses acted on the road to Valcartier?—A. They went in good shape, they stood it in great shape. There was not a mark on them. Well, there might have been a mark where some horse would take a bite across the cribs, but nothing to speak of.

Q. Were any of the horses down when you left here?—A. None.

Q. Mr. Sangster wants me to ask you as to the general quality of the horses that you had in charge?—A. Well, take them on the whole, I suppose there were five or six horses in the shipment that should not have gone.

[Kentville, Horses—Ilsley.]

Q. Five or six out of how many?—A. Sixty-six.

Q. Are those the Berwick horses that you speak of?—A. There were some that were very good and I should think on the average the rest were a fair lot.

Q. What do you say about the Rockwell horse, should that horse have gone?—A. It would have been according to what they were using it for.

Q. Were the others of the same class as the Rockwell horse?—A. I rode the Rockwell horse down two or three hills and it did not stumble or make a bit of difference on the canter.

Q. Would you count the Rockwell horse as all right and leave him in?—A. I would leave him in.

Q. Were the others the same class as the Rockwell horse?—A. They were different classes, they were not all sprung in the knees.

Q. If you took five or six horses out and left the good horses there and the Rockwell horse was among the good horses, how would the Rockwell horse average with those which you would leave in the car as being of good quality?—A. Well he would average up fairly well.

Q. You say the Rockwell horse would average up fairly well?—A. Yes, it was a well-built horse.

Q. Do you mean by that the Rockwell horse was about of the same quality as the rest of the horses which were shipped?—A. The only fault I noticed with the Rockwell horse was that his knees were sprung.

Q. You say that the others were of the same average quality as that horse?—A. Perhaps a little better than the Rockwell horse.

Q. With the exception that they were not sprung in the knees?—A. Yes, this Rockwell horse I spoke of was sprung in the knees.

The witness retired.

The Commission took recess for luncheon.

After the luncheon recess.

DAWSON RACHFORD, farmer, of Waterville, sworn.

Q. How many horses did you sell for military purposes to the Government last August or September?—A. One.

Q. Who was the buyer?—A. I do not know who he was.

Q. Did you hear the man's name mentioned?—A. No.

Q. Who was the veterinary surgeon?—A. I do not know.

Q. Did you hear the name of the veterinary surgeon mentioned?—A. No, I heard them talk about Chipman and Wood but I am not acquainted with them and I do not know them.

Q. Where did you sell your horse?—A. In Berwick.

Q. On what date was the sale in Berwick?—A. I cannot say.

Q. What price were you paid for your horse?—A. \$150.

Q. What was the age of your horse?—A. He was seven or eight years old.

Q. What was his weight?—A. I do not know. I should judge somewhere around 900 pounds, about 900 pounds, I should think.

Q. Were you paid by cheque or in cash?—A. In cash.

Q. Do you know who it was that paid you?—A. No, I do not know, it was the same man who bought the horse.

Q. What time of the day was your horse examined?—A. I imagine it was somewhere around five o'clock, it was pretty near the end of the sale anyway.

Q. How long did you have to wait for your money?—A. Probably half an hour.

Q. Where were you paid?—A. I was paid in the office of the Fruit warehouse.

Q. Who else was in the office with you?—A. There were several others in there.

[Kentville, Horses—Rachford J]

Q. Give me their names if you know them?—A. Now, I cannot just tell you, I cannot recall more than one or two, there were several in there and they were crowding in.

Q. Can you recollect one of them?—A. I remember young Joe Salzman was in there.

Q. Were there any others in there?—A. I would not like to swear to any of the others, although there were quite a few around there.

Q. What examination did the veterinary surgeon give your horse?—A. None.

Q. Was your horse tied up when he was examined?—A. No, sir.

Q. Was he in a buggy or what?—A. He was in a buggy, yes.

Q. Did the veterinary surgeon make you move the horse around at all?—A. No.

Q. Did he try his feet?—A. Not that I know of.

Q. Did you see him feel his legs?—A. Not that I know of.

Q. Was your horse sound?—A. As far as I know he was perfectly sound.

Q. Did you see any spavins?—A. I said that as far as I knew he was perfectly sound.

Q. How long had you had him?—A. Three or four years.

Q. From whom did you buy that horse?—A. From George Powell.

Q. What did you pay Powell for that horse?—A. \$120.

Q. What did you use him for?—A. Anything I wanted to.

Q. What did you use him for?—A. Driving and working, I used him any way I wanted him.

Q. What age was that horse supposed to be when you bought him?—A. Four years old.

Q. How could you get a four year old horse of that quality for \$120?—A. That is all he asked me for him.

Q. Did he state why he was not asking any more for him?—A. No, that was the price he asked me, that is what he asked me for him and that is what I gave him.

Q. How many of your neighbours sold horses that you know of?—A. Quite a few around there.

Q. What is the nearest neighbour to you that sold a horse?—A. It would be Salzman.

Q. What was the next nearest neighbour that sold a horse?—A. Wilson.

Q. What Wilson?—A. John Wilson.

Q. Who else?—A. Percy Foster.

Q. How far away does he live from you?—A. About half a mile, probably a little more but not very much more.

Q. Who else sold a horse that day?—A. R. D. Lyons.

Q. Did you pay the veterinary surgeon any part of the money you received for that horse?—A. I did not.

Q. Or did you pay any other person any money in connection with the sale of that horse?—A. No, sir, I did not.

The witness retired.

J. ARCHIE BECKWORTH, farmer of Berwick, sworn:

By Mr. Thompson, K.C.:

Q. How many horses did you sell for military purposes to the Government last August or September?—A. One.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Who bought your horse?—A. I think it was a man by the name of McKay, a stout fellow.

Q. Who was the veterinary surgeon?—A. I did not know his name.

Q. Did you hear his name mentioned?—A. I think it was Dr. Chipman.

Q. What did they pay you for your horse?—A. \$120.

[Kentville, Horses—Beckworth.]

- Q. What was his weight?—A. Approximately I should say about 1,200 pounds.
- Q. How old was the horse?—A. I got him for 12 years old.
- Q. Were you paid by cheque or in cash for your horse?—A. In cash.
- Q. When was your horse examined, what part of the day?—A. It was after the express train came in, I should think about four o'clock.
- Q. When were you paid?—A. Probably an hour or half an hour afterwards, or something like that.
- Q. Was it McKay who paid you?—A. Yes, the same man who bought the horse.
- Q. Did you see any other persons get their money?—A. I cannot say that I did, there were two men coming out when I went in and the other was standing at the door.
- Q. Did you get your money in the office?—A. Yes.
- Q. Do you recollect the men that were coming out?—A. Mr. Applegate was standing at the door.
- Q. Did they put a ticket on your horse?—A. Yes.
- Q. Did they get you to sign a receipt?—A. I signed a card as near I can remember now.
- Q. Who got you to sign that card, was it McKay?—A. Yes, I signed that I think when he paid me the money.
- Q. What examination did the veterinary surgeon give to your horse?—A. Well he run him up and down the length of the warehouse twice with a fellow on his back, I was not on his back, and started him around some, I think he gave him a pretty good examination, as good as any other that I know of.
- Q. Did he examine his teeth?—A. Yes, sir.
- Q. Had you filed his teeth?—A. No, sir.
- Q. Had you treated his teeth in any way?—A. No, sir.
- Q. Did you interfere with his teeth in any way before you took him for sale?—A. No, sir.
- Q. Did you do anything to alter his teeth?—A. No, sir.
- Q. Did the veterinary surgeon feel his legs?—A. Yes, sir.
- Q. Was your horse sound?—A. No, sir.
- Q. What was the matter with him?—A. I thought he was pricked in the wind.
- Q. You thought his wind was gone?—A. Yes, I told Mr. McKay that or the man I was talking to when he bought him.
- Q. You told McKay that?—A. Yes, sir.
- Q. Are you sure about that?—A. Yes, sir.
- Q. Can there be any mistake about that?—A. No, sir.
- Q. Did you tell the veterinary surgeon that?—A. No, sir, I was not talking to the veterinary surgeon at all.
- Q. Did the veterinary surgeon ask you anything about the horse?—A. No, sir, he never asked me a question.
- Q. Did the veterinary surgeon ask you his age?—A. No, sir.
- Q. How long had you had that horse?—A. I think I got him in May of last year.
- Q. Who did you buy him from?—A. I think his name was Kinsman.
- Q. Seth Kinsman?—A. If I remember right his name is Ernest, he lives in Canaan.
- Q. When you bought that horse from Kinsman did you have him examined by the veterinary surgeon?—A. No, sir, I could give you what I did do at that time, if that is what you want?
- Q. I would like to know that, yes?—A. I got a man by the name of Nick Bishop to go with me and we went and looked at the horse and the man told us when we first went there that she was sound.
- Q. Who told you that?—A. Kinsman. He wanted \$125 for him and I went and looked at the horse, and I did not know much about a horse, so I relied on the other fellow, and he said: he is pricked in the wind and I went back and bought him for \$90.
- Q. You knocked him down \$30 on the bargain?—A. Yes.
- Q. When you went with Bishop to examine that horse did you examine his teeth?—A. Yes.

Q. Did Bishop tell you what his age was?—A. He said he did not know, as far as I remember now.

Q. Did you think Bishop was a judge of a horse?—A. Well, he handles a good many of them but he is not a veterinary surgeon, understand.

Q. But he is a good judge of a horse?—A. I think so, yes.

Q. After examining the horse you were buying from Kinsman he said he did not know the age?—A. Yes.

Q. Is it not a fact that that horse was about twenty years of age?—A. I cannot tell you, sir.

Q. Did you hear anybody say he was twenty years of age?—A. No.

Q. Your horse has attained some notoriety, Mr. Beckworth, it was mentioned by Mr. Spurgeon Selfridge, as I find, before the Public Accounts Committee, as I find at page 881 of the proceedings of that Committee?—A. Yes.

Q. I quote from the evidence of Selfridge at page 881:

Q. You say that you do not consider that horse worth anything?—A. Not to me.

Q. Is he worth anything to any person?—A. Judging from his appearance I would not consider him worth anything.

Q. Was he a poor looking horse?—A. He was not a fat horse, the day I sold him he was out doing his day's work, ploughing.

Q. Had he ever been laid up when you had him?—A. Yes, sir.

Q. Spurgeon Selfridge says he was flat-footed, was he flat-footed or not?—A. What would you call a flat-footed horse?

Q. I am not a judge of a horse, I want you to say whether he was flat-footed or not?—A. Not more than an ordinary horse of that size, I would say.

Q. Well he was a bit flat-footed, was he?—A. I would not call him flat-footed, maybe, I don't understand you, sir. I had no trouble with his feet, keeping shoes on or anything like that, and he did not show any lameness.

Q. You do not know what flat-footedness means in a horse?—A. I have my own idea but whether it is correct or not I do not know.

Q. What is your own idea?—A. I thought his feet were normal.

Q. Selfridge says that your horse was gone at the knees, was he gone at the knees?—A. No, sir.

Q. Will you swear that he was not gone at the knees?—A. Yes, sir.

Q. And Selfridge says further that he was as bad a looking horse as ever he had seen, what do you say as to that?—A. Of course I do not know how bad a horse Selfridge has seen, and I cannot say anything about that. The horse was fit to do a day's work when I had him.

Q. How many horses have you owned?—A. I cannot tell you.

Q. How many about?—A. I would say a dozen.

Q. You ought to know then whether a horse is flat-footed or not?—A. Well, a horse is some trouble when his feet are flat and cannot get his feet shod and is lame, when a horse is like that I think he is flat-footed.

Q. Was this horse ever lame?—A. No, sir, not while I had him.

Q. Did he ever give you any trouble when you were driving him?—A. No, sir.

Q. What colour was he?—A. He was a bay.

Q. Had he grey hairs?—A. Yes, sir.

Q. Did Bishop make any remark about these grey hairs when you were buying that horse as an indication of age?—A. No.

Q. Would you say that that horse was grey from age?—A. I do not think he was grey from age, no he was not.

Q. Was he grey when you got him?—A. Yes, sir.

Sir CHARLES DAVIDSON: Selfridge should be consulted with this witness. When can you have Selfridge here?

Mr. THOMPSON: He will be here to-morrow.

[Kentville, Horses—Beckworth.]

By Mr. Thompson, K.C.:

Q. Do you know Applegate?—A. Yes, sir.

Q. Is Applegate in court to-day?—A. I do not see him.

Q. Does he live near you?—A. He lives about two miles from me.

By Mr. Sangster:

Q. Does Spurgeon Selfridge live near you?—A. I think he lives five or six miles away.

Q. How long have you known Spurgeon Selfridge?—A. I have known that man for several years.

Q. Is he a horse trader?—A. He is a horse dealer.

Q. Does he make a business of trading in horses?—A. I know he buys them by the carload and sells them again, how far he exchanges them I do not know.

Q. Do you know of his trading old horses?—A. I do not know much of his business.

Q. He has quite a reputation in the community as a horse trader, has he not?—A. I know they go there to get horses from him.

Q. And sometimes they bring them back again to Selfridge after they get them, don't they?—A. I have heard of it, but I do not know how true it was.

Q. Don't they bring them back two or three times, have you not heard of that?—A. Of course, we hear things we are not able to verify.

Q. He has the reputation of being a cheat in horse-trading, has he not?—A. I would not say that.

Q. I will ask you this: would you, on your oath, believe him on his oath?—A. No, not more than any other man.

Q. Would you, as an ordinary man, believe him on oath?—A. Now you are getting me down pretty close.

Q. I do not know what you will say about it but you have heard what Mr. Selfridge said about your horse?—A. I know that my horse was not sprung in the knees.

Q. And you know that Selfridge swore he was?—A. Yes, sir.

Q. Would you believe Selfridge on his oath?—A. He did not know my horse.

Q. Will you on your oath believe Selfridge on his oath?—A. No, I do not, I cannot, my horse was not sprung in the knees.

The witness retired.

ORMOND LYONS, medical student of McGill College, Waterville, sworn:

By Mr. Thompson:

Q. You are a son of Mr. R. D. Lyons?—A. Yes, sir.

Q. You sold a horse to the Government for military purposes I think in August last?—A. My father did.

Q. You sold two horses?—A. My father did.

Q. Are these the two horses he has spoken of this morning?—A. Yes, sir.

Q. I thought it was you who sold the horses?—A. I did most of the talking and the money was paid to him.

Q. Did you do the negotiating, you did the selling for your father?—A. Yes, sir.

Q. Who negotiated with McKay?—A. Both of us.

Q. Both of you did the negotiating with him?—A. Yes, I did the most of it.

Q. What price were you asking for these horses?—A. \$200 apiece.

Q. And with whom were you negotiating?—A. I presume the gentleman was McKay.

Q. You were told it was McKay?—Yes, sir.

Q. Were they good horses?—A. Yes, sir, they were.

Q. What did he pay you for them?—A. \$375 for the pair.

Q. Your father took that money, did he not?—A. He did.

[Kentville, Horses—Lyons.]

Q. What was the conversation you had with McKay about the class of horses they were buying?—A. We presented the horses and he looked them over and asked me what I wanted for them and I said: \$200 apiece, and he said it was too much altogether, that they did not pay \$200 for horses and that they were not going to. I asked him if they conformed to the specifications as contained in the circular and he said they did, that old horses would do just as good to shoot at as these would. He said he did not want these kind of horses. I asked him why he advertised for them if he did not want them and he said he had nothing to do with the advertisement, all he had to do was to buy, and that he could not pay that price for a horse and that he would not pay it. Later he put down in his book \$175 for one and \$200 for the other, I thought it peculiar at the time.

Q. Did McKay have a note book with him?—A. Not at the time he was buying the horses.

Q. When did you see him enter \$200 and \$175 in the book?—A. In the office, after he paid the money to my father; he made a note of this in a little book he had.

Q. What did you see him write down in the book?—A. Merely the figures "175" on one line and the other figures "200" immediately below.

Q. What was the figuring about, do you know?—A. I presume he was putting down the prices of the horses. He put \$175 for one and \$200 for the other.

Q. That would make \$375?—A. Yes.

Q. And that was the price was it not?—A. Yes. But what was peculiar was that he said he did not pay \$200 for a horse and would not pay \$200 and then he put down that price in the book.

Q. Did McKay pay the money to you?—A. No, sir, to my father.

Q. Did you see any other persons getting their money at that time?—A. Yes, sir.

Q. Who?—A. Leo Bourke.

Q. Where does he live?—A. He lives in Cambridge now.

Q. Did you know what Leo Bourke was paid?—A. No, sir.

Q. Did you see Leo Bourke's horse?—A. I saw several of them but I do not know which one he sold that day.

Q. Do you know of any other person who sold horses on that day except Leo Bourke?—A. Yes.

Q. Who else sold a horse that day?—A. I do not know that I could name those who sold but I know there were a number around there.

Q. Can you tell me the names of any persons who actually sold their horses except Leo Bourke?—A. John Chute, Hallett Turner, and John Wilson and Foster.

Q. What other conversation did you have with McKay?—A. There was nothing more except about the price.

Q. What did you say to him?—A. I said that he could not get horses which conformed to the qualifications in the advertisement for the money he was offering, and he said he could not help it that he could not afford to pay more. He offered us a price and said we could think it over and if we decided to take that for the horses all right, but he would not pay \$200. He said he would have to cut down the price of some of the other horses in order to make up for paying such a high price for our horses, because they were the best horses there and the best horses he bought that day.

Q. Did he tell you who gave instructions to him not to go beyond that limit of price?—A. No, sir.

Q. Have you any knowledge of the prices of horses in this district?—A. Not any more than any ordinary individual would have.

Q. You have been away from here for some time?—A. I am away every year.

Q. Were you brought up on the farm?—A. Yes, sir.

Q. Do you know something about the prevailing price of horses last August?—A. I do.

Q. And you saw the specifications for horses contained in the posters?—A. I did.

Q. You observed that the specifications were:

[Kentville, Horses—Lyons.]

Riding horses, five to eight years, 15 to 16 hands high, weights from 1,000 to 1,150; artillery horses, five years to eight years, 15 to 16 hands, weight 1,150 to 1,250; draught horses, five years to eight years, 15½ to 16 hands, weight 1,250 to 1,400; all horses must be sound and of good conformation, free from blemishes and broken to harness or saddle.

What would be the prevailing prices in this district last August for horses that would conform to these specifications?—A. You would do very well indeed to get one below \$200.

Sir CHARLES DAVIDSON: Of any of these classes?

The WITNESS: Yes, to conform with these qualifications.

Sir CHARLES DAVIDSON: In any class?

The WITNESS: In any class, with the qualifications specified there.

The witness retired.

R. T. MORSE, farmer, Berwick.

By Mr. Thompson:

Q. How many horses did you sell to the Government?—A. One.

Q. For military purposes last August?—A. Just one.

Q. You just sold one?—A. Yes.

Q. Who was the buyer?—A. I declare you have me, I did not know the buyer.

Q. Where was the sale?—A. At Berwick.

Q. Was it McKay that bought your horse?—A. I presume likely.

Q. What sort of a man was he?—A. If I remember right he was a man of middle age, very stoutish, a man of dark complexion.

Q. Do you know who the veterinary surgeon was?—A. Yes.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What did they pay you for your horse?—A. \$125.

Q. What was the age of your horse?—A. I cannot rightly tell you, I bought him for twelve years old.

Q. What was his weight?—A. I had him weighed, when he weighed 940 pounds.

Q. What would he weigh when you sold him to the Government?—A. Perhaps 900 pounds.

Q. Had he gone down a little?—A. Well I cannot say that, he improved a little, I owned him twice.

Q. When did you buy him?—A. In 1913, I think.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. By whom were you paid?—A. This man McKay, I think.

Q. What time of the day was the horse examined?—A. I think it would be about four o'clock.

Q. How long after that were you paid your money?—A. I think perhaps about a quarter past five o'clock or somewhere between five and six in the afternoon.

Q. Do you recollect what day of the week it was?—A. I do not.

Q. Where were you paid, were you paid in the office?—A. Yes.

Q. Was anybody else present except McKay when you got your money?—A. Not that I know of.

Q. Do you know who else sold horses on that day?—A. Well in reality I do. No I do not definitely, I heard them say there were other horses sold that day but I do not know about the sale of any other horse.

Q. What examination did the veterinary surgeon give your horse?—A. None.

Q. There was no examination given whatever?—A. No.

Q. Did he look at him at all?—A. Yes, he looked at the horse and said he knew the horse well, and that was sufficient.

[Kentville, Horses—Morse.]

Q. He did not feel his legs?—A. No.

Q. He did not look in his mouth?—A. No.

Q. Did he drive him up and down?—A. No.

Q. Did he ask you to drive him?—A. Yes.

Q. Did you drive him?—A. Yes.

Q. How far did you drive him?—A. I drove him out 25 rods, perhaps and back again.

Q. And he passed him on that examination?—A. Yes.

Q. Did he put a ticket on the horse?—A. Yes.

Q. Did you sign a receipt?—A. No, not a receipt. I signed a sort of a ticket.

Q. Did you read what was on the ticket?—A. I did not even do that.

Q. That is the famous horse named Lincoln?—A. Yes, he was known as Lincoln.

Q. For how many years?—A. I cannot say how many, I have known him for three or four years perhaps.

Q. When did you first own him?—A. I owned him first in 1912.

Q. What did you pay for him?—A. I paid \$175 for him.

Q. Who did you buy him from?—A. I bought him from my brother.

Q. Did you pay him cash?—A. Yes, just the same as cash I considered it.

Q. Well perhaps other people might not consider it the same, what did you pay him?—A. I gave him a horse \$150 and the balance in money.

Q. And you sold that horse again, did you?—A. Yes, sir.

Q. What did you get for him when you sold him?—A. I got \$200.

Q. To whom did you sell him?—A. To the Harrisons at Aylesford.

Q. How long after you sold him did you buy him back?—A. About eight months perhaps.

Q. What did you give for him when you bought him back?—A. I just forget what I gave for him.

Q. Now see if you cannot recollect it?—A. I think I gave \$100 when I bought him back.

Q. Did you pay for him in cash?—A. Well, the same as cash, it was a note that was given by other parties.

Sir CHARLES DAVIDSON: How long after you sold him did you buy him back?

The WITNESS: About nine months, I think.

By Mr. Thompson, K.C.:

Q. You say you bought him back for \$100 cash?—A. Yes, sir.

Q. Did you buy him from the Harris estate?—A. No, sir.

Q. From whom did you buy him?—A. I bought him from Mr. George Wood.

Q. And do you know whether Wood bought Lincoln from the Harris estate?—

A. No, sir, I do not.

Q. He was a race-horse, was he?—A. Yes, I have heard he was.

Q. And broken down, was he not a broken down race-horse?—A. I did not call him so.

Q. Would you say that horse was not fourteen years of age?—A. No, I would not.

Q. May he have been fourteen years of age?—A. I cannot say.

Q. And you say you bought him for twelve years?—A. I bought him for twelve years.

Q. Was that on the first occasion you bought him?—A. I bought him for eleven on the first occasion.

Q. Was that when you bought him from your brother?—A. Yes.

Q. Do you know what your brother paid for him?—A. I think about \$190, but I would not say for sure.

Q. Just before the famous Lincoln passed into the hands of the Government his price went down apparently?—A. Not the least.

Q. Well, you paid only \$100 for him?—A. That depends a good deal on who has the horse and whether the man who has him wants to sell him or not, I did not consider his price had decreased any.

[Kentville, Horses—Morse.]

Sir CHARLES DAVIDSON: When did you first buy that horse?

The WITNESS: In 1913.

Sir CHARLES DAVIDSON: And you bought him for eleven years old then?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: And you say he was not 14 years old then?

The WITNESS: I was indifferent about his age, I just bought him.

By Mr. Thompson, K.C.:

Q. Did the veterinary surgeon ask you how old the horse was when you were selling it to the Government?—A. No, sir.

Q. Did he ask you whether he was sound or unsound?—A. No, sir.

Q. How much was he gone in the knees?—A. Very little.

Q. What do you call a little?—A. I called the horse fit to ride up and down our mountain roads here, and across fields or any place I might use him. He was not very badly gone in the knees when he could do that without stumbling.

Q. Did you notice the spring in the knees?—A. Very little when he was standing.

Q. Did his knees tremble?—A. At times.

Q. How was his wind?—A. All right when I had him.

Q. What about his spavins?—A. He had none.

Q. Had he no spavins at all?—A. No.

Q. You are Reuben Morse?—A. Yes.

Q. The reason I ask you is because Spurgeon Selfridge gave testimony about your horse before the Public Accounts Committee in the House of Commons and I want to see whether you contradict it or not. At page 882 of the proceedings before the Public Accounts Committee, Spurgeon Selfridge was asked:—

Q. Now then, what about Mr. Reuben Morse's horse?—A. Yes, I know him.

Q. What do you think his horse is worth?—A. He was a little bay horse, I know him very well, I have seen him race lots of times.

Q. All I want to know is what you consider him worth?—A. He was a horse sprung in the knees, he was a horse ten years old, a horse called Lincoln.

Q. What do you consider he was worth, the way horses were selling that day, compared with your horses?—A. Well, Lincoln, this was Lincoln, the horse Mr. Morse had, was a little bay race-horse. He was sprung in the knees and was ten years old. I do not think he had any other blemishes. I have seen him race several times.

Will you agree with that, Mr. Morse?—A. I will agree that he was a horse called Lincoln.

Q. And you go Spurgeon Selfridge one better as to his age?—A. Yes, I would say he was one better, I would say that to my estimate his age was somewhere near what I stated.

Q. That would be about twelve years?—A. That was at the time of my having him, yes.

Q. Selfridge says that your horse was worth \$80 or \$90 and you paid \$100 for him?—A. I do not think Mr. Selfridge knows my horse at all.

Q. He said your horse was worth about \$80 or \$90 and you tell us you paid about \$100 for him, his estimate is not far wrong is it?—A. It is quite a lot out.

Q. How far, only ten dollars?—A. Yes, he is about sixty dollars out.

Q. Why do you say \$60 out when you claim you only paid \$100 for him?—A. He was good value for \$150.

Q. How did you come to get him for \$100?—A. You will have to inquire from the man I bought him from.

Q. At any rate you bought him for \$100 just before you sold him to the Government?—A. Oh no, a little time before.

Q. How long before?—A. Perhaps two months before.

Q. And besides improving his age how else did you improve that horse and make him worth \$150?—A. I improved his condition to look better.

Q. By cramming him with food?—A. Not altogether.

Q. Well how did you improve the horse?—A. By nourishing him a little.

Q. Is that all you did to him?—A. I would say that was about all, that was the most I could make of such a horse.

Q. Did he go lame at all?—A. Never to my knowledge.

Q. Did he appear to be lame that week that you sold him?—A. No.

Q. Used not that horse to fall down?—A. I never knew him to stumble.

Sir CHARLES DAVIDSON: Selfridge says he did fall down.

By Mr. Thompson, K.C.:

Q. You think he really was worth \$150?—A. I would be glad to own him at \$150.

Q. Then why did you sell him for \$150?—A. I had a good feeling for the horse, that is why I bought him back.

Q. Is that why you sold him?—A. No, I thought perhaps he would never return again to be beat around in a fish-wagon or meat-cart. .

Q. Is that why you let him go cheap?—A. That is it. I did not need him, I had two others.

Q. Selfridge at page 882 of the evidence before the Public Accounts Committee was asked this question:—

Q. Did you ever see him fall down?—A. I did.

I just call your attention to that in order to emphasize the question which the Commissioner asked you as to whether, when you were driving him, he had ever fallen down?—A. No, I think that fall down that Mr. Selfridge is speaking about occurred at Aylesford race track. I think there are men here who will give you better information about that than I can. He was a nervy ambitious horse and I think they had him hobbled and the horse tripped in his hobbles.

Q. While you had him and were driving him you say that in the course of ordinary driving you never saw him fall?—A. I would like to say further, that I think I can bring perhaps we might say five different owners of Lincoln that will give you probably a little better estimate of his value than I have given you.

Q. And you say he was sprung in the knees?—A. That was the only thing.

Q. His wind was all right?—A. As far as I knew, it was.

Q. And you think he was twelve years old?—A. I would not say about that, I told you what I got him for.

By Mr. Sangster:

Q. Do you know this Mr. Spurgeon Selfridge?—A. Yes, sir.

Q. You heard his reputation and occupation given by another witness a few minutes ago?—A. Yes.

Q. Is that not correct?—A. Well, I would think, according to all appearances, that it is quite correct.

Q. You had better state in definite form what that description was, he is a horse-trader?—A. I think he sometimes trades horses, although I would not like to say, he deals in horses largely.

Q. That sounds better than trading horses?—A. I suppose so.

Q. But it involves trading horses?—A. Yes.

Q. He has a reputation in the county?—A. I think so.

Q. From your knowledge of him and his reputation in the community, would you on your oath believe him on his oath?—A. Well, in regard to my horse, I would not.

Q. Mr. Selfridge stated before the Public Accounts Committee, according to page 882 of the evidence:

“Q. What would you consider the value of that horse, I am only asking you as to his value?—A. I would not know hardly how to put a valuation on that horse, he was not a worker.”

[Kentville, Horses—Morse.]

Is that statement true?—A. He was one of the finest working horses that ever worked, single or double.

Q. How long do you say you had driven this horse and known him? Take the different occasions on which you owned him?—A. I owned him two different times. I owned him for two months the last time and I owned him for six months before that.

Q. During the six months that you owned him what did you do with him?—A. I worked him and drove him practically all the time.

Q. What did you work him at?—A. Plough, cultivator, hauling wood, anything you could mention.

Q. Did you drive him much?—A. Yes, quite a little.

Q. How far?—A. I have driven him perhaps fifty miles.

Q. Have you ever known him during that time to fall down?—A. Never, I never knew him even to stumble.

Q. Nor to show any defect in his working owing to any difficulty in his knees?—A. Never.

Sir CHARLES DAVIDSON: You stated Mr. Morse that Dr. Chipman spoke of his knowing the horse well?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Where did Dr. Chipman live, where did he practise as a veterinary surgeon?

The WITNESS: I think in Kentville, a while.

Sir CHARLES DAVIDSON: He was in that locality, was he?

The WITNESS: I think so.

By Mr. Thompson, K.C.:

Q. Had you known Chipman for some time?—A. No, not very long, I had known him.

Q. How long did you know him?—A. Perhaps about 15 months or 18 months or something like that.

Sir CHARLES DAVIDSON: What did you consider Dr. Chipman as a practitioner?

The WITNESS: I declare I cannot tell you. I am not very gifted to employ vets anyway, in fact I do not know of any case he has worked on. I may say that I do not keep that kind of horse that Selfridge spoke about, I keep a good class of horse.

The witness retired.

ROY CLARKE, farmer of Lakeville, sworn:

By Mr. Thompson:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. Did you sell more than one or just one?—A. Just one.

Q. Who was the buyer?—A. I think it was McKay but I am not sure.

Q. Who was the veterinary surgeon?—A. Dr. Wood.

Q. Where did you sell your horse?—A. At Kentville.

Q. What price were you paid for the horse?—\$180.

Q. What was the age of your horse?—A. Nine years old.

Q. What was his weight?—A. Between 1,300 and 1,400 pounds.

Q. How were you paid, were you paid by cheque or by cash?—A. Cash.

Q. By whom were you paid?—A. I do not know the man's name that paid me, it was not the man that bought the horse, that man did not pay me.

Q. What did the man look like that paid you, do you know Mr. Oakes?—A. I have seen Mr. Oakes.

Q. Was it Mr. Oakes who paid you?—A. No, sir.

Q. Was it Woodworth or Keever who paid you?—A. It may be Keever, it was not Woodworth.

Q. Do you know Keever?—A. No, sir.

Q. Do you know Woodworth?—A. No, I am not acquainted with him, I do not know as I ever seen him.

Q. What makes you think it was not Woodworth?—A. I heard them say it was Keever and McKay the two of them, and they were strangers to me both of them.

Q. Was McKay there at the time?—A. I think it was McKay bought the horses.

Q. And another man paid you?—A. Yes, sir.

Q. What time of the day was the examination made of your horses?—A. Between four and five o'clock.

Q. When were you paid?—A. Shortly after, maybe fifteen minutes after.

Q. Did you see any one else receiving their money?—A. No, sir.

Q. You saw nobody else?—A. No, sir.

Q. What examination did the veterinary surgeon give your horse?—A. Well he looked him over quite carefully.

Q. Did he examine his teeth?—A. I think so.

Q. Did he move him about?—A. He walked him about the yard.

Q. Did he make you trot him about the yard?—A. I led him.

Q. Was your horse sound?—A. Yes, sir.

Q. Quite sound?—A. Yes, sir.

Q. Had he any blemishes?—A. No, sir.

Q. Had he any spavins?—A. No, sir.

Q. Did you pay any part of that money to Keever or to the veterinary surgeon or to any other person in connection with the sale of your horse?—A. No, sir.

Q. Nor by way of commission to anybody?—A. No, sir.

Q. Did you pay any commission or any rebate to anybody?—A. No.

Q. Did you at any time tell any person that you had paid a commission to sell your horse?—A. No, sir.

Sir CHARLES DAVIDSON: Have you the name of the person upon which you found that question; can you suggest the name?

Mr. THOMPSON: I was requested to ask the question by Mr. Sangster.

The witness retired.

HENRY J. CHUTE, already called, recalled:

By Mr. Thompson, K.C.:

Q. Do you recollect any more particulars about your horse since yesterday, as to how many years you had him for example?—A. The mare you mean?

Q. No, the one that your son sold?—A. No.

Q. You recollect nothing more?—A. Nothing more.

Q. Do you know Robert Palmeter or Palmer?—A. Yes.

Q. Do you remember telling him last summer that you did not know what to do with that horse—I am referring now to the horse which your son sold—that you were going to have him shot?—A. No.

Q. Do you remember saying that you did not know what to do with him and not remember.

Q. Do you remember saying that you did not know what to do with him and that you would have to destroy him?—A. No, I do not remember telling him any such thing.

Q. Do you remember having any conversation to that general effect?—A. I do not remember having had any conversation with Mr. Palmer.

[Kentville, Horses—Chute.]

Q. Do you remember telling him that, and that you said you would do so because the horse had difficulty in getting up when he was down?—A. I do not remember having any conversation with Mr. Palmer.

Q. Will you say you did not have any such conversation?—A. I do not think so.

Q. Will you say that you did not have any such conversation?—A. I do not remember of any such conversation, I do not know why I should say it.

Q. Will you say that you did not have any such conversation with him?—A. Well I have given the answer, I will not say that I have not, but I do not remember any such conversation. I do not remember of any such conversation with Mr. Palmer.

Q. Do you know A. S. Banks?—A. Yes, sir.

Q. Do you remember telling him a year before you sold the horse that you did not know what to do with him, and you asked Banks what you could do with him because he could not get up and he was practically useless?—A. I do not remember telling him that.

Q. Will you say you did not?—A. No, I will not say I did not, but I do not remember telling him any such thing.

Q. You do not remember telling him any such thing?—A. No, I will not say I did not.

Q. Could you jog your memory a little now, because you will have to stay over night and I will have to call some more of these men if you do not recollect better than you are doing; do you know Ernest Bishop?—A. Yes.

Q. He is a neighbour of yours?—A. Yes.

Q. Do you remember his having helped you up with that horse when he was on the ground or when he was lying down?—A. No, I do not, he possibly may have done so when I was not present. I do not remember anything about it.

Q. Do you know Andrew Morton?—A. Yes.

Q. Did he ever help you up with that horse?—A. I do not think so.

Q. Is he a neighbour of yours?—A. Yes, well he lives a mile away.

Q. Did he ever own this horse?—A. I think he did.

Q. How long had he had him?—A. I cannot say.

Q. Did he ever tell you how long he had him?—A. No, he owned him for a short time.

Q. Only a short time?—A. Yes.

Q. Did he tell you why he wanted to sell him?—A. No, he did not. I do not know as he ever did.

Q. Do you know Levi Porter?—A. Yes.

Q. Did he ever help you up with that horse?—A. No, sir.

Q. Are you sure?—A. Sure.

Q. How many people have helped you to get that horse on his feet?—A. That horse, as I informed you, had got into the mud—

Q. I do not want to know the history about that horse, I want to know how many people helped you to get that horse to his feet when he was lying down?—A. I cannot tell you, I am sure.

Q. Make a guess at it, tell me now how many you think?—A. Perhaps two or three.

Q. Can you give me the names of the two or three?—A. Maybe Mr. Palmer did, I do not know, I do not remember of him.

Q. Then don't put him down, I want you to give me the names of those you know who helped that horse to get on his feet?—A. There is only one. I know of.

Q. Who is that one?—A. That is Fred Pelton.

Q. Where does Fred Pelton live?—A. In Somerset.

Q. How many times did Fred Pelton help you to put that horse on his feet?—A. I do not know, once or more.

Q. How many times more than once did he help you to get that horse up on his feet?—A. I cannot say how many times.

Q. Did he help you five times to get that horse on his feet?—A. Perhaps so.

[Kentville, Horses—Chute.]

Q. Did he help you more than five times with him?—A. I do not know as he did.

Q. Did he help you four times to get that horse on his feet?—A. Very likely, yes, sir.

Q. Did I hit the right number when I said five times, or was I wrong?—A. I will not say it was five times.

Q. Was it more than five times?—A. I do not think so.

Q. Did he ever help your son to get that horse on his feet in addition to the five times he helped you?—A. I presume not.

Q. How many times did you and your son get that horse up on his feet when he was lying down?—A. We were not always present at the same time.

Q. Perhaps you could get the animal up sometimes by yourself?—A. It took very little to get him up.

Q. That is not the question I am asking you, will you answer my question?—A. Yes, sir.

Q. Did you sometimes get him up yourself?—A. Yes, sir.

Q. How many times did the horse get on his feet with only your own individual assistance?—A. I cannot tell you that either exactly.

Q. How many times could he get on his feet without your assistance?—A. Perhaps once or twice.

Q. Did you always have to assist him up for years?—A. Not at all.

Q. Are you telling me that once or twice you had to call in some assistance other than your own in order to get the horse up on his feet?—A. The party I was telling you about was the man on the place.

Q. Who was the man on the place?—A. Fred Pelton.

Q. How long has he been on your place?—A. Three years mostly about.

Q. Did Fred Pelton ever tell you how many times he got that horse up unassisted?—A. No.

Q. What did he say to you about the horse not being able to get up himself?—A. I do not know.

Q. What did he ever say to you about it?—A. I do not know as he said anything.

Q. Do you know that he had to help him up practically every day?—A. Certainly not.

Q. How many times a week did he have to help the horse up?—A. Before the horse was sold he did not have to be helped up at all.

Q. How long before he was sold did he not have to be helped up?—A. About a month before.

Q. And taking that month out, how often did he have to be helped on his feet?—A. Well it is impossible to answer just exactly that question.

Q. I will give you lots of latitude, tell me approximately how often?—A. May be once a month.

Q. Will you say it was not more than once a month?—A. I would not say that, it would be perhaps different times, may be once a month or may be more, probably it might not be once a month.

Q. You were the owner of that horse and I want to know from you how often that horse had to be helped on his feet when he was lying down?—A. You are mistaken about my being the owner of the horse.

Q. Possibly I may, but you told two different stories and I do not know which one quite to believe. Whether you owned him or whether your son owned him does not matter a great deal anyway, but you and your son had him in your stable?—A. Sure.

Q. Is not that so?—A. Yes, sir.

Q. And you ought to know something about it?—A. Yes.

Q. How often did he have to be helped up?—A. How often?

Q. Yes.—A. Well not every time that he laid down.

Q. How often did he lay down?—A. That is a hard question to answer.

Q. Did he lie down every night?—A. Probably, but I do not know.

Q. Did you see him in the morning lying down?—A. Sometimes.

[Kentville, Horses—Chute.]

Q. Was he practically always lying down when you went into the stable in the morning?—A. Not always.

Sir CHARLES DAVIDSON: Are you subpoenaing these other witnesses?

Mr. THOMPSON: There will be other witnesses on this point. (To the witness): If I get a satisfactory answer from you, Mr. Chute, you may leave, but if not I will require you to stay here, and your son as well.

By Mr. Sangster:

Q. You own a farm, Mr. Chute, as you told us?—A. Yes.

Q. And your son owns a portion of that farm?—A. Yes.

Q. How long ago did he buy that?—A. About three or four years ago.

Q. How much did he pay for it?—A. About \$5,000.

Q. And to whom did he pay that money?—A. To myself.

Q. Has he worked that portion of the farm since that time?—A. Yes.

Q. And you work your portion of the farm?—A. Yes.

Q. You exchange work?—A. Yes.

Q. And you live in the same house?—A. Yes.

Q. You assist him in his part of the farm and he assists you in your part of the farm?—A. We work it as one farm.

Q. He is the only boy at home?—A. Yes, sir.

Q. In addition to his having a portion of the farm, what did he have by way of horses?—A. He had stock.

Q. What horses?—A. This horse.

Q. That is the horse we have been talking about?—A. Yes, sir.

Q. And he kept that horse in your stable?—A. Sure.

Q. Just as he lives in your house—on whose part of the farm was the stable, was it on your part or was it on the part that you sold him, or was it part on each portion?—A. The stable was on the farm.

Q. And the homestead also?—A. Yes.

Q. When he bought this portion of the farm was it divided up?—A. No, sir.

Q. He bought the title instead of the farm?—A. Yes.

Q. What interest did he buy?—A. One-half.

Q. Is your son married?—A. Yes, sir.

Q. And he lives in the house with your wife and yourself?—A. Yes, sir.

Q. How long had this horse difficulty in getting into a standing position when he was lying down? We heard of the age of the horse, now what sort of a horse was he?

Mr. THOMPSON: He said he was ambitious.

The WITNESS: He was an ambitious, serviceable horse.

By Mr. Sangster:

Q. Was he a big horse or a little horse?—A. A good-sized horse.

Q. Was he a team horse or not?—A. He was a team horse and a driving horse.

Q. Could you fix the date or the occasion on which he first got into a place where he had difficulty in getting up?—A. No, I cannot.

Q. Could you give me the cause of it?—A. Yes, sir.

Q. What was it?—A. The cause was that he was ploughing in soft land, very soft land, and he being on the off side it was very soft there and he got down to his gambles and his cords were strained to a certain extent, and after that—

Q. Just a minute, now, how long ago would that be?—A. That would be probably the year before.

Q. Up to that time, had he ever shown any difficulty in getting up?—A. Not the least.

Q. And immediately that he had that difficulty?—A. Certainly.

Q. He did have difficulty after that?—A. Yes.

Q. Was it frequent, would you have to help him on to his feet often?—A. Not frequently, but if he would lay he would have to be raised a very very little you know.

[Kentville, Horses—Chute.]

Q. When he was up was he able to work?—A. Most assuredly, as serviceable a horse as ever was.

Q. I want to know if that difficulty in raising up disappeared previous to your selling the horse, and if so how long previously?—A. Well say a month previously.

Q. And at the time of your selling him, and for a month previous to that he was not suffering from this difficulty in getting up?—A. No, not that I know of.

Q. I want you to tell me, was he or was he not?—A. No.

Q. Did you hurt him by driving that month?—A. No.

Q. Did any one help him up during that month that know of?—A. No.

Q. And the difficulty had disappeared?—A. Practically disappeared.

Sir CHARLES DAVIDSON: This is a serious investigation and I notice some people are laughing in the court-room; it may be that the court-room will have to be cleared.

Mr. THOMPSON: You and your son had better be here in the morning, Mr. Chute, and your neighbours will be here to answer questions about that horse.

The Commission adjourned until to-morrow morning, Wednesday, August 11, at 10.30 o'clock.

KENTVILLE, N.S., Wednesday, August 11, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,

Commissioner.

JOHN THOMPSON, K.C.,

As Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

The Commission met this morning at half-past ten o'clock. . . .

At the sitting of the Commission.

Mr. THOMPSON, K.C.: Mr. Commissioner, Mr. H. J. Chute wishes to make a statement before I proceed to business.

Mr. H. J. CHUTE: May I be permitted to offer for your consideration briefly the following: That after due consideration I regret exceedingly that my son was induced to offer his horse for sale to the Government and I also regret that the veterinarian, whom he considered the judge, passed him. My son nor myself have made no false statements and still affirm that the horse was a serviceable one. I have not in the least any desire to defraud the Government, and especially so at this critical time in the history of the Empire. I consider that my standing in the community is of much more importance and far outweighs the price of the horse, and I will forward, with your permission, to the Militia Department, my cheque for the amount of the purchase.

Sir CHARLES DAVIDSON: I will read your statement and give it all reasonable consideration.

Mr. H. J. CHUTE: I would ask Mr. Thompson if he would call the witness I spoke of yesterday.

Mr. THOMPSON: What is his name?

Mr. H. J. CHUTE: Fred. Pelton, he is one that is acquainted with this horse, has worked with him, and driven him, and fed him, and was with him when he had his accident.

[Kentville, Horses—Chute.]

FRED PELTON, farm hand, Somerset, sworn:

By Mr. Thompson, K.C.:

Q. Are you in the employ of Mr. Henry J. Chute and his son?—A. Yes, sir.

Q. How long have you been employed by them?—A. Since 1910.

Q. Have you been employed by them continuously since 1910?—A. Yes, during the summer months.

Q. When do you start work for them each year?—A. I work for them somewhere between seven and eight months about in a year.

Q. You say that you work for them seven or eight months each year?—A. Yes, sir.

Q. How many months did you work for them last year?—A. I cannot just exactly tell you the very months, but probably about seven and a half months.

Q. About when did you start working for them last year?—A. About the first of April.

Q. Do you know of the horse which Henry J. Chute's son sold for military purposes last August or September?—A. Yes, I know of him.

Q. He had difficulty in getting up once he would lie down?—A. Well he had a little, yes.

Q. How many times from April of last year up to the time he was sold by Chute did you or any other person help Chute to get that horse on his feet?—A. That would be exactly hard to tell how many times.

Q. Why, was it so often that you cannot remember?—A. No, it would not be so very often during the whole season, it was not very many times.

Q. Whenever he would lie down would he have to be helped up?—A. Not every time, he was always up in the morning, you would hardly ever catch him lying down in the morning.

Q. Did you ever see him lying down when he could get up without being helped?—A. Yes.

Q. How many times was he able to rise to his feet without assistance when he was lying down?—A. I should judge three or four times.

Q. During the summer?—A. Yes.

Q. How many times did you have to help him up?—A. It would be three or four times during the summer.

Q. Would that be all?—A. I should think that would be all.

Q. Not more than that?—A. No, he had gone a month without lying down. Sometimes he would be working hard and that might cause him to lie down and not be able to get up, it was a sort of a strain he got in one leg, it was that that hurt him.

Q. If he was worked hard would he lie down?—A. Yes.

Q. Did you ever see him get on his feet, after lying down, without assistance?—A. Yes.

Q. How many times?—A. I could not say how many times.

Q. Was that the only occasion on which you saw him lying down when he was able to get up without any assistance?—A. Yes, he was a great horse to roll.

Q. Do lots of horses lie down when they are in the barn?—A. Oh, yes.

Q. Did you see him lying down in the barn?—A. The horse was generally up in the morning.

Q. Did you have to help him up immediately before Chute sold him?—A. No.

Q. Was he better up to that time?—A. I think he was a lot better for a month or so or thereabouts.

Q. How long had he been affected with this ailment which prevented him rising to his feet after once lying down?—A. I think it was the year before.

Q. During the year before did he have to be helped up?—A. When he first got the strain it would be in the fall and that would be the next spring.

Q. How many times?—A. Only a few times and he seemed always lively.

Q. What do you call a very few times?—A. Probably once or twice or something like that, he would get a little better sometimes.

Q. And you now say that you did not help that horse up, or others did not help that horse up, when he was lying down, more than half a dozen times altogether?—A. I should think so.

Q. Is that your view?—A. That is my view.

Q. How many times did others help him up?—A. There was only one man that I know of that was helping him up.

Q. Who was that?—A. That was Mr. Palmer.

Q. How many times did he help you up with him?—A. Only once.

Q. How long did Mr. Chute have that horse?—A. I do not know.

Q. Did he ever tell you how long he had him?—A. No.

Q. Did he ever tell you how old that horse was?—A. No.

Q. What did you think the age of that horse was?—A. I cannot tell you.

The witness retired.

C. H. APPLEGATE, harness-maker and traveller, Berwick, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. I did.

Q. How many horses did you sell?—A. I sold only one.

Q. Did you sell a horse for any other person?—A. No.

Q. Who bought that horse?—A. The Government bought him.

Q. Do you know the man that bought him?—A. I forget his name, the one that was buying in Berwick.

Q. Would you know the name if I told you?—A. Yes.

Q. Was it McKay who bought the horse?—A. Yes.

Q. Do you know who the veterinary surgeon was?—A. I forget the name.

Q. Was it Dr. Chipman or Dr. Wood?—A. They told me it was Dr. Chipman.

Q. What price were you paid for that horse?—A. \$175.

Q. Were you paid by cash or by cheque for the horse?—A. I was paid by cash.

Q. What was the age of that horse of yours?—A. The horse was put down as seven, the right age of him was six odd.

Q. What was the weight of that horse?—A. About 1,150 pounds.

Q. At what time of the day was that horse examined by the veterinary surgeon?—A. I could not exactly say the time, it was in the afternoon.

Q. Was it before three o'clock or after three o'clock in the afternoon?—A. Before three o'clock.

Q. When were you paid for the horse?—A. I was paid about an hour after the horse was examined.

Q. Who paid you the money?—A. McKay.

Q. Do you know any others who received their money at the same time you did?—A. Yes, Mr. Beckworth.

Q. Is that Archie Beckworth?—A. Yes, there were others paid the same time.

Q. Do you know who else besides Archie Beckworth were paid?—A. No, sir, I did not know the name of many of them there because I was a stranger, I was from St. John.

Q. What examination did the veterinary surgeon give to your horse?—A. None at all that I could see. My residence is at Berwick, but I was travelling for a firm in St. John and I was using that horse in my business when travelling.

Q. Did the veterinary surgeon move the horse about or make you move the horse about when he was examining him?—A. No.

Q. Did the veterinary surgeon feel his legs?—A. No.

Q. Did he examine his teeth?—A. I do not believe he did.

Q. Did he get you to sign a receipt?—A. I signed a receipt after I got the money.

[Kentville, Horses—Applegate.]

Q. Did they put a ticket on your horse?—A. Yes, sir.

Q. Did you pay any part of that money to the veterinary surgeon or to McKay?—
A. Not at all, sir.

Q. Did you give any part of that money which you got as commission to anybody?
—A. No, sir, I did not.

Q. Was your horse sound?—A. The horse was sound in every particular and a good horse and he cost me \$190.

Q. How long did you have him?—A. I had him about 12 months.

The witness retired.

FRED CREIGHTON, farmer of Aylesford, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August?—A. I did.

Q. Did you see the poster that was put up asking for horses for military purposes?
—A. Yes.

Q. Did you read it?—A. I did.

Q. How many did you sell?—A. One.

Q. Where did you sell the horse?—A. At Berwick.

Q. Did you sell only one?—A. Only one.

Q. Who was the buyer?—A. I think it was McKay.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price were you paid?—A. \$165.

Q. What was the age of your horse?—A. Fourteen years.

Q. What was his weight?—A. 1,100 pounds.

Q. How were you paid, by cheque or by cash?—A. By cash.

Q. When was your horse examined?—A. At Berwick.

Q. What time of the day?—A. Somewhere about two o'clock, I should judge.

Q. When were you paid?—A. About an hour after.

Q. Who paid you?—A. I suppose it was Mr. McKay.

Q. Did he paid you in cash?—A. Yes.

Q. Did you see any others get their pay at the same time?—A. No, there was no one allowed in.

Q. Where were you paid? In an office?—A. Yes.

Q. What examination did the veterinary surgeon give your horse?—A. He looked around him casually and looked in his mouth.

Q. Did he examine his legs?—A. I don't know that he felt them. He looked at her.

Q. Was your horse hitched to a vehicle?—A. No, I had her on a halter.

Q. Did you move your horse around for the vet. or did he?—A. No, he just looked at her standing.

Sir CHARLES DAVIDSON: Did he examine her teeth?

The WITNESS: Yes, he looked in her mouth.

Sir CHARLES DAVIDSON: He didn't move the horse around?

The WITNESS: No.

Sir CHARLES DAVIDSON: He didn't feel her legs?

The WITNESS: I would not say he didn't. I don't remember.

By Mr. Thompson, K.C.:

Q. Did you pay any part of the money to Chipman?—A. No.

Q. Or to McKay?—A. No.

Q. Or to anybody?—A. No.

Q. By way of commission?—A. None whatever.

Q. You didn't pay any commission whatever to anybody?—A. Nothing whatever.

Q. Did you make any representations to Chipman as to the age of your horse?—

A. I told him fourteen years.

Q. What did he say?—A. He made some remark that he thought she was older. I said: no, I have had the horse two years and that is her age, as far as I know.

Q. You are sure you told Chipman the age was fourteen?—A. I am absolutely sure I told him the age was fourteen.

Q. Did McKay tell you why no one was allowed in the office at the time?—A. No one, not more than one.

Q. What size was the office?—A. About 10 x 12, one of those warehouse offices.

Q. Who was with him?—A. I think he and I were in alone.

Sir CHARLES DAVIDSON: What as to soundness?

By Mr. Thompson, K.C.:

Q. Was your horse sound?—A. As far as I know she was sound.

Q. Would you look at this ticket, No. 127, and say if this is your signature?—

A. Yes.

Q. The age entered on this ticket No. 127 is eleven?—A. Well, that is three years younger than I gave.

Sir CHARLES DAVIDSON: I beg pardon.

Mr. THOMPSON: Witness says the age entered on this ticket, namely eleven years, is three years less than the age he gave to Chipman.

The WITNESS: That is true.

Sir CHARLES DAVIDSON: How much did you pay for her two years previously?

The WITNESS: I paid \$125.

By Mr. Thompson:

Q. Was Foster present when the sale was taking place?—A. No.

Q. How long ago did you pay the \$125 for that horse?—A. It was in the spring of 1912 or 1913, I am not sure just which.

Q. What did you ask for the horse?—A. I asked him \$200.

Q. How did you eventually arrive at \$165?—A. He offered me \$165 and I accepted it.

Sir CHARLES DAVIDSON: How did you know what his age was?

The WITNESS: No more than by the age given me by the man I bought him from.

Sir CHARLES DAVIDSON: Are you aware, Mr. Thompson, as to what the instructions of the Department were with respect to the age limit?

Mr. THOMPSON: Except by the poster, sir. The poster called for horses from five to eight years.

Sir CHARLES DAVIDSON: Was there any slackening of that regulation?

Mr. THOMPSON: I have no information on that point.

Mr. SANGSTER: I am instructed that there was.

Sir CHARLES DAVIDSON: Have you the information now?

Mr. SANGSTER: I think we could find it.

Sir CHARLES DAVIDSON: Well, if you would. Can we be informed as to the means of ascertaining the age of a horse. Do you know, witness?

The WITNESS: I cannot tell you, except that it is a difficult matter.

The witness retired.

NORMAN DEMPSEY, farmer of Morden, sworn:

By Mr. Thompson:

Q. Did you sell a horse to the Government for military purposes last August?—

A. I did.

Q. How many?—A. One.

Q. Did you sell any for anybody else?—A. I sold this mare for my uncle.

Q. Did you sell any other horse for any one else?—A. No.

Q. Who was the buyer?—A. I do not know the man.

Q. Did they tell you who he was?—A. No.

Q. Where did you sell him?—A. At Kingston.

Q. Did you hear the man's name?—A. No, I did not at the time.

Q. Who was the veterinary surgeon?—A. I do not know him.

Q. Did you hear his name at the time?—A. Not at the time, no.

Q. What was the price?—A. \$165.

Q. What was the age of the horse?—A. Five years old.

Q. What was his weight?—A. About 1,100 I should think.

Q. Were you paid the money?—A. Yes.

Q. How much?—A. \$165.

Q. In cash?—A. Yes, sir.

Q. What time of the day was your horse examined?—A. Shortly after eleven o'clock—after the express got in.

Q. How long after that were you paid?—A. Probably a couple of hours.

Q. Where were you paid?—A. In the room in the hotel.

Q. Was anybody else present when you got your money?—A. Well, I don't know, there were some people coming in but I don't know if there was any one present then.

Q. Did you see anybody else get their money?—A. No, sir.

Q. What examination did the veterinary give your horse?—A. He walked all around her, looked at her, told me to jog her down a couple of rods, and I paced her up four or five rods and back. He hit her a couple of slaps on the rump, quite hard, and I think looked in her mouth.

Q. Was the horse sound?—A. As far as I know.

Q. How long had your uncle owned that horse?—A. Why I think he bought her when she was a colt, taken off the mare.

Q. Had he owned her ever since?—A. Yes.

Q. What is the name of your uncle?—A. William Findlay.

Q. Did you hand all the \$165 to your uncle?—A. Every cent, just as they gave it to me.

Q. Did you see Mr. Foster at Kingston that day?—A. No.

Q. Did you sign a receipt?—A. I think I signed a receipt of some kind, when I got the money.

Q. How much did you ask for the horse?—A. \$180.

Q. What did they offer you?—A. A. \$165.

Q. And you sold at that?—A. Yes.

Q. Had you any instructions from your uncle as to what you could sell at?—A. No, he did not tell me what to sell at.

Q. Did he tell you the lowest price you could accept?—A. I think he said \$160.

Q. And was \$165 the sum that the buyer offered you?—A. Yes, that is what he offered me and I took it.

The witness retired.

J. E. HORSNELL, Victoria Harbour, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir, I did.

Q. Did you sell any for any person else?—A. No, sir.

Q. Where did you sell him?—A. At Berwick.

Q. Who was the buyer?—A. I cannot tell you the man who was buying.

Q. Did you hear his name?—A. I think I did.

Q. What did you hear?—A. I do not remember.

Q. Would it be McKay?—A. I think so.

Q. Did you know who the veterinary was?—A. Chipman, I think.

Q. What were you paid?—A. \$175.

Q. What was the age of your horse?—A. Five years.

Q. What did he weigh?—A. I never had him weighed but I think somewhere between nine and ten hundred.

Q. Were you paid by cash or by cheque?—A. By cash.

Q. What time of day was your horse examined?—A. Pretty near night.

Q. About what time of the day?—A. Near about sundown. Maybe it would be seven o'clock.

Q. When were you paid?—A. Why as soon as I sold the horse.

Q. What examination did the veterinary give him?—A. He looked in her mouth and looked around her and did not examine her very much.

Q. Did he make you drive the horse up and down or did he do it?—A. No, sir.

Q. Did anybody?—A. No one.

Q. Did he feel her legs?—A. I could not say he did.

Q. Did he look in her mouth?—A. Yes.

Q. Was your horse sound?—A. As far as I know.

Q. How long had you had her?—A. About six months.

Q. Where did you buy her?—A. I bought her from Mr. Bowlby.

Q. Which Mr. Bowlby?—A. Fred Bowlby.

Q. What did you pay for her?—A. \$135.

Q. Did the horse have any spavins?—A. No.

Q. Any blemishes?—A. Not that I know of.

Q. Was she lame?—A. No, sir.

Q. How long had you had her?—A. About six months.

Q. How much did you ask for this mare?—A. I asked \$175.

Q. Did he offer you any less sum?—A. No.

Q. He just paid you?—A. Yes.

Q. Was there no discussion about price?—A. Not a bit.

Q. As soon as you asked \$175 he paid you?—A. He told me to put her in the barn and come and get my money, and I did it.

The witness retired.

HARDING THOMAS, caretaker, Kelly Villa, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. I did.

Q. How many?—A. Two.

Q. Did you sell any for any other person?—A. I did.

Q. For whom did you sell?—A. I sold one for Mrs. Kelly.

Q. Where does she live?—A. In New York.

Q. Any others?—A. I sold one of my own.

[Kentville, Horses—Thomas.]

Q. That is the one you have spoken about. You said you sold one of your own?
—A. Yes, and I said I sold one for Mrs. Kelly, that is all. I sold two, two altogether, including my own.

Q. Where was the sale?—A. In Berwick.

Q. Who was the buyer?—A. They told me he was a Mr. McKay.

Q. Who was the veterinary?—A. They said he was a Mr. Chipman, I never saw the gentleman before.

Q. What were you paid for your own horse?—A. \$140.

Q. What were you paid for Mrs. Kelly's?—A. \$175.

Q. What was the age of your own horse?—A. Eleven years was what I got her for.

Q. How long did you have her?—A. Two months.

Q. Did you have your horse examined before you bought her?—A. No, I did not.

Q. Did you examine her yourself?—A. Yes, I looked at it when I was getting it.

Q. Were you satisfied she was eleven years old?—A. Yes, I was satisfied with it.

Q. Did you think she was more than that?—A. I did not think so.

Q. What did you pay for your horse?—A. I traded another horse in exchange and got it.

Q. How long had you had the horse which you traded?—A. I had him going on two years, I think.

Q. What did you pay for him?—A. I paid \$150.

Q. Was he in as good condition when you sold him as when you bought him—the horse you traded for the horse you bought?—A. Yes, I think he was in just as good a condition.

Q. What was the weight of your horse?—A. I would think between nine and ten hundred.

Q. What would Mrs. Kelly's horse weigh?—A. I had Mrs. Kelly's horse weighed once and she weighed 980.

Q. What was the age of Mrs. Kelly's horse?—A. I think about 12 years old.

Q. How long before you sold her did you weigh her?—A. About a year, may be more.

Q. Had she improved or had she gone down?—A. Well, about the same, I should think.

Q. Were you paid by cheque or by cash for this horse?—A. By cash.

Q. In both cases?—A. In both cases, yes.

Q. When were they examined?—A. They were examined towards night when he bought them.

Q. About how late in the day?—A. I would think about four or five o'clock. It was in September, and it was getting about sundown.

Q. Were they both examined at the same time?—A. Well, no, one was not right there when the other was examined. You might say they were both examined at the same time.

Q. Within half an hour?—A. Yes.

Q. Were you paid immediately?—A. Yes, right immediately as soon as they were sold.

Q. Did they put a ticket on them?—A. I don't think they did.

Q. Did you sign a receipt for both of them for the money?—A. Yes, for both of them.

Q. What examination did the veterinary give your horse?—A. Well, he looked around my horse, opened his mouth and looked in, and crouched down to see if there were any spavins. I don't think he looked at his legs. He moved him around in the yard.

Q. How far did he run him?—A. Not very far, not more than four or five rods in the yard.

Q. Is the yard four or five rods long?—A. I would think so, may be not that long.

Q. What yard were they examined in?—A. M. Thomas's.

Q. What examination did he give Mrs. Kelly's horse?—A. He looked over her, looked in her mouth, and travelled around her.

Q. Did he make the horse travel?—A. Yes, he had her walked around.

Q. Just walked around?—A. I think that was all.

Q. To what extent did he make her walk around?—A. To no great extent. He moved her around a little.

Q. About how far?—A. I would think four or five rods, or something like that.

Q. Did he trot her at all?—A. I do not think she was trotted, although she may have been.

Q. Was Mr. Foster present when your horses were bought?—A. No.

Q. How long had you known Mrs. Kelly's horse?—A. About four years.

Q. Do you know where she got him?—A. Yes, she bought the mare down west.

Q. What did she pay for her, do you know?—A. I do not know what she paid for her. She bought the mare, a rubber-tired buggy and a nice harness in one lot.

Q. For how much?—A. I do not know. She paid big money for the rig.

Q. Was your horse sound?—A. As far as I know.

Q. Quite sound?—A. Yes.

Q. Any indication of unsoundness that you know of?—A. Not that I know of.

Q. Any spavins?—A. No.

Q. Any touch of the heaves?—A. No.

Q. What about Mrs. Kelly's horse?—A. Mrs. Kelly's horse was a sound mare in every way.

Q. A good mare?—A. Yes, dainty, a good driver, a good worker.

Q. Any signs of unsoundness in her?—A. I never saw any.

Q. What would be a fair value for those horses?—A. Well, I don't know. This mare was advertised in the paper—this Kelly horse. Mrs. Kelly advertised her when she went away that she could be bought less than \$200, and there was a man came to me after she was sold and said he thought he could get the mare for \$190, but she was gone.

Q. You sold her for less than that?—A. I sold her for \$175.

Q. How much did you ask for Mrs. Kelly's horse?—A. \$175.

Q. What did the buyer say?—A. I think the buyer offered me \$160 and hung at that.

Q. You hung at \$175?—A. I did, and I would have taken her home.

Q. They came up to your price?—A. Yes.

Q. How much did you ask for your own horse?—A. \$150.

Q. What did they offer you?—A. They offered me \$140.

Q. Did you hang on your price or did they hang on theirs?—A. They offered me \$140, and I told them they could have it.

Q. How long did it take you to consider?—A. I don't know, maybe five minutes.

Q. Then you accepted the money, did you?—A. I did.

Q. Did you give any part of the money to McKay or to Chipman?—A. I did not.

Q. Or to anybody else?—A. To nobody.

Q. Did you pay any commission at all?—A. I did not.

The witness retired.

BENJAMIN BENZANSON, farmer, of Garland, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse or horses for military purposes last August or September?
—A. I did.

Q. Where?—A. At Berwick.

Q. How many did you sell?—A. Two.

Q. Were they your own horses?—A. Yes.

Q. Did you sell any horses for any other person?—A. No, sir.

Q. Who was the buyer?—A. I could not tell you, I never saw the man before.

[Kentville, Horses—Benzanson.]

Q. Did you hear his name at the time?—A. I did not at the time.

Q. Did you hear afterwards?—A. I made some inquiries.

Q. And what were you informed?—A. I cannot just remember now. The name was mentioned here to-day.

Q. Do you recollect him, describe the man please?—A. He is a stout man, quite stout.

Q. Clean shaven or a moustache?—A. I could not just say.

Q. Who was the veterinary surgeon?—A. I could not tell you. I never saw him before.

Q. What prices were you paid respectively?—A. I was paid \$300 for the pair.

Q. What were their ages?—A. One was seven, and the other, well I got him to be nine years old. I could not say whether he was any older or younger.

Q. What was the weight of the younger horse?—A. About 925 lbs.

Q. And the weight of the other one?—A. I should say a little over 1,100, they weighed about 2,000 the pair.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. When were they examined?—A. Between four and five, I should say.

Q. When were you paid?—A. About half an hour later.

Q. Where were you paid?—A. In the office at the warehouse, I think Mr. Chute's office.

Q. Was there any person else in the office when you were paid?—A. There was.

Q. Who?—A. My son William.

Q. Anybody else present?—A. Not at the time I was paid.

Q. Was Mr. Foster there?—A. I did not see him.

Q. Did you see him there that day?—A. No, sir, I did not.

Q. What examination did the veterinary surgeon give your horses?—A. None at all. Only looked in their mouths.

Q. Did he move them about at all?—A. No, I had them in the team wagon—the express wagon. They never moved.

Q. Did you drive the horses at all?—A. No.

Q. Did he request you to drive them?—A. No, I just simply drove them to the yard where he was buying, and they stood there till the veterinary came along.

Q. Was your son present at the examination?—A. Yes, standing by the horses' heads.

Q. You say the veterinary did not request you to move the horses or drive them?—A. No, sir, he never asked me to move them.

Q. Did he drive them himself?—A. No, sir, he could not very well move them in the crowd without unharnessing them.

Q. Were your horses quite sound?—A. As far as I know.

Q. How long had you had the younger one?—A. I got them both at the one time. I bought one, one day, and the other, the other. About fourteen months.

Q. Which did you buy first?—A. The smallest one.

Q. Was that the younger one?—A. Yes.

Q. What did you pay?—A. \$120. I had him fourteen months.

Q. In cash?—A. Yes.

Q. What did you pay for the other one?—A. Well, I bought some other stuff with him. I suppose about \$150. I could not just say, perhaps he cost me more.

Q. What did you give in exchange for the horse?—A. I bought some other stuff. I bought \$200 worth of stuff that day—some logs and a couple of head of oxen.

Q. And you reckoned that the horse cost you \$150?—A. I reckoned at the time the horse cost me about \$150. Of course, I kept him a year or a little more than that.

Q. Had they improved or gone down?—A. Both improved.

Q. Did the veterinary ask you the age of your horses?—A. He asked me the age of both of them.

Q. Did you tell him?—A. I told him the one was seven, and the other one I supposed he was nine years old.

Q. What age did you think the older one was?—A. I think he was about nine years old.

Q. Did either of them develop any defects or any unsoundness during the time you had them?—A. Not as I know of.

Q. No blemishes?—A. Not as I know of.

Q. What price did you ask for your horses?—A. I asked \$200 for the large one, and I had no price on the small one at all for I did not expect he was big enough when I took him down.

Q. When you did take him down what did you ask for him?—A. At the time?

Q. Yes?—A. Well, the veterinary asked me what I wanted, and I told him the big one ought to be around \$200.

Q. What did you tell him about the small one?—A. I said nothing until he said I would get \$165 apiece for them.

Q. What did McKay say or the man who was buying?—A. I stood there about fifteen minutes when McKay or this man came along.

Q. Did he ask you what you wanted for your horses?—A. He did not. He stepped to the horses' heads and looked at the tags that were on them and then said he would give me \$300 for the pair.

Q. What did you say?—A. I did not say anything at the time. I thought the horses were worth a good deal more than that.

Q. What happened next?—A. About ten minutes after McKay left. He didn't say any more. He went into the crowd and I sent a boy over to find him and tell him I would accept his offer.

Q. You did accept it?—A. I did.

Q. Did you see the tags which were on the horses?—A. I never got out of the wagon.

Q. You didn't see the writing on the tags?—A. I did not.

Q. Did you sign a ticket or card similar to the one I now show you?—A. Well, I could not say that I did or I did not. I suppose that I did. I was in a kind of a hurry.

Q. Did McKay tell you to come to his office or did he tell your son to come to his office?—A. My son came to me and told me McKay said to come to his office and get my money.

Q. You did that?—A. I did.

Q. Did your son accompany you?—A. He did.

Q. Did you have any conversation then about the horses?—A. Not as I know of in the office.

Q. Were your horses sound?—A. As far as I know.

By Mr. Sangster:

Q. What time did you have dinner that day?—A. I had dinner about twelve o'clock.

Q. Was this at Kingston?—A. No, Berwick.

Q. How far do you live from Berwick?—A. Six miles, perhaps.

Q. You heard the sale was coming off there?—A. Yes, I heard the sale was coming on there.

Q. And you would have liked to sell your horses?

SIR CHARLES DAVIDSON: What is the object of this? There is nothing against this sale.

MR. SANGSTER: There is one thing I want to bring out.

SIR CHARLES DAVIDSON: Collateral?

MR. SANGSTER: Yes, my lord.

By Mr. Sangster:

Q. You took your horses over to sell?—A. I took one to sell.

Q. What time did you leave home?—A. I should say I left home I think about one o'clock.

Q. How long did it take you to get over?—A. It took me an hour to get over.

[Kentville, Horses—Bezanson.]

Q. To go the six miles?—A. Yes, we went along at a good jog.

Q. How long were you there before the veterinary saw your horses?—A. I went to the blacksmith's shop and got my horses both shod.

Q. How long were you there before the veterinary saw the horses?—A. I should say I was in the yard half an hour.

Q. How long after the veterinary saw the horses did he put a tag on?—A. I could not just say that.

Q. Why do you say it was between four and five o'clock this took place? Has anyone told you to say that?—A. No, I know myself it was between four and five o'clock.

Sir CHARLES DAVIDSON: What is the point of this?

Mr. SANGSTER: I have my reason which I do not care to disclose at the present. The witness swears the horses were examined between four and five o'clock, and it is altogether suspicious.

The witness retired.

WILLIAM J. BEZANSON, farmer, of Garland, sworn:

By Mr. Thompson, K.C.:

Q. Did you accompany your father to Berwick last August or September when he sold two horses for military purposes?—A. Yes.

Q. About what time was the sale?—A. I should think between four and five o'clock.

Q. You think your father was correct when he said that?—A. I think so.

Q. Were you present when the horses were examined?—A. Yes, sir.

Q. Did you hear your father's testimony as to the extent of the examination?—A. Yes, sir.

Q. Was it correct?—A. Yes, sir.

Q. Do you think the horses were examined a little more carefully than he stated?—A. Not that I know of. He looked at their mouths, that was all.

Q. Were you present all the time?—A. Yes, sir.

Q. Did you see the tags put on the horses by the veterinary?—A. Yes, sir.

Q. Were they put on by the veterinary surgeon?—A. I don't know but I put one on myself.

Q. If you put it on, where did you get it?—A. From him. He gave it to me to put on.

Q. Did you see him write the tags?—A. Well, I seen him sign them.

Q. Did you read the tags?—A. Well, I seen him writing them. I read them all I could.

Q. Tell me what was on one of them?—A. He put on the big horse: cavalry horse, and the weight and age. I think he put 1,100 the weight and I don't know whether it was 9 or 10 years of age he put on the tag. He put \$164 in one corner.

Q. What was in the other corner?—A. Well, I don't know as there was anything that I remember.

Q. Did you hear the discussion between your father and the buyer as to the prices of the horses?—A. No.

Q. Did you see your father receive his money?—A. Yes, sir.

Q. Where did he receive it?—A. In Mr. Chute's office in the warehouse.

Q. Did you accompany him into the office?—A. Yes, sir.

Q. How much did he receive?—A. \$300.

Q. Before he entered the office, I think your father sent you to the buyer to discuss the price?—A. Well, he told me to tell Mr. McKay, I suppose it was Mr. McKay, that he would take the \$300 for the horses.

Q. That was for the pair?—A. Yes, sir.

Q. You went into the office with your father and he received \$300?—A. Yes, sir.

Q. Did you see him paid that in cash?—A. Yes, sir.

Q. Did you see the buyer—McKay or whoever it was—make any entries?—

A. No, I do not think so. I do not remember.

Q. Did he not make an entry in any notebook or anything else?—A. I do not remember seeing anything else.

By Mr. Sangster:

Q. What value did your father put on the horses?—A. I think he asked \$200 for one.

Q. Not what he asked, what did he value them at before he went there?—A. I do not know as I heard him say.

Q. You agree with your father's story as to the time he had dinner and the time he left home and how long it took him to get there?—A. Yes, sir.

The witness retired.

JOSEPH LOOMER, farmer, Aylesford, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August?—A. Yes, sir.

Q. More than one?—A. No.

Q. Where did you sell him?—A. At Berwick.

Q. Who was the buyer?—A. I forget his name, I think they called him McKay.

Q. And the veterinary surgeon?—A. I suppose Chipman.

Q. What price did you get?—A. \$140.

Q. How old was he when you got him?—A. Thirteen.

Q. How long had you had him?—A. Pretty near two years.

Q. That would make him fifteen years?—A. Yes, sir.

Q. What was his weight?—A. 945 pounds.

Q. Had you ever had him weighed?—A. Yes.

Q. How were you paid—by cheque or by cash?—A. In cash.

Q. When was he examined?—A. I should think between two and three o'clock in the afternoon.

Q. How long after that were you paid?—A. Half an hour or so.

Q. Were you paid by McKay, if he was the buyer?—A. I think so.

Q. Was Mr. Foster present?—A. I do not think so. I do not know the man.

Q. Did you see anybody else get their money on that occasion?—A. No, I was paid alone.

Q. Where were you paid?—A. In the office.

Q. Did you see them put a tag on your horse?—A. Yes. He gave me the tag to put on.

Q. Did you sign a receipt?—A. Yes, I suppose it was a receipt that I signed.

Q. Did you read it?—A. No, I did not take notice of it.

Q. Is that your signature?—A. Yes, sir.

Q. This ticket No. 128 says that the height is 15.2. Is that correct?—A. I do not know, I never measured him.

Q. And that says the weight would be one thousand pounds, would that be correct?—A. I had him weighed a little while before I sold him and he weighed 945.

Q. It says the age is 10, did you tell him so?—A. No. Chipman turned to McKay and he said: "Do you suppose he is too old?"

Q. What did the other fellow say?—A. I did not hear his reply.

Q. You swear that you did not tell the veterinary surgeon or the buyer that the age was ten?—A. Yes.

Q. Did he ask the age?—A. I think he did.

Q. What did you tell him?—A. I told him I got him to be 15.

[Kentville, Horses—Loomer.]

Q. Did he ask you how long you had him?—A. No.

Q. Are you quite sure?—A. Yes.

Q. What did you pay for that horse?—A. I traded and got him.

Q. What did you give in trade?—A. I traded a two-year-old colt.

Q. Had you bought or raised the colt?—A. No, I traded another horse and got the colt.

Q. And what did you pay for that other horse which you traded when you got the colt?—A. I paid \$120.

Q. How long had you had him?—A. I only had the first about a week.

Q. Did you get a good bargain or a bad bargain when you got the colt?—A. I guess the way it came out I got a bad bargain. I lost a bit of money that I should have got between the colt and the mare, that was the boot money.

Q. What was the boot money?—A. I was to get \$30.

Q. Was it a bad bargain because the man defaulted and did not pay you?—A. The man skipped out.

Q. That was not the fault of the horse?—A. No.

Q. How long had you had the colt?—A. I had the colt I should think a couple of months.

Q. Had he improved or gone back under your care?—A. Improved.

Q. In the corner, in apparently different pencil and different writing in small figures is marked the sum \$140. Did you see these figures entered or do you know anything about them?—A. No, I did not see them. I do not remember seeing them.

Q. Your horse had a large ankle, had he not?—A. Yes.

Q. Which was the swollen ankle, the hind ankle, was it not?—A. The hind ankle.

Q. Was it swollen when you got him?—A. No.

Q. How did it occur?—A. He strained his ankle.

Q. Did that make him go lame?—A. He was not lame in that. He was lame in the fore foot just a little.

Q. Was he lame in the forward foot when you got him?—A. No, he had an accident.

Q. How did you cause that accident?—A. He got into the pasture, into the mud, and tore a piece of the hoof off.

Q. After you got him?—A. Yes.

Q. What else was wrong besides one fore foot being wrong and one ankle being wrong?—A. Nothing. Outside of that he was no driver on the road. He was a good team horse.

Q. What was the matter when he was driven?—A. He was kind of lazy on the road and did not seem to have any natural gait to drive in.

Q. You could urge him into a good gait?—A. You could urge him along but not a very fast gait.

Q. Was that on account of lameness?—A. No.

Q. Had he any spavins?—A. Not that I know of.

Q. Had he the heaves?—A. No.

Q. Was the lameness apparent when you sold him?—A. Just a little.

Q. Would he get over his lameness going along?—A. Yes, until he came to a piece of gravelly road that hurt his foot.

Q. And then he would go rather tender?—A. Yes.

Q. What sort of examination did the veterinary surgeon give in the way of driving about?—A. I was on his back and he told me to start him up.

Q. How far did you start him up?—A. Just on the trot.

Q. Was it a soft place you started him up?—A. Just a common road.

Q. What sort of a road, a paved road?—A. A sandy lane.

Q. No gravel?—A. No.

Q. Did he ask you if he had ever been lame?—A. No.

Q. Did he go lame when you trotted him along?—A. Just a little, none to speak of.

[Kentville, Horses—Loomer.]

Q. It would have been more if it had been on a hard road?—A. Well, a sandy road didn't hurt him much.

Q. The place you trotted him for the veterinary didn't hurt him much?—A. No.

Q. If it had been asphalt or macadam it would have hurt him more?—A. Well, I do not know about that, it might have.

Q. Did the veterinary ask you if he was lame?—A. No, he did not ask me.

Q. Did he ask you if he was sound?—A. No.

Q. Did you see the military posters calling for horses?—A. I have seen them.

Q. Was that why you rode your horse in?—A. No, I drove him in. I got on his back, bare-back, no saddle.

Q. Did you bring the saddle with him?—A. Yes, I had the saddle in the buggy with me.

Q. Why did you want to try him out as a saddle horse in front of the veterinary?—A. Well he had been drilled here in Kentville.

Q. That is why?—A. Yes, the word was that we would have to try him in the saddle.

Q. Did he step more lively in the saddle than in the buggy?—A. Yes.

Q. He showed to better advantage as a saddle horse than as a driving horse?—A. Yes, sir.

Sir CHARLES DAVIDSON: Ask, Mr. Thompson, if he disclosed any of these defects to the veterinary surgeon.

By Mr. Thompson, K.C.:

Q. Did you tell the veterinary surgeon about the lame forefoot or the swollen ankle?—A. No, sir.

Q. Did he ask you?—A. No, he could see his ankle.

Q. About how big was it swollen?—A. Not very much.

Q. About the size of an orange?—A. No, just a little large around the ankle.

Q. Was it a swelling in one particular place?—A. No, clear round.

Q. A general enlargement?—A. Yes.

Q. Was it perceptibly larger than the other ankle?—A. Just a little.

Q. Could you see it when you were driving him if you stood up behind?—A. If you looked at him sharp you could see it a little raised.

Sir CHARLES DAVIDSON: Well, you have not raised the credit of your locality. You will not get any witness expenses.

The witness retired.

LEO BURKE, butcher, of Cambridge, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse of your own for military purposes last August?—A. Yes, sir.

Q. How many?—A. One.

Q. Where was the sale?—A. At Berwick.

Q. Who was the buyer?—A. I expect it was Mr. McKay. I do not know.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

Q. What price were you paid?—A. I think it was \$135.

Q. Was not \$125 more likely?—A. No, I am pretty sure I am not mistaken—pretty certain.

Q. When I mention \$125 that does not shake your memory?—A. No, I got \$135.

Q. What was the age of your horse?—A. I think I bought him for nine years old.

Q. Did you have him examined when you bought him?—A. Yes, sir.

Q. Did you look at him?—A. Yes, sir.

Q. You were satisfied he was nine years old?—A. Yes, sir, pretty well satisfied.

[Kentville, Horses—Burke.]

Q. How long did you have him?—A. About half a day.

Q. What did you pay for him?—A. \$120.

Q. Did you buy him knowing there was a sale for military purposes going on?—

A. Yes, sir.

Q. Who did you buy him from?—A. William McMillan, of Grafton.

Q. Did he ask you to sell him for military purposes?—A. No.

Q. Did you just buy him as a speculation, hoping to sell him?—A. Yes, I bought him as a speculation.

Q. Had you any intimation from anybody that he would be accepted before you bought him?—A. No, sir, I took my own chances.

Q. How were you paid?—A. By cash.

Q. By whom?—A. Mr. McKay, I suppose.

Q. When was the horse examined?—A. Between half-past three and half-past four o'clock.

Q. How long after that were you paid your money?—A. About half an hour after that, I expect.

Q. And you say the horse was nine years old?—A. That is what I bought the horse for, he was a section man that I bought him from.

Q. Did you see a ticket put on the horse?—A. Yes, sir.

Q. Did you read what was on the ticket?—A. No, sir.

Q. Did you sign a receipt for the money?—A. I think I did.

Q. And you did not read what was on the receipt?—A. No, sir.

Q. Who negotiated with you with regard to the price of the horse?—A. Mr. McKay.

Q. What did you ask for the horse?—A. \$135.

Q. And what did he offer you?—A. He told me to take him over and put a halter on him.

Q. Was there any discussion at all as to the price?—A. No, sir.

Q. Did the veterinary surgeon ask you how old the horse was?—A. I think he did.

Q. And what did you tell him?—A. I told him I got him for nine years old.

Q. Did he ask you how long you had the horse?—A. No, sir.

Q. What examination did the veterinary surgeon give your horse?—A. He just looked him over, looked in his mouth and around his feet.

Q. Did he feel his legs?—A. I ain't certain of that.

Q. Did he ask you to walk or trot the horse around or did he do it himself?—A. No, sir.

Q. Neither of you did that?—A. No, sir.

Q. Was the horse moved around at all?—A. No, I think the horse stood perfectly still, if I remember aright.

Q. You said he stood perfectly still all the time during the examination?—A. Yes, sir.

Q. And you think the veterinary surgeon did not ask you to move him around at all?—A. No, sir.

Q. Were you present during the whole of the examination by the veterinary surgeon?—A. Yes, sir.

Q. There was a little mare there about 900 pounds?—A. She was just about that.

Q. What was wrong with her?—A. Why, I got the horse to be sound but I heard afterwards that the horse was touched in the wind, and I bought the horse to be a sound horse.

Sir CHARLES DAVIDSON: What do you mean by saying you heard it afterwards?

By Mr. Thompson, K.C.:

Q. From whom did you hear that?—A. It was common talk about.

Q. Had you known this horse for any time before you bought him?—A. Yes.

Q. How long had you known him before you bought him?—A. For over a year.

Q. Did you hear during that year that that horse was touched in the wind?—A. No, sir.

Q. How did you know that this man wanted to sell that horse?—A. I suspected more than anything else.

Q. How did you come to suspect it?—A. I thought perhaps the horse would do for military purposes.

Q. How did you suspect that the man wanted to sell him?—A. I cannot answer that question exactly, I was well acquainted with this man and I saw the horse.

Q. Did you go right to the man's place?—A. Yes, sir, I went right to the man's place and bought the horse.

Q. Had he been expecting you?—A. No.

Q. Had you any discussion before with him about purchasing the horse?—A. No.

Q. How far was the man's place from the place you sold the horse?—A. About three miles.

Q. And did you lead the horse or did you drive him over to the place of sale?—A. I towed him behind one of my own horses.

Q. What gait did you go at, how fast?—A. I trotted him right along.

Q. How fast did you trot him at?—A. About eight miles an hour.

Q. That is pretty good going, is it not?—A. I generally drive as fast as that if not faster.

Q. That is a pretty good clip?—A. Yes.

Q. When you were towing that horse behind your horse did he show he was touched in the wind?—A. No, sir, not so far as I could see.

Q. He gave no indication of it whatever?—A. No, sir.

Q. Did you suspect that he was touched in the wind?—A. No, sir.

Q. Did the veterinary surgeon ask you any question about his wind or about his age?—A. No.

Q. Had that horse any spavins?—A. No, sir, not to my knowledge.

Q. Was there any other unsoundness about him except his being touched in the wind, which you afterwards heard of?—A. No.

Q. Did you pay the veterinary surgeon or the buyer any part of that money?—A. Well no.

Q. What do you mean by saying: "Well no"?—A. I did not pay him any part of that money.

Q. Did you pay him some other money?—A. I paid Dr. Chipman \$2 for the day.

Q. You paid Dr. Chipman \$2?—A. I paid \$2 or \$5.

Q. When did you pay him that \$2 or that \$5?—A. It was at the warehouse.

Q. On the same day?—A. Yes, sir.

Q. Did he ask you for that \$2 or that \$5?—A. No, sir.

Q. Did you tell him what it was for?—A. No, sir.

Q. Did you pay it to him after the horse was passed?—A. Yes, sir.

Q. And you paid it to him after you got your money?—A. Yes, sir.

Q. Did you pay any money to McKay?—A. No, sir.

Q. Did you pay any other person any money?—A. No, sir.

Q. Or did you pay any other person any commission?—A. No, sir.

Q. Or did you give any person any promise of any commission or rebate?—A. No, sir.

Q. Did you tell anybody that the horse was touched in the wind?—A. Not before he was sold, oh no.

Q. That was the first occasion on which you told somebody the horse was touched in the wind?—A. Somebody told me first.

Q. Was that the first you knew of the horse being unsound?—A. Yes, sir.

Q. Had you any suspicion before you sold him that he was unsound?—A. No, sir.

Q. None whatever?—A. No, sir.

Sir CHARLES DAVIDSON: Did you have any conversation with Chipman about this?

The WITNESS: No, sir.

By Mr. Thompson, K.C.:

Q. Did Chipman ask you what the two dollars or what the five dollars was for?—
A. No, sir.

Q. He asked you nothing whatever about it?—A. No, sir.

Q. Did you just hand out the money to him?—A. Yes, sir.

Q. And did he make no comment?—A. No, sir.

Q. He made no comment whatever?—A. No, sir.

Q. Did you explain to him what the money was for?—A. No, sir.

Q. Did you say anything to him about it?—A. No, sir.

Q. You did not make any remark at all?—A. No, sir, I just gave him the \$2 or the \$5, I forget which.

Q. Did you slip it into his hand?—A. I just passed it on to him.

Q. Was he standing facing you or sideways or how when you did this?—A. I forget at present, I think he was facing me.

Q. Were you alone?—A. Mr. McKay was there, the man that paid me for the horse.

Q. Did McKay see you pass the money?—A. I do not think so.

Q. Did anybody else tell you they were paying Chipman?—A. No.

Q. What made you think you had to pay him?—A. I generally pay, I am kind of handy with my money.

Q. How long have you known Chipman?—A. I am not acquainted with him at all to speak of, I just knew him as I met him.

Q. I may come back to this a little later.

Sir CHARLES DAVIDSON: Are you a horse dealer?

The WITNESS: To a certain extent, yes sir.

By Mr. Thompson:

Q. Do you sell horses for other people?—A. Well no.

Q. Did you sell any horse this day for other people?—A. Well, not exactly, Moody's horse was there and I helped him to sell him or tried to help him to sell him, but he was there himself and signed for the horse.

Q. What Moody is that?—A. Sam Moody.

Q. Where does Mr. Moody live?—A. I think he lives on the Bog Road now, but he lived at Grafton that time.

Q. How far from here?—A. I expect it is between eight and ten miles or perhaps a little more.

Q. To what extent did you assist Mr. Moody in selling his horse?—A. He was over here and he wanted me to bring the horse into Kentville and sell him for him.

Q. But the other sale was at Berwick?—A. Yes sir.

Q. Were you present in Kentville when Mr. Moody's horse was sold here?—A. Yes sir, I had seven other horses here that day.

Q. Altogether?—A. Yes, sir.

Q. Give me the names of the other seven?—A. They belonged to Howard Bligh.

Q. I thought it was S. D. Bligh?—A. No.

Q. What does Howard Bligh do?—A. He is shipping master at Halifax and handles a warehouse there for fruit.

Q. Was he in this part of the country on the occasion of this sale of horses for military purposes?—A. I think he was part of the time.

Q. And you looked after the selling of the Bligh horses, did you?—A. Yes, sir.

Q. Let us take the Moody horse, did you drive the Sam Moody horse in?—A. No, sir, we towed him in.

Q. You towed him in, did you tow him in behind your own horse or some other person's horse?—A. Behind my horse.

Q. And you towed him in at an eight mile clip?—A. Well no, perhaps seven miles.

Q. Who was the buyer for the government at Kentville?—A. I do not know.

[Kentville, Horses—Burke.]

Q. Did you ever see him before?—A. There were two here, I think, if I am not mistaken.

Q. Was it the same person who bought the horses at the other places?—A. I think one of them was the same man, but I would not be quite sure.

Q. Who was the veterinary surgeon?—A. Dr. Wood and Dr. Chipman.

Q. Were they both present?—A. Yes sir, they were both present here at Kentville.

Q. They were both here?—A. Yes, sir.

Q. Are you quite sure about that?—A. Quite sure.

Q. What price did you get for the Sam Moody horse?—A. \$140, I think.

Q. What was the age of the Sam Moody horse?—A. Why, I think he gave me about eleven years old, as near as I can remember.

Q. Did you know the horse yourself?—A. Yes, I knew him for six or eight months.

Q. Had you ever examined him as to his age?—A. No, I had not.

Q. What was the weight of the Sam Moody horse?—A. I should think somewhere about a thousand pounds.

Q. Were you paid the money?—A. No, sir.

Q. Who was paid the money?—A. Sam Moody himself was paid.

Q. Did you see the horse ticketed?—A. Yes sir, I did.

Q. Did you sign any receipt at all?—A. No sir, not that I know of.

Q. Did you bargain as to the price?—A. Well both of us did.

Q. Mr. Moody came in and helped the bargain?—A. Yes, he came in, he made up his mind later in the day and he came in.

Q. Did Moody come in before the horse was sold?—A. Yes.

Q. Was the horse examined before Sam Moody came in?—A. He was there when the horse was examined.

Q. What time of the day was the horse examined?—A. In the morning.

Q. Do you know when Moody was paid for the horse?—A. He was paid in the afternoon.

Q. Did he tell you what he got for that horse?—A. He got \$140.

Q. How much did you pay Chipman or the veterinary surgeon for passing that horse?—A. I paid him nothing.

Q. How much did Mr. Moody pay him?—A. I do not think he paid him anything.

Q. Was it the veterinary surgeon that examined him?—A. It was either Chipman or Wood, I do not know just which, perhaps both.

Q. You knew Chipman?—A. Yes.

Q. Had you known Wood?—A. Yes sir.

Q. Don't you know which one examined him?—A. They were both looking over all the horses there together.

Q. Is that all you can tell us about the Moody horse?—A. Yes, that is all I can tell you.

Q. Was this horse sold before the sale of the Burke horse?—A. Yes.

Q. Do you know what the date of the sale of the Moody horse was?—A. I think it was the first day that they bought horses here.

Q. What commission did Sam Moody pay you for selling his horse?—A. Nothing.

Q. Nothing whatever?—A. No sir.

Q. But it was quite a long way for you to come in here without your making anything out of it?—A. I had to come with Mr. Bligh's horses and Sam Moody wanted me to talk about his horse.

Q. That was the same day that you brought in the Bligh horses for sale?—A. Yes sir.

Q. And as to the Bligh horses, you were the sole vendor of them, so far as the Government is concerned, with regard to the Bligh horses you arranged the price?—A. The Bligh horses were put in my hands to sell.

Q. Where were these horses sold?—A. They were not sold.

Q. None of them?—A. None of them.

Q. None at all?—A. No sir.

[Kentville, Horses—Burke.]

Q. Why were they not sold?—A. I could not get money enough for them.

Q. Were you asking a good price?—A. I think I was asking a reasonable price.

Q. What were you asking?—A. All the way from I think \$140 to \$180 each.

Q. And why would the buyers not accept them?—A. Well they claimed a horse was not sound enough.

Q. At any rate you did not sell any of the Bligh horses?—A. No sir.

Q. Did you sell any other horses for any other person?—A. No.

Q. Are you quite sure about that?—A. Quite sure.

Q. And that exhausts your list of sales to the Government?—A. Yes sir.

Q. You just sold your own horse and Sam Moody's horse?—A. Yes.

Q. Then you actually sold two horses?—A. Well of course I daresay that perhaps I did not sell Moody's horse.

Q. But you actually sold your own horse to the Government?—A. Yes.

Q. And the Bligh horses were refused by the buyers?—A. Well, I took them home.

Q. Because they were not sound?—A. Yes, sir.

Q. You had nothing to do with any other horse in connection with the sale to the Government?—A. Not that I remember now.

By Mr. Sangster:

Q. Was it before or after you had these horses in Kentville that you took them to Berwick?—A. I took them to Berwick?

Q. The Bligh horses?—A. No, sir.

Q. Who took them to Berwick?—A. I did not know they were at Berwick.

Q. What horses did you take to Berwick that you had in Kentville?—A. I had a horse of my own.

Q. No others?—A. No, sir.

Q. Did anybody else take any horses they had in Kentville to the sale in Berwick?—A. Not that I know of.

Q. Did you hear of anybody else doing so?—A. Not that I remember.

Q. You could not have any difficulty in remembering that, now tell us?—A. No, sir, I did not.

Q. You have not the slightest recollection of anybody else doing that?—A. No, sir.

Q. And your horse was refused in Berwick also?—A. Yes, sir, I could not get money enough.

Q. How much money did you want?—A. \$190.

Q. Was it refused in Kentville also?—A. Yes.

Q. What did you ask in Berwick for your horse?—A. \$190.

Q. What did you ask in Kentville for your horse?—A. The same price.

Q. What veterinary surgeon did you see in Berwick?—A. Both the vets. were here.

Q. Whom did you see in Berwick?—A. They were both together.

Q. You saw them both together at the same time?—A. Yes, sir.

Q. What took place regarding those who examined the horse?—A. The both vets. examined all the horses together.

Q. Did they both do the same thing at the same time?—A. Well, about the same thing, yes.

Q. One would open his mouth and say something, and then another veterinary would come along and open his mouth and say something?—A. They both passed right through the horses and looked at them.

Q. I am talking now about the horses that you brought in and sold at Kentville?—A. I sold no horse at Kentville of my own.

Q. Who examined the horse you sold?—A. I think it was Dr. Wood.

Q. And you say that after Dr. Wood examined him, Chipman looked over him?—A. I cannot say that.

Q. What do you say about it?—A. I do not remember paying much attention to the horse, Mr. Moody was here himself and he did most of the bargaining.

Q. At any rate Chipman had a look at him after Wood looked at him?—A. I cannot say.

[Kentville, Horses—Burke.]

Q. You do not know?—A. I do not know.

Q. You did not see him?—A. Not that I know of.

Q. Now, what about these horses that you brought in for Bligh?

Sir CHARLES DAVIDSON: What difference does it make, they were refused.

By Mr. Sangster:

Q. What was the matter with these horses?—A. A little sore forward, some of them were spavined.

Q. These Bligh horses were not taken to Berwick also?—A. Not to my knowledge.

Q. If they were taken to Berwick you would know it?—A. Yes, I would know it.

Q. And you say they were not taken to Berwick at all?—A. So far as I know they were not.

By Mr. Thompson, K.C.:

Q. When your horse was refused here, are you sure it was not on the ground that it had a lame fore foot?—A. No, sir.

Q. Are you sure it was not when the two vets. got together at Kentville that they discovered the touch in the wind?—A. Not that I know of, sir.

The witness retired.

JOHN WHITE, farmer, of Wellsford, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir, my son did.

Q. Is your son here to-day?—A. No, sir.

Q. Who was the buyer, do you know?—A. I am not sure now.

Q. Do you know who the veterinary surgeon was?—A. Dr. Chipman.

Q. Were you present at the sale?—A. No, sir.

Q. Is that what you were told?—A. Yes, that is what my son told me, he knew Dr. Chipman.

Q. It was your horse, was it not, that was sold to the Government?—A. Yes, sir.

Q. Did your son say who the buyer was?—A. He said it was the same man that bought the horses at Berwick.

Q. Where was the sale that you sold your horse at?—A. This sale was at Kingston.

Q. And who was the veterinary surgeon?—A. He told me it was Dr. Chipman.

Q. What were you paid for your horse?—A. \$100.

Q. What was the age of your horse?—A. Twenty years old.

Q. What was his weight?—A. About 1,000 pounds.

Q. Were you paid by cash or by cheque?—A. By cash.

Q. Was the money paid to your son?—A. Yes, sir, he brought it home with him.

Q. Did your son say anything about the examination that was given the horse?—A. Very little.

Q. The horse had the heaves pretty bad, didn't he?—A. Well, not very bad.

Q. But he had the heaves?—A. He had showed a touch of it.

Q. How long had he showed that?—A. For less than six months, about six months, inside of a year.

Q. Did you dope that horse that morning before you sold him?—A. No, sir.

Q. Did your son dope him?—A. No, sir.

Q. Did you instruct anybody else to dope him?—A. No, sir.

Q. Do you know whether he was doped or not?—A. I am very sure he was not.

Q. Had anything been done to touch the horse up so that he would not show the heaves?—A. Nothing whatever.

Q. Either by your son or by yourself?—A. No.

Q. Would you know if your son had done it?—A. I think I would.

[Kentville, Horses—White.]

Q. Have you ever heard of them doping an old horse like that so as to fix it up for sale?—A. No, sir.

Q. Are you a dealer in horses?—A. No, sir.

Q. How long did you have this horse?—A. I always had it, I raised it.

Q. And you say he was twenty years old?—A. Yes.

Q. What was wrong with it besides a touch of the heaves?—A. Nothing that I know of.

Q. Nothing else was wrong with the horse?—A. The horse had been slightly lame.

Q. How long before you sold him had he been slightly lame?—A. That summer.

Q. What caused that lameness in the horse?—A. I do not know.

Q. You were going to kill him in the autumn, were you not?—A. Well, I had too many horses.

Q. And you were going to kill him and you told a neighbour you were going to kill him?—A. I did not expect to winter him.

Q. Just answer the question please, you told your neighbours that you were going to kill him in the autumn?—A. I think I said I would not winter her.

Q. That means that you wanted to kill her in the fall?—A. If we could not do anything better, yes.

Q. And you did something better with him?—A. Yes.

Q. How did you know they wanted horses at Kingston?—A. I heard they were going to buy there.

Q. Who did you hear that from?—A. I do not know.

Q. Did you see a poster calling for military horses?—A. No.

Q. How did you know the class of horses they wanted to buy?—A. I heard they were going to buy and I had a nice five year old horse and that I showed at the fair in the spring, and they gave him second prize in his class.

Q. Did you offer that nice horse for sale to those who were buying for military purpose?—A. I did.

Q. Where did you offer that horse for sale?—A. At Berwick.

Q. What did you ask for that horse?—A. \$225.

Q. And why did they not buy him?—A. Dr. Chipman told me he would not give more than \$200 for any horse and he told me more, that a poor horse was just as good as a good one to get shot.

Q. You say that Dr. Chipman told you that?—A. Yes.

Q. Do you know Dr. Chipman personally?—A. Yes, sir.

Q. How long have you known him?—A. I have known him for more than a year.

Q. Were you on good terms with him or were you on bad terms with him?—A. I was on good terms with him, he treated a horse for me the year before.

Q. Did he treat that nice horse for you?—A. No.

Q. Did he treat the horse you sold?—A. No.

Q. Was it a good horse he treated for you?—A. It was another horse altogether.

Q. Did you instruct your son to allow Chipman some little compensation for passing a twenty year old horse and giving you \$100 for him?—A. No, sir.

Q. Did your son bring back the whole amount of the purchase money?—A. Yes.

Q. Did you instruct your son as to what he should sell him for?—A. I may have told him.

Q. What were your instructions?—A. I told him if they made him an offer for the horse to take it.

Q. But you put no price on him?—A. I think I did.

Q. What was your lowest price?—A. I did not put any lowest price on him.

Q. If you put a price on him you could not put a top price on him, what was the lowest price you put on him?—A. I told him if they made him an offer for the horse to take it.

Q. If they made him any offer whatever for the horse he was to take it?—A. I told him if they made an offer they could take it.

Sir CHARLES DAVIDSON: How is it this witness sent his son with the horse when it now appears that Mr. White was in Berwick himself.

Mr. THOMPSON: This horse was sold at Kingston.

By Mr. Thompson, K.C.:

Q. Why didn't you take this old horse to Kingston for sale?—A. I was too busy.

Q. But you were not too busy to take the good horse to Berwick?—A. It was quite handy. I am only four miles from Berwick.

Q. How far are you from Kingston?—A. Fifteen miles or eighteen miles.

Q. When was the sale in Kingston?—A. I do not remember.

Q. Does your conscience prick you in the same way that Mr. Henry J. Chute's conscience pricked him, are you going to give back the money?—A. Well I saw what kind of horses they were buying, the vet. said that a poor horse was just as good a one to shoot as a good horse, and after that I saw they wanted cheap horses. I offered them a good horse and I could not do any business with them. I offered them an extra good horse I think and they would not buy it, they wanted cheap horses and I saw I could give them this one. I thought when I sent this horse in I was selling them the kind of horse they wanted, the kind they were looking for.

Q. When you were in Berwick did you see any of the posters describing the horses that were needed for military purposes?—A. No sir.

Q. Did you make any inquiries as to the specifications of horses required?—A. No sir.

Q. You made no inquiries whatever?—A. I made no inquiries whatever.

Q. Did your son make any remark to you about offering a twenty year old horse for sale for military purposes?—A. Yes.

Q. Did he say that was too old?—A. No.

Q. Are you quite sure about that?—A. Do you ask me if my son said it?

Q. Yes?—A. No.

Q. Did he make any remark to you about horses being offered which were not according to the regulations required?—A. No.

Q. Did your son ever tell you that he knew what the requirements were?—A. No.

Q. Did your son ever tell you that he had read the military posters?—A. No.

Sir CHARLES DAVIDSON: How far is Berwick from your residence.

The WITNESS: Four miles, I think, to the station.

Sir CHARLES DAVIDSON: How far is Kingston from your residence?

The WITNESS: Fifteen or sixteen miles.

Sir CHARLES DAVIDSON: What was the date of the Berwick sale?

The WITNESS: I do not know the date.

Sir CHARLES DAVIDSON: What day was the sale at Kingston?

The WITNESS: The next day it was held at Kingston. The Berwick sale was the day before the sale at Kingston.

By Mr. Thompson, K.C.:

Q. And you took your five year old horse to Berwick to sell?—A. I did.

Q. Now tell me why you took this twenty year old horse all the way to Kingston, which was 15 or 16 miles away from your home?—A. Because I thought she was the kind of horse they were buying.

Q. And why did you not try to sell her at your own home, at Berwick?—A. I did not suppose they wanted that class of horse. I took a five year old horse to Berwick which was the kind of horse I supposed they wanted to buy and I found they were buying horses that was not the kind I expected they would be buying.

Q. Would you put the whole responsibility for the sale of that horse on your friend, Dr. Chipman?—A. If Dr. Chipman wanted a good horse, I could have sold him one.

[Kentville, Horses—White.]

By Mr. Sangster:

Q. You are a friend of Selfridge?—A. No.

Q. Is he a friend of yours?—A. Not particular either way.

The witness was told to remain in court.

The witness retired for the present.

JOSEPH SALTZMAN, Somerset, cooper, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Who was the buyer?—A. I cannot tell you, sir.

Q. Where was the sale of your horse?—A. At Berwick.

Q. Do you know who the veterinary surgeon was?—A. No, sir.

Q. Did you hear the veterinary surgeon's name?—A. No, sir, I did not.

Q. What price did you receive for your horse?—A. \$160.

Q. What age was your horse?—A. Seven years old.

Q. What was his weight?—A. About nine hundred and a half, I think.

Q. Were you paid for the horse by cheque or by cash?—A. I was paid by cash.

Q. By whom were you paid?—A. I was paid by the man that bought it.

Q. Do you know what the name of that man was?—A. No, sir, I do not.

Q. Did they ticket your horse?—A. Yes, sir.

Q. Did you sign a receipt for the money?—A. Not that I know of.

Q. What examination did the veterinary surgeon give to your horse?—A. He walked around it and asked me the age and I told him and he went and looked in his mouth, and that is all that happened.

Q. Did you ride or drive your horse in?—A. I drove him in.

Q. How far did you drive him in?—A. About two miles from where I was working.

Q. How far did you drive him in for the veterinary surgeon's inspection?—A. I did not drive him at all, he was standing.

Q. Was he standing all the time of the inspection?—A. Yes, sir.

Q. Was Mr. Foster present when you sold your horse?—A. Not that I know of, I did not see him.

Q. How long had you had that horse?—A. I had him, I think, for about 14 months.

Q. What did you pay for him?—A. I traded him.

Q. What did you trade for him?—A. I traded a three-year-old colt.

Q. Where did you get the three-year-old colt that you traded for this horse?—A. From Mr. Forsyth.

Q. What did you pay for the three-year-old colt?—A. He was two years old when I bought him.

Q. What did you pay for him?—A. \$100.

Q. How long did you have him?—A. A little over a year.

Q. Had he gone up or down during the time you had him?—A. He was going up, he grew.

Q. Was he sound when you traded?—A. Perfect sound.

Q. And you got in trade for that horse the horse you sold to the Government?—A. Yes, sir.

Q. And you had the horse which you sold to the Government for about 14 months?—A. Yes, sir.

Q. When you got that horse in trade was he lame, or did he develop lameness after you got him?—A. He had a sprained ankle when I got him.

Q. Was that on the fore foot?—A. No, on the hind foot.

[Kentville, Horses—Saltzman.]

Q. What was wrong with the fore foot?—A. Nothing.

Q. It was the hind ankle that was wrong?—A. The hind ankle.

Q. How badly sprained was it?—A. I cannot tell you, she could get over it, she used to be a little stiff in it at times.

Q. She was stiff when standing in the barn?—A. Yes.

Q. And when you got her moving she would be more spry?—A. She would never show it a great deal.

Q. How far did you drive that horse from your place to the place of sale?—A. I drove her two miles from where I was working. I went over very early in the morning from Berwick, it was about four miles, I worked in the afternoon and went in the afternoon to the sale.

Q. How far did you drive from the place of sale?—A. About two miles.

Q. Was the horse going all right when you got there?—A. He was going all right in the morning.

Q. Was she all right when you took her out of the barn?—A. She was all right, she was tender a little at times.

Q. And you could not notice that, after you had been driving her a little?—A. Not a great deal.

Q. Could you notice it at all?—A. If you gave her a particularly hard drive you would notice it just a little.

Q. If you started her off you would not notice it?—A. No.

Q. Was she sprung in the knees?—A. No.

Q. Had she the heaves?—A. No.

Q. Had she any spavins?—A. No.

Q. Did the veterinary surgeon ask you if she was sound?—A. No.

Q. He did not ask you any questions about her at all?—A. No questions at all, only the age.

Q. Did you tell the veterinary surgeon about that little fever she had?—A. No, I did not.

Q. Or about the little lameness?—A. No, I did not.

Q. You did not mention the defects?—A. No, I did not.

Q. And he did not ask you whether she was sound or not?—A. No.

Q. Did you make any representations about her being sound?—A. No, sir.

Q. Those are all the questions the veterinary surgeon asked?—A. That is all he asked.

Q. Is that your signature which I now show you on this card?—A. It may be.

Q. Does it look like your signature?—A. I may have signed that.

Q. Have you any doubt about it?—A. It looks a good deal like it, I may have signed it.

Q. Please sign your name there?—A. Yes, sir.

(The witness signed his name.)

Q. They are pretty much alike are they not?—A. Yes, sir, they are.

Q. Now have you any doubt about your having signed that?—A. I said I had not any, I said I did not know for sure whether I signed it or not.

Q. And now that you have looked at it and compared these two signatures together, do you say that is your signature?—A. Yes.

Q. You have no doubt about it now?—A. No.

Q. This is ticket No. 95 and the height is given as 15 hands?—A. He did not ask me that.

Q. Is that about, right?—A. I suppose it would be.

Q. And you did not read this paper, I suppose?—A. No, I did not.

Q. That is something entered by some other person on the card?—A. Yes.

Q. Would that be about right?—A. I think it is about right.

Q. What was the weight of the horse?—A. About nine and a half hundred.

Q. You sold it as a saddle horse?—A. Yes.

Q. Did you make any representations about that?—A. No, sir.

Q. The age is given here on the card as seven years?—A. Yes, sir.

Q. And up in the corner of this card, in a different pencil, and evidently different writing, surrounded by a small circle and in red figures there is "\$165", and in the corner on the side on which you signed, there are in small figures "165"?—A. Yes.

Q. How much do you say you received?—A. \$160.

Q. Have you any doubt about that?—A. No, sir.

Q. Did you actually get \$165 and pay back five dollars to any person?—A. No, sir.

Q. You did not pay any part of that money to anybody?—A. No.

Q. You did not pay any commission?—A. No commission.

Q. You did not slip anything, so to speak, to the veterinary surgeon?—A. No, sir.

The witness was not further examined.

SETH KINSMAN, farmer, Weston, sworn:

By Mr. Thompson, K.C.:

Q. Are there two Seth Kinsmans or just only one?—A. I do not know.

Q. Do you know of any other Seth Kinsman?—A. I am the only fellow I know of that name about here.

Q. Did you see the military poster calling for horses last August or September?—A. No, sir.

Q. You never saw it?—A. No, sir.

Q. How did you know that horses were going to be bought by the Militia Department for military purposes?—A. I heard the people talking about it.

Q. Did you sell a horse of your own to the government for military purposes last August or September?—A. Yes, sir.

Q. You sold that horse for military purposes?—A. Yes.

Q. Who was the buyer?—A. I heard his name was McKay.

Q. You think it was McKay?—A. Yes, I do.

Q. Where did you sell the horse?—A. In Berwick.

Q. Who was the veterinary surgeon?—A. I heard it was Chipman, but I did not know the man.

Q. What price did they pay you for your horse?—A. \$165.

Q. How old was that horse?—A. Six years old.

Q. What was her weight?—A. I do not know, I never had her weighed.

Q. Could you give a guess at it?—A. She weighed about nine and a half hundred pounds.

Q. Were you paid by cheque or by cash for that horse?—A. I was paid by cash.

Q. When was your horse examined?—A. In Berwick in the afternoon.

Q. What time of the afternoon was the horse examined?—A. I do not know.

Q. About what time was the horse examined?—A. It was around two or three o'clock in the afternoon.

Q. How long after the horse was examined were you paid for the horse?—A. I think in about an hour.

Q. Were you paid by McKay?—A. Yes sir.

Q. Did you see anybody else get their money at the same time that you did?—A. No.

Q. Where were you paid, were you paid in the office or outside?—A. I was paid in the office.

Q. Was anybody else present when you were paid?—A. No, I do not think there was, not that I remember anyway.

Q. Did you know the veterinary surgeon at the time?—A. No.

Q. Had you ever seen him before?—A. No.

Q. Did you know him at the time?—A. No.

Q. Did you know personally anybody who had anything to do with the buying or the passing of the horses?—A. No.

Q. What examination did the veterinary surgeon give to your horse?—A. He just looked around her and looked in her mouth.

Q. He didn't feel her over?—A. Not that I recollect.

Q. Did he make you move her up and down?—A. Yes.

Q. And you did drive her up and down?—A. Yes, a couple of times.

Q. Did he feel the horse's legs?—A. No.

Q. Did you warn him not to feel the horse's legs?—A. No, I did not.

Q. Are you quite sure about that?—A. Yes, sir.

Q. Are you sure you did not tell the veterinary surgeon to keep away from her hind legs?—A. No, sir.

Q. She was a kicker?—A. No, sir.

Q. And a pretty bad kicker?—A. No, sir.

Q. Will you swear that?—A. Yes.

Q. Did you tell him that horse was a kicker?—A. No, sir.

Q. Did he ask you?—A. No, sir.

Q. Did he ask you if the horse was sound?—A. No, sir.

Q. Was she sound?—A. Yes, sir.

Q. How badly would that horse kick?—A. Well, I never seen her kick very badly.

Q. Were you present when she was loaded on the car for shipment to Valcartier?—A. No, sir.

Q. How careful had you to be with her when you were going into the stall to feed her or clean her?—A. I would walk in the same as I would with any other horse.

Q. Could a stranger do the same thing?—A. They always did while I had her, a woman could drive her.

Q. And you would not call her a very bad kicker?—A. No.

Q. Did you pay any part of the \$165 which you received to anybody else?—A. No, sir.

Q. How long did you have this mare?—A. I had her about, well, I had her from when she was raised, my father gave her to me about a year before.

Q. Your father raised her?—A. Yes.

Q. And nobody owned her except your father and yourself?—A. That was all.

Q. Was she always a kicker?—A. She was always a little bit crabbed, she would kick a little.

Q. Did she bite?—A. No.

Q. Not at all?—A. No. I never knew her to bite.

Q. Did you know of any other defect except this kicking and this other slight defect that you spoke of?—A. No, sir.

Q. And that was the only horse you sold of your own?—A. Yes, sir.

Q. How many horses did you sell for other people?—A. Three.

Q. Let us start with the first one, tell me about the other mare that you sold?—A. She was something similar to the one I sold for myself.

Q. Who did you sell that mare for?—A. Mrs. Crocker.

Q. Where does Mrs. Crocker live?—A. In Weston.

Q. Did you only sell one horse for Mrs. Crocker?—A. Yes, sir.

Q. You sold that horse in Berwick?—A. Yes, sir.

Q. And you sold it on the same occasion you sold your own horse?—A. Yes, sir.

Q. And on the same day?—A. Yes, sir.

Q. And to the the same buyer?—A. Yes, sir.

Q. And the same veterinary surgeon made the examination?—A. Yes, sir.

Q. What price did you get for Mrs. Crocker's horse?—A. \$160.

Q. How old was that horse?—A. I think she was somewhere between ten years and eleven years.

Q. Are you sure she was not over 15 years?—A. As far as I know she was not.

Q. Are you sure about that?—A. Yes, sir.

[Kentville, Horses—Kinsman.]

Q. Had you known this mare of Mrs. Crocker's for some time?—A. I had known her several years.

Q. Did you know her when she was a colt?—A. No.

Q. How many years had you known her?—A. Four or five years.

Q. When you first knew her, four or five years before you sold her to the Government, what age was she then?—A. I think she was a young horse.

Q. You think she would not be more than eleven years of age when you sold her, is that correct?—A. Between ten years and eleven years.

Q. Was she about six years old when you first knew her?—A. I would not know but just what the people told me.

Q. What was the weight of that horse?—A. I think she was about as heavy as the one I sold myself, but not quite.

Q. Were you paid in cash for her?—A. Yes, sir.

Q. Were you paid by the same person that bought your horse?—A. Yes, sir.

Q. What examination did the veterinary surgeon give Mrs. Crocker's mare?—A. Just about the same as he did mine. I do not think he looked at her as much in fact.

Q. Did he move her about?—A. I had been moving her about, I was on her back and the vet. was around and he came up and he never asked me to move her at all.

Q. How far did you move her?—A. Just a little ways.

Q. Did you move her far enough or fast enough to disturb her wind?—A. No, sir.

Q. Did you ride her in or did you lead her in?—A. I drove her in.

Q. Did you lead the others in?—A. I led mine behind.

Q. How far did you have to drive her to the place of sale?—A. I think over four miles.

Q. And how fast did you drive into the place of sale?—A. Some of the time I drove as fast as eight or nine miles an hour.

Q. Did you slow up before you got to the place of sale?—A. I slowed up along at different times on the road but I was on a good sharp jog all the way.

Q. Did you give this mare a bit of a rest before you brought her into the place of sale?—A. No, sir, I did not.

Q. How long was she at the place of sale before being examined by the veterinary surgeon?—A. About half an hour, I think.

Q. Did he ask you anything about her soundness?—A. No.

Q. Are you quite sure about that?—A. Yes, sir.

Q. He did not ask you a question as to the soundness of that animal?—A. No, sir.

Q. Did you tell the veterinary surgeon or the buyer that she had the heaves?—A. No, sir.

Q. You didn't tell him that?—A. No, I do not think I did.

Q. Are you quite sure?—A. Yes, sir.

Q. You said nothing about it?—A. No, sir.

Q. Had she any spavins?—A. No, sir.

Q. How did you arrive at the price, what were you asking?—A. \$175.

Q. Were you instructed to ask for \$175 by Mrs. Crocker?—A. Yes sir.

Q. What was the lowest price she said you could sell that animal at?—A. She told me to ask that price but she told me she would let her go at \$150.

Q. What did you close at?—A. \$160.

Q. You swear that mare did not have the heaves?—A. Yes, sir.

Q. You are quite sure about that?—A. Yes, sir.

Q. Let us take the next horse, which was Captain Quirk's horse, what about Captain Quirk's horse?—A. I do not know much about her.

Q. Did you only sell one horse for Captain Quirk?—A. Yes, sir.

Q. Did you sell that horse at the same time you sold the others?—A. No, sir.

Q. Where did you sell that horse?—A. I sold her at Kingston.

Q. How did you come to sell for Captain Quirk?—A. He asked me to.

Sir CHARLES DAVIDSON: How far is Kingston from your place?

The WATNESS: Nine or ten miles or around there.

By Mr. Thompson, K.C.:

Q. Who was the buyer at Kingston?—A. I think they were the same men.

Q. Did they appear to you to be the same men?—A. Yes, sir.

Q. When was the sale at Kingston, was it not the day following the sale at Berwick?—A. The following day I think.

Q. And you recognized the same men as were buying before?—A. Yes, sir.

Q. What price did you get for Captain Quirk's horse?—A. \$160.

Q. What age was she?—A. He told me she was around ten or eleven years old, I think eleven years.

Q. Had you any serious doubts about that?—A. No, sir.

Q. You had no doubt whatever about that?—A. No, sir.

Q. Was the horse, as a matter of fact, not considerably older than that?—A. I think she was a young mare.

Q. Not older than that?—A. I believe she was 11 years old.

Q. Do you think she was young for her age or that 11 years old was young?—A. She acted young for her age.

Q. And you do not think she was more than 11 years old?—A. No.

Q. How long had you known that mare?—A. I know her somewheres inside of a year.

Q. Were you paid in the same manner for her that you were paid for the others?—A. Yes, sir.

Q. And you were paid by the same person?—A. Yes, sir.

Q. And about what time of the day were you paid?—A. I do not just know.

Q. Would it be in the morning or in the afternoon?—A. In the afternoon.

Q. How late in the afternoon was it that you got paid for that mare?—A. I think it was somewhere between three and four o'clock, but I ain't sure about that.

Q. Did he ask whether Captain Quirk's horse was sound?—A. No, sir.

Q. Was she sound as a matter of fact?—A. I do not believe she was exactly sound from what they say, he told me himself she was not any too sound.

Q. The heaves were affecting her a bit?—A. No, sir.

Q. Then what was the difficulty with her?—A. I think there was a slough and a spavin.

Q. Will you describe what a slough is?—A. I do not know much about it myself.

Q. I do not want your description in any technical language, if you were describing it to anybody else how would you describe it?—A. All I ever seen was kind of swollen around the hoof or something like that, I ain't much of a horseman.

Q. Could that be seen by the veterinary surgeon when the horse was examined by him?—A. I suppose it could.

Q. Could you notice it yourself?—A. I never noticed it.

Q. You never examined the horses then?—A. No, sir.

Q. Tell us how bad was the spavin?—A. It was not bad enough to make her lame.

Q. Did she go a little stiff when she was starting out?—A. I never seen her go stiff.

Q. When you started driving her did she go stiff?—A. I never noticed it.

Q. How long did she have that affection of the hoof?—A. I cannot tell you.

Q. You don't know anything about it?—A. I do not know.

Q. Did Captain Quirk tell you?—A. No, sir.

Q. Did you pay the whole of the purchase money to him?—A. No.

Q. How much did you keep for yourself?—A. Ten dollars.

Q. Did you keep that for yourself?—A. Yes, sir.

Q. Did you give Chipman any of it?—A. No, sir.

Q. Did you give the buyer any of it?—A. No, sir.

Q. Was that your own commission?—A. Yes, sir.

Q. Did you arrange that with Quirk before you went to make the sale?—A. Yes, sir.

Q. What did Mrs. Croker pay you for selling her horse?—A. Nothing at all.

[Kentville, Horses—Kinsman.]

Q. But you went considerably out of your way to sell that horse?—A. No, I was selling my own at the same time, and I was working there.

Q. Did you have any other horses in your charge, do you remember?—A. Yes, sir.

Q. Did you not have Don Wilson's horse?—A. Yes, sir.

Q. What did Don Wilson tell you to ask for his horse?—A. He did not tell me to ask anything.

Q. You brought Wilson's horse into Kentville?—A. No, sir.

Q. Where did you bring him into?—A. I didn't bring him in at all.

Q. Where did you have Wilson's horse?—A. At Berwick.

Q. Did Don Wilson turn up at Berwick?—A. Yes, I suppose he was there.

Q. Was he not at Berwick when you got there?—A. I do not know that, but the horse was there.

Q. Had he asked you before that to sell his horse for him?—A. No.

Q. Did he ask you when at Berwick to sell his horse for him?—A. He did.

Q. What did he tell you as to the price you should ask for that horse?—A. He told me what I could get over \$125 I could keep.

Q. Did you show Don Wilson's horse at Berwick at the same time that you showed the other horses?—A. Yes, sir, the same afternoon.

Q. Did Chipman examine that horse?—A. No, sir, he did not examine it.

Q. Did anybody examine that horse?—A. Not that I know of.

Q. Did you succeed in selling it?—A. Yes, sir.

Q. To whom did you sell that horse?—A. The same men, McKay and Chipman.

Q. And you saw neither of these examine the horse?—A. I did not see him, he came up where I was and asked me if the horse was for sale.

Q. What did you tell him?—A. I told him yes.

Q. What did you ask for the horse?—A. \$140.

Q. And they paid you that?—A. Yes.

Q. You asked them \$140 and they gave you \$140?—A. Yes, sir.

Q. And they did not try to beat you down in the price?—A. No.

Q. And how much did you pay Wilson?—A. I paid him \$125.

Q. How old was that horse?—A. I do not know.

Q. And you say they did not ask you any questions about that horse?—A. No, sir.

Q. Will you write down the words "Seth Kinsman"?—A. Yes, I will try to.

(The witness wrote down the name "Seth Kinsman.")

Q. Did you see them put a ticket on your horse?—A. I was in the wagon when he put it on.

Q. Did you see him put it on?—A. Yes.

Q. Do you remember signing any receipt?—A. I do not.

Q. Did they ask you the name of the Don Wilson horse?—A. No, sir.

Q. Did they ask you whether he was sound or not?—A. No, sir.

Q. Are you quite sure about that?—A. Yes, sir.

Q. Just how much was wrong with the Don Wilson horse apart from the heaves; he had the heaves, did he not?—A. I do not know anything about the horse.

Q. How long had you known the Don Wilson horse?—A. Just long enough to get into the wagon and turn him around in the town.

Q. Did Don Wilson tell you why he wanted to sell that horse?—A. I do not know.

Q. It was Don Wilson instructed you to sell him?—A. Yes.

Q. Did he make any comment on the tip?—A. No.

Q. And he just told you that anything you could get over \$125 you could keep for yourself?—A. Yes to sell his horse, that is what he told me.

Q. Did you bring the Wilson horse into the place of sale?—A. No.

Q. Who brought the Wilson horse in?—A. Wilson did, I suppose, I do not know.

Q. Do you know the age of the Wilson horse?—A. No, sir.

Q. Did you never hear what age that horse was?—A. I know nothing about it.

[Kentville, Horses—Kinsman.]

Q. Look at these three receipts and see if you did not sign them all, just compare them with your signature?—A. Yes, I believe I did.

Q. These are tickets Nos. 113, 118 and 132, and the age entered on ticket No. 113, which is for the \$140 horse, presumed, is eleven years, did you make that representation about that horse?—A. No, sir.

Q. Did you say that he weighed 1,000 pounds as entered on that ticket?—A. No, sir.

Q. Did you say he was 15 hands high?—A. I made no representations whatever.

Q. Did they ask you any questions?—A. None whatever.

Q. Was Mr. Oakes present that day?—A. I do not know, I would not know the man.

Q. What was your commission on the Don Wilson horse?—A. Fifteen dollars.

Q. Did you pay any part of that to the veterinary surgeon?—A. No, sir.

Q. Or did you pay any part of it to the man who bought the horse?—A. No, sir.

Q. Did you give that horse any dope to cure him of the heaves temporarily?—A.

No, sir.

Q. Or of any other ailment?—A. No, sir.

Q. Do you know whether Wilson or anybody else did?—A. No sir, I do not.

Q. Did he tell you whether he did or not?—A. No, he did not.

Q. What other horses did you sell?—A. That was all.

Q. You sold no others?—A. No, sir.

Q. Did you sell any other horses for any other purpose?—A. No, sir.

Q. And that is all you know about it?—A. That is all.

Q. Is there anything I have not asked you about these horses as to their soundness that you know of and that you have not told me?—A. No, sir.

The witness retired.

SAMUEL SPURGEON SELFIDGE, farmer, of Aylesford, sworn:

By Mr. Thompson, K.C.:

Q. How many horses did you sell to the government for military purposes last August or September?—A. Two.

Q. Where did you sell them?—A. At Berwick.

Q. Who was the buyer?—A. Well, I did not know at the time. I have since learned it was McKay.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What were you paid?—A. \$375.

Q. For the pair?—A. Yes.

Q. And what were the ages?—A. Five and six.

Q. And the weight of the five year old horse?—A. Well, I never weighed either of them. I think about 1,200 or 1,250.

Q. How were you paid?—A. By cash.

Q. By whom?—A. By the man that bought, I suppose it was McKay.

Q. What time of the day were they examined?—A. I would say about 5.30 I think, if they stopped buying at six, which I think they did; it was late anyway, it was about the last horse.

Q. Between five-thirty and six, would it be?—A. Yes.

Q. How long after were you paid?—A. A few minutes.

Q. Where were you paid?—A. In the office at the warehouse.

Q. Was anybody else present?—A. I don't think there was at the time, I got the money.

Q. Did you see Mr. Foster on that occasion?—A. I did not.

Q. Did you see Mr. Oakes?—A. Yes.

Q. Did you see Keever?—A. I would not know him.

Q. Did you see Woodworth?—A. No.

[Kentville, Horses—Selfridge.]

Q. What time did you arrive at Berwick?—A. Well, I would say between one and two probably.

Q. Was Oakes there when you arrived?—A. Yes, or shortly after.

Q. Who examined your horses?—A. Chipman did all the examining there was.

Q. What was the extent of his examination?—A. Well, he simply walked around them.

Q. Did he examine their teeth?—A. I don't think so.

Q. Did he try their legs?—A. No.

Q. Did he ask you any questions about your horses?—A. Well, I don't know whether he asked me how old they were or not. I think he did.

Q. Did you give him the same age as you did now?—A. Yes, sir.

Q. Did he ask you if they were sound?—A. I don't think he did.

Q. Were they sound?—A. As far as I know.

Q. Both of them?—A. As far as I know.

Q. Neither had glanders?—A. No, sir, not to my knowledge.

Q. Are you sure?—A. Yes, I am as sure as I can be about any horse I have owned.

Q. Did either of them have a cold or a cough?—A. Not that I know of.

Q. No spavins?—A. No, sir.

Q. Who bargained with you as to what you were to get for your horses?—A.

McKay.

Q. And what were you asking?—A. I think I asked him \$400 or \$425.

Q. What did he offer you?—A. \$375.

Q. And you accepted?—A. I did.

Q. How long had you had these horses?—A. I bought one of them I would say somewhere around the last of February or the first of March. The other I had not had so long—about nearly so long.

Q. Well the one you got in March, what did you pay for him?—A. Well, when I bought him I think he cost me just two hundred dollars. I bought him in New Brunswick. I bought him in a carload of horses.

Q. Was he in as good condition when you sold him as when you bought him?—A. I don't think so, not quite.

Q. Why, what happened to him?—A. Well I worked him pretty hard. He was very fat when I got him.

Q. Did he develop any defects?—A. No.

Q. None that you know of?—A. None whatever.

Q. About how long did you have the other horse?—A. Well, I could not say exactly. I got him not a great while before I sold him. I had not had him a great while.

Q. Did you have him before the first of August?—A. I would not say that I had. I only had him a short time.

Q. Do you swear that your horses did not have the glanders or the cold?—A. Either of them?

Q. Yes?—A. Not to my knowledge.

Q. Do you swear that you did not wipe the nose or the mouth of one of your horses just before the veterinary came along?—A. If I did I don't remember anything of the kind. I never saw anything on them to be wiped off.

Q. Have you any recollection of doing so?—A. No, sir.

Q. Were they ill in any way while you had them?—A. Not to my knowledge.

Q. Did you pay the veterinary or McKay any part of the \$375 you received for these horses?—A. No, sir.

Q. Did you pay anybody anything by way of commission?—A. No, sir.

Q. Do you swear that you did not pay anybody anything by way of commission?—A. I swear I did not pay any man anything by way of commission.

Q. Do you know the Roy Chute horse?—A. Well I had seen him quite often.

Q. Do you know the age of that horse?—A. No, sir.

Q. Do you know Abner Woodworth?—A. I do.

Q. Were you at Kingston when he sold a horse to McKay?—A. No.

Q. Did you know that he had sold a horse?—A. I knew that he took one there and did not bring him back. He told me he sold him.

Q. Do you know the horse he said he sold?—A. I have seen it several times.

Q. How often?—A. I could not tell you.

Q. Do you know the age of that horse?—A. She was called 15.

Q. What do you think her age was?—A. I do not know. I never opened her mouth.

Q. Do you know anything more about the horse—as to the condition and soundness of the horse?—A. Well, I know she was lame—had been for years.

Q. In what respect was she lame?—A. What we would call sore forward—tender feet, that is to say. I never examined it as to soundness.

Q. That is all you can speak of?—A. Yes, that is all.

Q. You gave some evidence before the Public Accounts Committee—testimony as to the James McGarvey horse?—A. Yes sir.

Q. Do you know the James McGarvey horse?—A. Yes sir.

Q. On page 606 of the Public Accounts evidence you were asked how old that horse was and you said ten years. Do you corroborate that now?—A. Yes sir.

Q. You were asked as to blemishes and you said: “I think he had a spavin on one hind leg and that he was foundering.”—A. That was what I said.

Q. What do you say now?—A. That is my opinion still.

Q. What examination did you give that horse or how did you form that opinion?
—A. A few days previous to his being sold, Mr. McGarvey came along. I think he was working a head of oxen, and he stopped and said: “Don’t you want to buy the little horse?” and I said: “I don’t know as I do.” I went out and examined him quite carefully and decided I did not want him. I thought he was wrong forward. He was standing with his breast hollowed—he would put up one foot and then another and I noticed he was wrong forward. I noticed he had a small lump on the spavin joint, which I took to be a spavin.

Q. You also said before the Public Accounts Committee: “I know the horse well, I thought his wind was broken.”—A. I did.

Q. Why did you think his wind was broken?—A. Because he was not breathing right, I did not think.

Q. You said you saw, (at page 605)—I presume speaking of Berwick sale: “I saw there horses twenty years old.” Do you know whether any of these horses were sold to the Government?—A. Are you asking me that?

Q. Yes?—A. No, I do not know.

Q. You were asked: “But there were horses there between 25 and 30” and you answered: “Yes.” Do you still adhere to that?—A. Do I? Horses that I would suppose were that age? Well, at that time I did remember horses, but I could not tell you now what horse it was.

Q. Was that correct?—A. That there were horses 25 or 30 years of age?

Q. You stated that there were horses of these ages. Do you think so now?—A. Yes, I think there were.

Q. Do you know anything about the Ingram Bowlby horse?—A. I do or I did.

Sir CHARLES DAVIDSON: Is there anything further about the 25 to 30 year old horses? Were there any bought that day of that age?

The WITNESS: I did not say there were some bought.

Sir CHARLES DAVIDSON: Were these horses you have described purchased?

The WITNESS: Yes, some of them.

Sir CHARLES DAVIDSON: By McKay, some of the old horses?

The WITNESS: Yes, some of the old horses.

By Mr. Thompson, K.C.:

Q. Which of the old horses were purchased by McKay?—A. Well, the horse that Mr. Chute sold—no, he was purchased at Kingston. There was a horse that Mr. Beckworth sold that I would consider by his appearance was more than that.

Q. Which Beckworth?—A. Archie Beckworth.

Q. How old would you consider the Archie Beckworth horse was?—A. I did not examine that horse, as I said before, I do not know.

Q. But you were speaking before the Public Accounts Committee of very old horses at that particular time?—A. I did remember some of those horses, but I cannot tell you now that I can remember just what those horses were.

Q. Give me the name of one of them?—A. I do not know that I can to-day.

Sir CHARLES DAVIDSON: He seems to have divided the classes of horses into three: 20, 25 and 30 years old. As regards all these classes, you stated some were sold to the Government. It is quite important for you to give the names of those persons.

The WITNESS: I think my answer was to the 30-year-old that I would not say some were there—that horses seldom lived to be 30 years old.

Sir CHARLES DAVIDSON: Yes, you said that.

WITNESS: I cannot tell you now that I could tell you of the twenty-year-old horses that I thought of at that time.

Mr. THOMPSON: Can you give me the name of any one horse twenty years or over?

The WITNESS: I cannot say that I can at present.

Mr. THOMPSON: How old did you think the Beckworth horse would be?—A. I do not know, only from his appearance.

Sir CHARLES DAVIDSON: He has already stated that the Beckworth horse was 20 years old.

The WITNESS: I would say from his appearance that he must have been that old or older. He was a horse I did not know anything about except from his appearance.

By Mr. Thompson:

Q. Do you know the Alden Morse horse?—A. Only from hearsay.

Q. You do not know anything yourself?—A. I do not know that I do.

Q. Do you know the Ingram Bowlby horse?—A. Yes, sir.

Q. What do you know about that horse?—A. Well, I have seen her since she was a colt very often.

Q. How old would she be?—A. Well, I said when I was in Ottawa she 17 or 18, but I was wrongly informed.

Q. And you also say (page 607): "She had a very bad dose of the heaves"?—A. Yes, sir.

Q. Is that correct?—A. Yes, sir.

Q. What other defects had she?—A. I do not know of any.

Q. You were asked (page 608): "Did you have any conversation with Bowlby?"

Q. Did you have any conversation with this man Bowlby about the mare taken to Kingston?—A. Yes.

Q. What did he tell you?—A. He had told me several times that he did not intend to winter her, and he told me that if he did not sell her he was going to kill her.

Q. Is that correct?—A. Yes, sir.

Q. Did he make that statement to you?—A. Yes, sir.

Q. How did you fix the age of that horse?—A. As to my mistake?

Q. No, as to your knowledge that she was 16 or 17 years of age?—A. Well, I will tell you. Previous to my going to Ottawa I was talking to Mr. Bowlby with reference to the mare. It was at the hotel the day that we were speaking and there was quite a crowd of them talking and we were talking about Bowlby's horses, and about the

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Bowlby mare that he had, that would be the Howard Spurr mare, and after he made that statement about him not intending to winter her, I said—well, somebody else broke in and was talking about the horses—and after a little I turned to him and I said: “Ingraham, how old would that mare be?” and he said: “17 or 18,” but I was talking about the chestnut mare and he claims he was talking about the Howard Spurr mare, and that is the way I made the mistake.

Q. What mistake?—A. I said the mare was 17 or 18 years old, and they asked me how I would judge her age and I told them by a colt that I raised. I raise a colt nearly every year, but I did not tell them what Ingram Bowlby told me and I had reasons for not telling them.

Q. What were your reasons?—A. My reasons was that I had spoken previous to that, of things that people had told me about their horses and I was criticised very sharply for reporting gossip and what I heard on the street. Mr. Davidson, as you will find in the evidence, criticised me very sharply, and I determined not to repeat it if I could avoid it, and as I said before, I had raised a colt, and I supposed she was the same age as the one he referred to, and she would be 17 years old.

Q. And now you say that you made a mistake when you told the Public Accounts Committee that that horse was 17 or 18 years old?—A. Yes, I certainly did.

Q. And that you based that on what Bowlby had told you?—A. Yes.

Q. And you say you thought he was referring to another horse?—A. I was referring to the chestnut mare with the heaves, and he claims he thought I was referring to the Howard Spurr mare.

Q. I quote from your evidence at page 607 of the report of the Public Accounts Committee, and this is what occurred:

Q. Do you know Ingraham Bowlby?—A. I do.

Q. Is he a neighbour of yours?—A. Yes.

Q. Did he have a horse for sale?—A. He had two of them.

Q. Did you know them pretty well?—A. Yes, one of them particularly.

Q. How old was that one?—A. The one I knew particularly?

Q. Yes?—A. She would be seventeen or eighteen last spring.

Q. Is it a mare or a horse?—A. A mare.

Q. What were her characteristics, how was she as to wind and limb?—A. She had a very bad dose of the heaves.

Q. Was she spavined?—A. I think not.

Q. Any other defects?—A. I do not think so.

Q. Was that one sold?—A. He took her to Kingston and left her there. I was not at Kingston. He said he sold her, she did not come back.

A. That is right.

Q. Did he take them both to Kingston?—A. Yes.

Q. Did either of them come back?—A. The first one came back.

Q. Which came back?—A. The young horse, the good horse.

Q. So then, it must have been the old horse he sold?—A. It must have been the mare with the heaves.

Q. So then your statement before the Public Accounts Committee was correct, was it not?—A. No, it was not correct.

Q. Why was it not correct?—A. I made a mistake about the age of the mare.

Q. You stated that the age of one of them was 17 or 18 years?—A. Yes.

Q. And you state that today?—A. No, that is the one I made the mistake in.

Q. Was neither of these horses 17 or 18 years old?—A. No.

Q. You did not tell the Public Accounts Committee you thought it was 17 or 18 years old, you said it was 17 or 18 years old?—A. Yes.

Q. I have quoted your testimony, I want to see whether you will take it back or not, I have read what you said before the Public Accounts Committee?—A. Yes, I will say that I made a mistake, owing to being wrongly informed by Mr. Bowlby.

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Q. But you did not say before the Public Accounts Committee that you were informed, you stated it as a matter of fact?—A. No, I did not state that I was informed, and I have told you why I did not.

Q. Here is what you said before the Public Accounts Committee:

Q. How old was that one?—A. The one I knew particularly?

Q. Yes?—A. She would be 17 or 18 last spring.

A. That is what he told me.

Q. But you did not tell the Public Accounts Committee that you were only told that?—A. I did not.

Sir CHARLES DAVIDSON: Read a few lines before that from his evidence before the Public Accounts Committee.

Mr. THOMPSON: I just want to get the facts, Mr. Selfridge, that is all.

Sir CHARLES DAVIDSON: I read from the Public Accounts Committee evidence:

Q. Did he have a horse for sale?—A. He had two of them.

Q. Did you know them pretty well?—A. Yes, one of them particularly.

Q. How old was that one?—A. The one I knew particularly?

Q. Yes?—A. She would be 17 or 18 last spring.

By Mr. Thompson, K.C.:

Q. Did you make that statement on the foundation of any statement made to you by the owner, or was it not made on your own personal knowledge?—A. It could be taken that way if you will.

Q. But it has to be taken that way?—A. If you follow my evidence through to the last you will find that they questioned me about that. They asked me and I told them I had a reason and I had that reason that I have given, that I was determined not to be criticised again for saying what I had heard.

Q. What age would you take the Ingram Bowlby horse to be?—A. I have asked him since and he told me she was 11 or 12 years, I would not say which he told me.

Q. And you swear that there was nothing wrong with either of the horses you sold?—A. With either of the horses I sold?

Q. Yes?—A. Not to my knowledge.

Q. And there was nothing wrong with them during any of the time you had them?—A. Nothing wrong with them during any of the time I had them?

Q. Yes?—A. Nothing that I know of.

Q. Had either of them anything wrong with them before you bought them, so far as you know?—A. Nothing that I know of.

By Mr. Sangster:

Q. How much of your own knowledge is your evidence, and how much do you derive from hearsay, with regard to the evidence that you gave us before the Public Accounts Committee?—A. I do not know that I can tell you, that is too large a scope, I would want to read the evidence over or have it read to me.

Q. Have you read the evidence over?—A. I certainly have.

Q. When you speak of knowing this horse particularly, how particularly did you mean that you knew him?—A. Bowlby is a neighbour of mine and we are quite intimate, he is at my place very often and he had the mare since she was a colt, so that I was bound to see her quite often.

Q. And you reckoned her age by the age of a colt you had yourself?—A. That is what I told them at Ottawa.

Q. I am asking you what you do know?—A. I raised a colt the same year.

Q. And you have raised a colt every year since then, have you not?—A. Not every year but pretty nearly, and some years I raise two.

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Q. It was by the age of the colt you raised every year, and from knowing this mare particularly, that you gave her age before the Public Accounts Committee at Ottawa?
—A. That is what I said at Ottawa.

Q. You are mistaken about that too?—A. About which?

Q. About having a colt the year this horse was born?—A. Mistaken?

Q. Yes, that is a mistake also?—A. I do not know that that is a mistake, I raised a colt the same year he raised that mare.

Q. What colt were you referring to before the Public Accounts Committee that you raised the same year that this horse was born?—A. What colt?

Q. Yes?—A. Well, I do not know that I can tell you.

Q. You were not referring to any colt particularly before the Public Accounts Committee, were you?—A. Yes.

Q. What colt then?—A. It was the Warren Guy mare.

Q. How old is that colt?—A. I suppose she is dead now, I cannot tell the exact age of but very few colts I raised, unless I had some particular thing to date it by.

Q. You had no more information at the time you gave your evidence before the Public Accounts Committee at Ottawa than you have to-day about the age of this mare?—A. No.

Q. And you had no knowledge whatever as to the age of this Bowlby horse except what Mr. Bowlby has told you?—A. Yes, sir, I did.

Q. What was your knowledge?—A. My knowledge is as it would be with any other colt I had seen from the time it was a colt.

Q. And you knew evidently what Mr. Bowlby told me?—A. I thought I knew, and I was really surprised at it, when Mr. Bowlby told me the mare was as old as she was.

Q. I suppose it is like this, that when you came back home after giving your evidence in the Public Accounts Committee in Ottawa there was quite a storm raised here about some of the evidence you gave there?—A. I guess it was raised before I came back.

Q. And the storm continued after you came back?—A. Not very much.

Q. Did not Mr. Bowlby charge you with saying what was not true?—A. He did not.

Q. Did he speak to you about this or did you speak to him?—A. He spoke to me, and I think we talked the matter over when we met first.

Q. And he told you that what you said was not true?—A. He did not.

Q. Did he say that what you said was correct?—A. He told me just this, the first time I seen him, he made mention of somebody talking to him about my lying about his mare, and I told him I could clear my shoulders of that very easily because I told him just what he said. I said: I remember you telling me, but I was determined I would not tell any more hearsay up there.

Q. Just coming back a moment to the Woodworth mare, when you were speaking of that horse in Ottawa were you speaking of your own knowledge?—A. No, sir.

Q. You were speaking from hearsay?—A. What Mr. Woodworth told me.

Q. Did Mr. Woodworth tell you that he had paid \$50 for that horse?—A. Yes.

Q. Where did he tell you that?—A. In his own house.

Q. At what time did he tell you that?—A. I think it would be the last of December or the first of January.

Q. You know that Mr. Woodworth denies having told you that?—A. Yes, I do.

Q. Do you know that he is prepared to swear that he did not tell you so?—A. Yes, sir.

Q. Do you know that he says: "I am prepared to make an affidavit that Selfridge made a false statement"?—A. I said it, and I am still prepared to prove that he did.

Q. Regarding the McGarvey horse, were you speaking of your own knowledge?—A. Was I speaking of my own knowledge?

Q. Yes?—A. With reference to what?

Q. With reference to the McGarvey horse?—A. I was speaking of my own knowledge after examining him.

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Q. As to his age?—A. As to his age?

Q. Yes?—A. It was just the same as it was with the Bowlby mare, I had seen him since he was a colt, and McGarvey told me he was ten years old.

Q. Were you trusting to what McGarvey told you or did you know yourself?—

A. I think the horse would be about that age, and I looked in his mouth, and he said to me: "How old is he," and I said he was ten years.

Q. Do you know McGarvey stated to the contrary here?—A. No.

Q. And that he was more than that?—A. No.

Q. As to the McGarvey horse foundering, what have you to say as to that, had you any knowledge as to that fact?—A. Foundering?

Q. Yes?—A. I told them, and I tell you to-day just as I told them at Ottawa, that I noticed there was something wrong with the horse, and I thought that he was either foundering or preparing to founder, although it took a shrewder man than me to tell.

Q. You do not pretend to say he was foundering? It is simply a matter of opinion with you. You know that was denied?—A. I have heard that it is denied, yes.

Q. In the face of that denial, do you pretend to say the horse was foundering?—A. I pretend to say, as I did then, that there was something wrong with the horse forward.

Q. Did you go before the Public Accounts Committee at Ottawa with a view of making out that these horses were bad horses?—A. No, sir.

Q. You say you had no interest in that respect at all?—A. I was there simply to tell the truth.

Q. Did you take any interest in making out that these horses were any worse than they really were?—A. Did I take any interest in that?

Q. Yes?—A. I do not think that I did.

Q. When this matter first started, did you take any interest in collecting evidence to that effect?—A. No, sir.

Q. Did you go down to Halifax in connection with it?—A. No, sir.

Q. Did you have anybody go down there?—A. I do not know that I had anybody go down there.

Q. Have you any doubt about it?—A. Why no.

Q. Did you arrange with Mr. Harvey to go to Halifax?—A. Mr. Harvey told me he was going to Halifax on business of his own.

Q. Did you put up the money for him?—A. Did I put up the money for him to go?

Q. Yes?—A. No, sir.

Q. Do you know what he went for?—A. I believe he was looking up some evidence.

Q. Did you know he was going to see Mr. Wickwire?—A. No.

Q. Did you know anything about that?—A. I imagine I have heard that since that he seen Wickwire.

Q. At the time he was going to Halifax you did not know?—A. No.

Q. Did you know he did see Wickwire?—A. Yes, I think I heard him say he seen Wickwire down there.

Sir CHARLES DAVIDSON: That does not affect the matter.

Mr. SANGSTER: It is as to the witness' credibility.

Sir CHARLES DAVIDSON: The last question seems to be somewhat far afield.

By Mr. Sangster:

Q. You know that this man Harvey had a statement prepared in Halifax, you know about that?—A. I do not.

Q. You were not there with him at the time?—A. I was not.

Q. And you went to Ottawa with Mr. Harvey?—A. I did.

Q. And you paid his expenses up there?—A. I did not.

Q. Did you put any money up for his expenses?—A. I handed him some money, I bought his ticket and lent him the money which he afterwards paid me back.

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Q. And you knew he was going there to give evidence in regard to this matter?—
A. Certainly.

Q. And you had gone all over it with him?—A. I didn't go over it with him, I didn't have to, I knew the facts without going over it with him.

Q. But you knew what he would say in Ottawa?—A. I knew what he would say if he told the truth.

Q. And that evidence which you gave in Ottawa regarding the transaction at Kingston was also hearsay?—A. I was not there.

Q. Then it was hearsay?—A. It would be bound to be if I was not there.

Q. I would ask you if the evidence you gave before the Public Accounts Committee in Ottawa about Kingston was hearsay?—A. It would have to be if I wasn't there.

Q. Tell me whether it was or not?—A. I think I have answered that.

Sir CHARLES DAVIDSON: That is not an answer to the question.

By Mr. Sangster:

Q. The evidence you gave before the Public Accounts Committee, purporting to be a statement of fact as to what took place in Kingston, was hearsay?—A. Yes, it was bound to be hearsay if I was not there.

Q. Now, regarding this Beckworth horse, did you examine him at all carefully?—No sir, I did not say that I did.

Q. What did you do to enable you to form an opinion about his value?—A. I simply sat alongside of him in my carriage, when the horse was brought in, and unharnessed and taken out.

Q. Were you talking to them of the Beckworth horse?—A. I was, for I was very much amused.

Q. What way was the horse moving to amuse you so much?—A. It was not his performance, it was his appearance.

Q. Was there anything peculiar about his appearance?—A. Was there anything peculiar?

Q. Yes?—A. About his appearance?

Q. Yes?—A. Well, he was very thin and looked like an old broken-down horse.

Q. Anything else?—A. Nothing else, I did not examine him closely.

Q. Did you notice anything else peculiar about him?—A. Than that he was an old-looking broken-down horse, grey around the head.

Q. That caused you to be amused?—A. Yes.

Q. I suppose you are amused sometimes at your own horses?—A. I beg your pardon?

Q. Do you deal in horses?—A. Yes.

Q. And you have been dealing in horses for twenty years?—A. About that time, to a certain extent.

Q. And you are handling a good many horses?—A. For the last few years, not so many previous to that.

Q. Could you form any idea as to the value of this horse?—A. Nothing only from his appearance.

Q. What value did you put on him?—A. I did not think he would be any good.

Q. You thought he was worth nothing?—A. He would not be, I would not suppose from his appearance.

Q. Do you seriously say that that horse was worth nothing?—A. He would not be to me, from his appearance.

Q. Do you say he would be worth nothing in his value on the market?—A. I would not suppose he would be worth anything.

Q. And you stated before the Public Accounts Committee in Ottawa about this horse, Lincoln, falling down?—A. Yes.

Q. Was that hearsay also?—A. No, sir.

Q. Did you see that?—A. Yes.

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Q. Where?—A. On the race-track.

Q. On the ice?—A. No.

Q. Was the horse racing at the time?—A. Yes, sir.

Q. He was engaged in a race with other horses?—A. Yes.

Q. And that horse was hobbled at the time?—A. I would not say that he was.

Q. Tell us about that?—A. I do not know, I do not remember.

Q. Would he be hobbled when you were noticing it?—A. Very likely to be.

Q. Do you know what caused him to fall down?—A. I afterwards heard it was a habit he had after he went the first quarter.

Q. Do you know what caused him to fall down on that occasion?—A. I do not know further than that.

Q. He was entered in a race that day against other horses, I suppose?—A. I think so.

Q. It is not unusual for a horse to fall down in a race, is it?—A. Not for him.

Q. You think he was that kind of a race-horse?—A. Yes.

Q. You also gave evidence before the Public Accounts Committee about Mr. Harvey's horse, and Mr. Kinsman's horse, and Mrs. Croker's horse, did you personally know all these horses or were you speaking from hearsay with regard to them?—A. The Mrs. Croker mare was a colt that Mr. Bowlby raised the same year he raised the chestnut mare, and I had seen her around the neighbourhood every year since, and the Kinsman mare I had seen her casually, and Harvey's horse I have seen often.

Q. You seem to have a wide acquaintance with these horses, there were a great many of them you gave evidence about?—A. Yes.

Q. Take the Loomer mare, do you know that mare?—A. I know what I said about her, that I had seen him driving her around the roads.

Q. And the Reuben Morse horse?—A. That was Lincoln.

Q. And the Henry Chute horse?—A. I have seen him for a good many years.

Q. There were about twelve of those horses that you gave evidence about before the Public Accounts Committee, were there not?—A. I think so.

Q. Taking these horses right through, would you say they were an inferior lot of horses or a superior lot, on the average, that is the twelve horses?—A. Do you mean to take them on the average?

Q. Yes?—A. You could hardly average them for there were some good horses and some very poor ones, you could not average them. You could average the price of them, but I do not know how you could average the horses.

Q. What was the average quality, was it good, bad, or indifferent?—A. I think you would have to qualify them that way: good, bad and indifferent.

Q. What was the average quality?—A. I cannot do that.

Q. You are unable to form an opinion as to the average price of these horses?—A. I could average the price of them, but not the horses.

Q. You cannot say whether they were a good lot of horses or a very poor lot?—A. No, I would suppose they were good and bad.

Q. Taking them right through, you are unable to say whether they were a good lot or a poor lot?—A. They were good and bad.

Q. There were good horses among them?—A. There certainly were.

Q. Were there any horses among them that were of as low a grade as those horses you have been telling us about?—A. I do not understand you?

Q. Were any of them as low a grade as Lincoln?—A. Of the twelve that were sold?

Q. Yes?—A. I would suppose that the Beckworth horse, or the Loomer horse either, would not be worth any more than Lincoln.

Q. And the rest would be worth more?—A. I do not just remember about the rest.

Q. You do not?—A. I think that Lincoln would not be the poorest one of the bunch.

Q. And with the exception of the two you have mentioned, the rest would be better than Lincoln?—A. Well, I would suppose they would, as far as I remember them.

Q. Did you when coming from Ottawa tell any one that you had not told the whole truth there, but that you proposed to tell it all at this Commission?—A. I do not understand that.

Q. Since coming from Ottawa, did you tell any person that you did not tell the whole truth in Ottawa, but that you proposed to tell it before this Commission?—A. I do not remember that I did.

Q. Do you say you did not?—A. No, I do not say I did not, but I do not know why I should say it.

Q. You may have said that?—A. I do not know that I did. I may have said it in this way—

Q. I am not asking you to qualify it, will you say you did not?—A. I won't say I did not, but I do not remember saying anything of the kind.

Q. Did you tell Reuben Palmer that you had perjured yourself at Ottawa, but you would get out of it all right by merely swearing that it was another horse you meant?—A. No, I did not; I may have told Reuben Palmer that I made a mistake at Ottawa, the same as I told you.

Q. And that you would get out of it by merely swearing it was another horse you meant?—A. I never said anything about getting out of anything.

Q. You never told any one about correcting your mistake here?—A. I may have.

Q. And that you had sworn to what was not the truth in Ottawa?—A. I may have told them I made a mistake, the same as I have told you.

Q. Did you tell them you had sworn what was not true?—A. I would not be likely to do that.

Q. Will you swear you did not?—A. I will not swear I did not but it is not a thing I would do.

Sir CHARLES DAVIDSON: Do you intend to suggest Palmer as a witness?

Mr. SANGSTER: Not unless this witness denies it.

Sir CHARLES DAVIDSON: Do you intend to ask Mr. Thompson to call him?

Mr. SANGSTER: If this witness denies it, yes.

Sir CHARLES DAVIDSON: Is Mr. Palmer here?

Mr. SANGSTER: I understand he is not here.

The WITNESS: I think Mr. Palmer is here; I have seen him here.

By Mr. Sangster:

Q. Do you know John Graves?—A. I do.

Q. Is he a grandson of Abner Woodworth?—A. Yes, sir.

Q. Have you asked him to come over here and give evidence against Mr. Woodworth?—A. No, sir.

Q. Did you drive over with him this morning?—A. He came in the car with me.

Q. The two of you came over together?—A. Five of us came over together.

Q. In whose car?—A. J. L. Dodge.

Q. Did Graves call you up by phone and leave a message that he had his statement all prepared?—A. No.

Q. Have you heard anything to the effect that he did so?—A. No.

Q. Have you heard that he phoned that his statement was prepared?—A. No, sir.

Q. Did you hear anything about the statement of Graves being prepared?—A. No.

Q. It is John Graves I am referring to?—A. Yes, sir.

Q. He never suggested that to you?—A. What?

Q. That he had a statement prepared?—A. No, I do not think he has any prepared.

Sir CHARLES DAVIDSON: What is this evidence directed to?

Mr. SANGSTER: With regard to the credibility of the witness. I have instructions to carry out and I propose to do so by calling this witness.

Sir CHARLES DAVIDSON: You can hardly call witnesses on that basis, to attack his credibility.

[Kentville, Horses—Selfridge.]

Mr. SANGSTER: I do not wish to say any more just now, except to say that this will deal with another phase of the matter.

By Mr. Sangster:

Q. Who was it you spoke of before the Committee as phoning up to send down the old mare?—A. Ingram Bowlby.

Q. How did you happen to know that?—A. Because he told me.

Q. Where did Mr. Bowlby tell you that?—A. Right on the road in front of my house, if I remember rightly.

Q. About how long ago was it?—A. Shortly after I came from Ottawa, and I think he told me last fall when he sold the mare.

Q. Do you say he told you that since he came to Ottawa?—A. I think he told me previous to my coming down and I think he told me again afterwards.

Q. Do you think he would tell you again afterwards?—A. I have heard him repeat it lots of times.

Q. Do you remember him ever telling you that?—A. I have heard him say it repeatedly.

Q. And you say you heard him saying it before you went to Ottawa?—A. Yes.

Q. Where did he say it?—A. I cannot tell you exactly.

Q. You don't remember?—A. No.

Q. Do you know anything about the Alden Morse horses?—A. Nothing further than hearsay.

Q. And you are quite sure, as far as you know, that there was nothing wrong with your horses, or either of them, on the day you sold them?—A. Nothing so far as I know, and I think I would know it.

Q. Was there any indication to you that either of your horses was old?—A. Not the slightest.

By Mr. Thompson, K.C.:

Q. You took the shoes off your horses the day you sold them?—A. I had them shod either that day or shortly before that, I would not say it was that day, the horse wanted shoeing and I had him shod.

Q. Was there bar shoes put on?—A. I had a set of heavy bar shoes put on to haul a lot of hemlock logs, and I had them taken off after that and a set of light ones put on again.

Q. Are not bar shoes put on when a horse is tender forward?—A. Sometimes, but he is not tender forward.

Q. Why were the bar shoes on?—A. I very often put bar shoes on a heavy horse when I work him on a rocky road, and the road was very rocky.

Q. Do you think they are better than other shoes, whether a horse is tender or not?—A. I do, sometimes.

The witness retired.

A. B. HARVEY, butcher, Aylesford, Sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes.

Q. Where did you sell that horse?—A. I sold one at Berwick.

Q. How many horses did you sell altogether?—A. Five.

Q. Did you own them all?—A. Yes, sir.

Q. You had seen an advertisement calling for horses to be sold to the Government, had you not?—A. Yes, sir.

Q. You read it?—A. Well I do not know whether I did or not. There was public talk around about horses, and I could not swear whether I read the advertisement or not.

Q. You were asked in the Public Accounts Committee at Ottawa, at page 595:—

Q. Did you know at the time that the ages of horses were mentioned in the poster?

and you answered: "Yes". I now ask you if you knew at the time that the ages of the horses were mentioned?—A. Yes.

Q. You were asked before the Public Accounts Committee, page 586:—

Q. Tell us the circumstances under which you saw McKay?—A. Berwick. Well he was at Berwick buying horses; they advertised for horses, and I had a horse, and I went there, took the horse there.

Q. Did you see that advertisement?—A. I suppose I did, I do not know whether I read the advertisement or not.

Q. You do not remember the particulars?—A. It was general talk, everybody knew they were buying horses.

Q. Did you know the particulars contained in that advertisement for horses?—A. I did not know anything more than the age, I knew the talk about it.

Q. Did you know the particulars contained in the advertisement?—A. Yes, I suppose I did.

Q. Who was the buyer at Berwick?—A. McKay.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

Q. What price did you receive for that horse that you sold at Berwick?—A. \$150.

Q. Was that the first horse you sold?—A. Yes.

Q. What was the age of that horse?—A. Seven years old.

Q. What was the weight?—A. I suppose about a thousand pounds, about 900 or 1,000 pounds.

Q. Were you paid by cheque or by cash for that horse?—A. Cash.

Q. By whom were you paid?—A. McKay.

Q. Was it on that occasion that you paid Chipman ten dollars?—A. No, sir.

Q. When did you pay him ten dollars?—A. I did not pay him ten dollars at all.

Q. You did not pay him at any time?—A. No, sir.

Q. Did you pay McKay anything?—A. No, sir.

Q. Did you tell Arthur Vinott that you paid Chipman ten dollars for one of the horses at Kingston?—A. No, sir.

Q. Do you deny that?—A. I deny that.

Sir CHARLES DAVIDSON: Is Vinott here?

Mr. THOMPSON: He is either here or he will be called, I do not know whether he is in Court to-day or not, but he will be.

Sir CHARLES DAVIDSON: Is it your information that such a statement was made by Vinott?

Mr. THOMPSON: Yes sir.

Sir CHARLES DAVIDSON: I would like to have him called at the moment.

Mr. THOMPSON: He is not here.

By Mr. Thompson:

Q. Do you remember Vinott driving you home on the day of the Kingston sale?—A. Yes, sir.

Q. Do you remember telling Vinott, on that occasion when he was driving you home from the sale at Kingston, that you had paid ten dollars to the veterinary?—A. No sir, I paid ten dollars to nobody.

Q. You deny it?—A. Yes, sir.

Q. Let us come to that horse which you sold at Berwick, who bargained with you for the price of that horse?—A. McKay.

Q. What did you ask?—A. I didn't ask anything.

Q. Did he make an offer to you?—A. Yes.

[Kentville, Horses—Harvey.]

Q. Of so much?—A. Yes.

Q. What was wrong with that horse?—A. There was nothing very much wrong with him.

Q. How old was that horse?—A. Seven years old.

Q. Was he spavined?—A. No.

Q. Was he broken in the wind?—A. No.

Q. Was he over in the knees?—A. Yes, a little.

Q. To what extent?—A. Oh well, he was sprung in the knees.

Q. Had he any spavins?—A. No.

Q. How long had you had him?—A. Three or four months.

Q. What did you pay for him?—A. \$150.

Q. Was there anything else wrong with the horse?—A. No.

Q. Did they ask you any questions about him?—A. No.

Q. Did they ask you his age?—A. No.

Q. Did they ask you if he was sound?—A. No.

Q. Did you sign a receipt?—A. I signed something, I do not know what it was, it was a receipt, I suppose.

Q. When did you next sell a horse?—A. At Kingston.

Q. Who was the buyer at Kingston?—A. The same man, McKay.

Q. Who was the veterinary surgeon?—A. Dr Chipman.

Q. How many had you to sell there?—A. Four.

Q. Were they all your own horses that you sold?—A. They were all my own when I sold them, yes.

Q. Let us take the first one you sold, what did you get for the first one?—A. I sold the two first at \$200.

Q. \$200 for the pair?—A. Yes.

Q. What were the ages of these two?—A. I do not know exactly their age.

Q. What do you think their ages were?—A. Oh, I do not know, they would be oldish horses, I do not know their age exactly.

Q. Did anybody tell you their ages?—A. Before I got them or after?

Q. At any time?—A. One of them he did not know, one was a little black mare that I bought there on the street and I did not ask him her age and he did not tell me.

Sir CHARLES DAVIDSON: When did you buy the mare?

The WITNESS: The day of the sale.

By Mr. Thompson, K.C.:

Q. At Kingston?—A. Yes, on the street.

Q. From whom?—A. I do not know who it was, it was a stranger to me.

Q. How did you know the mare was for sale?—A. I asked the man if he wanted to sell it.

Q. What did you pay for her?—A. \$85.

Q. Did you examine the mare?—A. I looked around her, yes.

Q. How long before the sale was that?—A. I do not know, I suppose I had her, well I do not know how long.

Q. Do you know Chipman the veterinary surgeon well?—A. Yes.

Q. How long have you known him?—A. I have known him for quite a while, I do not know how long.

Q. How many years have you known him?—A. A few years, five or six years perhaps, I do not know exactly how long.

Q. Did Chipman say anything to you about bringing in other horses after you had sold the first one?—A. No.

Q. You had no conversation with him about that?—A. Not a bit.

Q. And this horse that you bought for \$85 on the street, how much did you get for her from the Government buyers a little while after?—A. \$100.

Q. Who fixed the price?—A. McKay.

Q. What did you ask for the horse?—A. I didn't ask him anything.

Q. Nothing whatever?—A. No.

Q. Did Chipman ask you what you wanted for the horse?—A. No.

Q. Did anybody ask you what you wanted for your horse?—A. No.

Q. Did McKay ask you?—A. No.

Q. Did you have no conversation whatever about it?—A. No sir.

Q. Did McKay simply come to you and offer you \$100 for the horse?—A. Chipman came around and looked at him and put a tag on him and McKay came and said he would give \$200 for the pair.

Q. But let us have the evidence first of all about the mare?—A. I had the two of them out together and walked around, Chipman walked around them.

Q. Did he exercise them?—A. No.

Q. Let us take this dark bay mare?—A. The black mare.

Q. What was wrong with this mare?—A. I thought she was all sound.

Q. So far as you know?—A. Yes.

Q. Did she have the heaves?—A. No.

Q. Did she have any spavins?—A. No.

Q. Was she not over in the knees?—A. No.

Q. How old was she?—A. I do not know.

Q. How old would you think she was?—A. I have no idea.

Q. How long had you had the other horse that you sold with this one?—A. I bought her in the morning on my way down.

Sir CHARLES DAVIDSON: Did you not ask the ages of these horses or anything about them when you bought them?

The WITNESS: No.

By Mr. Thompson, K.C.:

Q. Did you look at the teeth of these horses when you bought them or did you make any inquiry, for example, did you make any inquiry about the \$85 horse?—A. No.

Q. You did not examine his legs or anything when you bought him?—A. I looked at him, he was sound as far as I could see.

Q. You did not ask his age?—A. No.

Q. And you did not know what his age was?—A. No, never seen her before.

Q. Is that the way you buy horses?—A. Sometimes, generally.

Q. What do you say?—A. Generally I do.

Sir CHARLES DAVIDSON: Do you say you usually buy horses without knowing their age or examining them?

The WITNESS: It ain't much good to ask them their age.

Sir CHARLES DAVIDSON: When I ask you a question, sir, you will please answer me.

The WITNESS: I said, yes, that is the way I generally bought them.

Sir CHARLES DAVIDSON: Then I asked you if you do not examine them as to age?

The WITNESS: That black mare I did not.

Sir CHARLES DAVIDSON: Do you generally when you buy horses?

The WITNESS: Yes, I generally do.

By Mr. Thompson, K.C.:

Q. Why did you not examine this mare before you bought her?—A. Well, I do not know, she was there and I bought her, and she was a nice little mare at \$85 and I bought her.

Q. Why did you not examine her before you bought her?—A. I do not know.

Q. Do you know it was a certainty you were going to sell her to the Government?—A. No.

Q. What did you get from the Government for her?—A. \$100.

Q. You paid \$85 for the black mare?—A. Yes.

[Kentville, Horses—Harvey.]

Q. You were asked at page 592 of the evidence before the Public Accounts Committee as to that animal, and you were asked why did you pay \$85 for her, and you answered it was because you wanted her. What did you want her for?—A. I wanted to use her or to sell her again if I got the chance. If I did not sell her I would keep her.

Q. Did not you buy her for the purpose of selling her to the military authorities at that sale?—A. If I could, yes.

Q. Was not that primarily your object in buying her?—A. If I could sell her I was going to sell her.

Q. Do you say that was not primarily your object in buying her?—A. If I could sell her, I would, and if not I would take her home.

Q. Did not you buy her to sell her to the military authorities?—A. I bought her to sell to them if they would buy her, if they would not buy her I could not sell her.

Q. What was the next horse you sold, was that the Jim Jacques horse?—A. Yes.

Q. Where did you get the horse, from whom did you buy the Jim Jacques horse?—A. From Jacques.

Q. How long did you own the Jim Jacques horse?—A. I got her on the way to the sale, I would suppose three or four hours, I do not know how long.

Q. Had you known the Jim Jacques horse for any time?—A. Oh, yes, I had known her for a year or so.

Q. How old was the Jim Jacques horse?—A. I do not know exactly how old she was.

Q. How old do you think she was?—A. In my judgment?

Q. Yes?—A. Eighteen or twenty, I suppose.

Q. Had she been used by Jim Jacques?—A. Yes.

Q. What did you say to Jim Jacques when you called to see him that morning?—A. I asked him if he wanted to sell the horse.

Q. Did you tell him what you wanted to buy him for or did you tell him what you wanted to buy him for?—A. No.

Q. Did you pay him in cash?—A. Yes, sir.

Q. Did you pay him before you took the horse away?—A. Yes.

Q. What did you pay Jim Jacques for the horse?—A. \$75.

Q. Had the Jim Jacques horse a spavin on each hind leg?—A. Yes, sir.

Q. This horse was bought by the military authorities at Kingston?—A. Yes.

Q. Did you sell the Jim Jacques horse and the little black mare as a pair?—A.

Yes.

Q. Tell us again what they paid you for the pair?—A. \$200.

Q. What did the pair cost you a few hours before?—A. One cost me \$75 and the other cost me \$85.

Q. Did they give any examination to the Jim Jacques horse?—A. They walked around him, the same as they did the rest.

Q. Did they drive him out at all?—A. No.

Q. Did they bargain with you as to what you would want?—A. No.

Q. Did they ask you what you would want for the Jim Jacques horse?—A. No, sir.

Q. They put no questions to you at all?—A. No, sir.

Q. The veterinary surgeon asked you no questions?—A. No.

Q. None whatever?—A. No.

Q. Who paid you the money?—A. McKay paid me the money.

Q. Did he ask you any question as to what you wanted?—A. No.

Q. Did either of them ask you any questions?—A. None whatever.

Q. Do you mean to say that from the time of the examination by the veterinary surgeon and up to the time you were paid that they did not ask you anything as to the price?—A. No.

Q. Just tell me what occurred?—A. I asked them what they were worth to them and they told me and I took it.

Q. Did you have any understanding with either Chipman or McKay when they were buying these two horses from you?—A. No, sir.

Q. Or with any other person?—A. No, sir.

Q. Did you buy these horses purely on speculation?—A. Yes, sir.

Q. Did you have any assurance that these horses would be bought from you or any understanding of that kind whatever?—A. None whatever.

Q. You had no understanding of that kind with any person?—A. With no person.

Q. Either directly or indirectly?—A. No.

Q. Did you pay McKay or any other persons any commission in connection with that sale?—A. None whatever.

Q. Or did you make any promise of any payment to them?—A. No.

Q. Either directly or indirectly?—A. No, sir.

Q. That is the third horse we have disposed of, and we will now take the fourth one. Is the fourth one the sorrel mare?—A. No.

Q. Have I disposed of the sorrel mare yet?—A. There were two sorrels.

Q. This sorrel horse was at Kingston?—A. She was sold there.

Q. Late in the afternoon?—A. Yes.

Q. Did the two sorrels go together as a pair?—A. No, the little black mare and the sorrel horse.

Q. How much did you get for the little black mare?—A. \$100.

Q. The little black mare and the sorrel horse sold together?—A. Yes, I sold the sorrel and the black mare together and afterwards another sorrel.

Q. What about the last sorrel, you paid \$90 for him, did you?—A. No.

Q. You did not pay \$90 for him?—A. No.

Q. Which horse did you pay \$90 for?—A. None of them, I did not pay \$90 for any of them.

Q. You were asked at page 393 of the Public Accounts Committee evidence as follows:

Q. What was the next one in price?—A. \$100.

Q. Was it a horse or a mare?—A. A mare.

Q. What was the colour?—A. Black.

Q. How old was she?—A. I do not know.

Q. Take the next horse, was it a horse or a mare?—A. It was a horse, I think.

Q. You are not sure?—A. No.

Q. Do you know the colour?—A. Sorrel.

Q. It might have been either a horse or a mare?—A. I guess he was a horse.

Q. But you are not sure?—A. Yes, I guess he was a horse.

Q. What price did you give for him?—A. \$90.

A. That must be what price I got for him not what price I gave for him.

Q. How long did you have him?—A. I suppose eight or ten minutes.

Q. What did you pay for that horse?—A. I traded another horse for him.

Q. What horse did you trade?—A. A little bay horse I had.

Q. Had that little bay horse been rejected?—A. Yes, sir.

Q. Had he been rejected by Chipman?—A. Yes, sir.

Q. And how long had you had the little bay horse?—A. I had him a month or so.

Q. What did you pay for him?—(No answer).

Sir CHARLES DAVIDSON: How will we identify these horses?

Mr. THOMPSON: I thought we might do that if we got the particulars as to each.

Sir CHARLES DAVIDSON: This is the horse that is referred to at page 593 of the Public Accounts evidence?

Mr. THOMPSON: Yes. I was going to take the witness over these horses again, in order to identify them, and I intend to do that by having the Public Accounts evidence before me.

Sir CHARLES DAVIDSON: He said he traded this horse for another horse.

[Kentville, Horses—Harvey.]

By Mr. Thompson, K.C.:

Q. How long had you this one?—A. I had him a while, I do not know.

Q. What did you pay for the one you traded?—A. Ten dollars.

Q. Was the sorrel horse a better or a worse one than the horse you traded off?—

A. I do not know, I only had him a little while, a few minutes.

Q. Did you give anything in addition to the ten dollars for that other horse that you traded, you said you gave ten dollars for the horse you traded for the sorrel horse, did you give anything else?—A. No.

Q. That was all?—A. That was all.

Q. How much did you get from the Government for the sorrel horse?—A. \$90.

Sir CHARLES DAVIDSON: And did you sell him on the same day?

The WITNESS: On the same day.

Sir CHARLES DAVIDSON: On the same day you made the trade?

The WITNESS: Yes, the same day I made the trade.

Sir CHARLES DAVIDSON: How long did you have the sorrel horse after you traded?

The WITNESS: Eight or ten minutes.

Sir CHARLES DAVIDSON: And from whom did you get the sorrel horse?

The WITNESS: C. H. Madder.

Sir CHARLES DAVIDSON: How far does he live from Kingston?

The WITNESS: I do not know where he lives, he boards around somewhere.

Mr. THOMPSON: Madder will be called.

By Mr. Thompson, K.C.:

Q. You said you supposed that horse would be about 18 years of age?—A. The sorrel horse.

Q. Yes?—A. I did not say I supposed he would be 18, I think he was older than that.

Q. How old would he be?—A. I do not know.

Q. At page 594 of the Public Accounts evidence, about the sixth question on that page, you were asked if that horse would be 18 years old and you said: "I suppose he would:" you now say you think he would be older than that?—A. I think you have them mixed up.

Q. What was the age of the fourth sorrel horse?—A. I think I told them I thought he was as old as I was.

Q. How old do you think that the fourth sorrel horse would be?—A. I would say the same about him.

Q. About 18 years or older?—A. Are you sure you have got the right one?

Q. I am asking you whether this sorrel horse was 18 years old?—A. He was more.

Q. Did you examine him?—A. I looked at his teeth as near as I can tell. I cannot state how old he was.

Q. How far is Aylesford from here?—A. 18 miles.

Q. You were asked before the Public Accounts Committee how old you were and you said you were 32 or 33, and then you were asked if you had not said if he was older than you and you said you would take him to be pretty handy to thirty years old, and you also said that he was crawling up in years. You said that you did not think you were alive when he was born?—A. That is the horse.

Q. Then you were asked if there was a spring in one of his knees and you said in two of them?—A. Yes.

Q. Do you confirm that?—A. Yes.

Q. Was there anything else wrong with him?—A. I do not think there was.

Sir CHARLES DAVIDSON: What was the age of that horse?

The WITNESS: I do not know, he was an old horse.

Sir CHARLES DAVIDSON: Please answer my question, you said he was 18 years old, a moment ago?

The WITNESS: I should say he was more than 18.

Sir CHARLES DAVIDSON: Stand up in the box, witness, how old was that horse?

The WITNESS: I do not know.

Sir CHARLES DAVIDSON: You said in Ottawa that you took him to be pretty handy to 30 years?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: You stated that before the Public Accounts Committee, is that the truth?

The WITNESS: That is what I would take him to be, yes.

By Mr. Thompson, K.C.:

Q. Did you sell any other horses than those?—A. I sold five altogether.

Q. You only spoke of four before the Public Accounts Committee?—A. I spoke of five.

Q. Which was the other one, which other horse did you sell?—A. I sold a brown mare.

Q. Where did you get the brown mare?—A. From Howard Spurr.

Q. How much did you pay Howard Spurr?—A. \$115.

Q. Was that at Kingston?—A. Yes sir.

Q. And did the same person buy the Howard Spurr mare?—A. Yes.

Q. And the same veterinary surgeon examined her?—A. Yes sir.

Q. What price did you get for the Howard Spurr mare?—A. \$130.

Q. What was the age of the Howard Spurr mare?—A. I did not know her age exactly.

Q. How old do you think she was?—A. Oh, I do not know, I would take her to be, I think I said she would be 18 years or around there.

Q. You are judging that from what other people told you?—A. Yes.

Q. And you think that would be a correct guess from her appearance?—A. I think so, so far as I know.

Q. What did the Howard Spurr mare weigh?—A. Around 900 or 1,000 pounds.

Q. What did the sorrel mare weigh?—A. 1,000 pounds or more.

Q. What examination did Chipman give the Howard Spurr mare?—A. He just looked at her the same as the rest.

Q. Did he ask you any questions?—A. No.

Q. He asked you no questions whatever?—A. No.

Q. Did McKay ask you any questions?—A. No, not at all.

Q. What did you pay Howard Spurr for the mare?—A. \$115.

Q. When did you buy her from Howard Spurr?—A. At the sale.

Q. Had Howard Spurr offered her for sale to your knowledge?—A. Before that?

Q. Yes?—A. No.

Q. What did you get for that mare from McKay?—A. \$130.

Q. Did they negotiate with you at all as to the price?—A. No.

Q. Not in any way?—A. No.

Q. Did they ask you what you wanted for that animal?—A. I do not think they did.

Q. Did neither of them ask you?—A. I do not think they did.

Q. Did you pay any part of that money to Chipman?—A. No, sir.

Q. Or did you pay any part of it to McKay?—A. No, sir.

Q. Have you done so since?—A. No, sir.

Q. Have you ever paid any money to Chipman or McKay in respect to the sales of horses that you made to them?—A. No.

Q. Or did you pay any money to any other person whomsoever in connection with the sales of these horses?—A. Not to any person.

Q. How long had you known the Howard Spurr mare?—A. I had known her, I do not know, one year or so, I suppose.

Q. What was wrong with the Howard Spurr mare?—A. She was all right.

[Kentville, Horses—Harvey.]

Q. No spavins?—A. No, sir.

Q. Was she over in the knees also?—A. No, sir.

Q. Did you think there was anything whatever wrong with the horse except the age?—A. No, sir, I do not think there was.

Q. You had looked that horse over a bit, had you not?—A. Yes, a little.

Q. Were there any blemishes on her?—A. No, sir.

Sir CHARLES DAVIDSON: Have I heard when he bought this Howard Spurr mare?

Mr. THOMPSON: The witness said he bought the Howard Spurr mare at Kingston on the day of the sale, is that so?

The WITNESS: Yes.

By Mr. Thompson:

Q. Was that at the sale at Kingston?—A. At Kingston.

Q. And was the Howard Spurr mare there, so far as you know, for the purpose of selling to the government?—A. Well, so far as I know she was.

Q. Was she hitched up with the other horses that were there for sale?—A. No, she was out on the street.

Q. Did Howard Spurr suggest to you to come out on the street and get her and bring her in to sell her?—A. No, I came out where he was.

Q. He didn't ask you to come out?—A. No.

Q. Did you know that he was going to be outside?—A. No, sir.

Q. Did he arrive outside when they were being sold, by any previous arrangement with you?—A. No, sir.

Q. None whatever?—A. None whatever.

Q. Did you arrange with anybody else to have Howard Spurr there on that occasion?—A. No, sir.

Q. There was no previous arrangement about that, so far as you know, with any person?—A. No.

Q. Did you know whether the Howard Spurr mare had been offered for sale before?—A. I do not know whether she was or not, but I do not think she was.

Mr. THOMPSON: You will be required here on Monday next, Mr. Harvey.

Sir CHARLES DAVIDSON: In the interval, will there be any evidence affecting this witness, because if there will be it is only fair for him to have notice of it.

Mr. THOMPSON: There will be witnesses called with reference to some of these horses. I am not sure that witnesses will be called with reference to all of them. With regard to the Howard Spurr horse there will be evidence, and perhaps the witness had better be here.

Sir CHARLES DAVIDSON (to witness Harvey): Well, Harvey, in a very special sense and as a matter of equity to you, I must tell you that you had better watch this evidence in a very special sense. It is no laughing matter, it is very serious.

The witness retired for the present.

The Commission adjourned until to-morrow, Thursday morning, August the 12th, at half-past ten o'clock.

KENTVILLE, Thursday, August 12, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES PEERS DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,
As Counsel, to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

At the sitting of the Commission:

ARTHUR VINOTT, cooper, of Millville, sworn:

Examined by Mr. Thompson, K.C.:

Q. Mr. Vinott, will you look at this document and say if that is your signature?—

A. Yes.

(Document filed at Exhibit No. 74.)

Q. Do you know A. B. Harvey?—A. Yes, sir.

Q. Were you in Harvey's company last September on the day on which horses were sold at Kingston for military purposes?—A. I wasn't there right in the daytime; it was in the evening.

Q. Will you tell me under what circumstances you happened to meet Harvey?—

A. He telephoned his wife to get me or Wesley Vinott to come to Kingston after him and his wagon and harness. He had sold all his horses.

Q. Did his wife call to see you?—A. No, she sent me word.

Q. And what did you do?—A. I hitched up and went down.

Q. Where did you go?—A. I went to Kingston.

Q. Did you meet him there?—A. Yes, sir, he was still at the hotel when I got there.

Q. Did you drive him?—A. Yes, sir, I drove him home that night.

Q. Drove him home from Kingston to where?—A. Millville.

Q. Did he say anything about having sold any horses?—A. Yes.

Q. What did he tell you about selling horses?—A. I don't remember the number of horses he sold, but he told me he sold four or five.

Q. How much did he say he made in the way of profit?—A. Well, I don't know as he just told me that; I cannot remember whether he just told me that or not.

Q. Do you say he didn't tell you?—A. No.

Q. Are you sure he didn't tell you he made \$140?—A. He didn't tell me that.

Q. Did he say to you he was lucky in getting rid of his old horses?—A. Yes, sir, do you want me to tell my story?

Q. Yes, I would like to hear your story; I want you to tell me the way it occurred or what he said. Perhaps that would be the best way to get at it?—A. As near as I can remember, word for word, when we left Kingston, he told me—I saw the last horse that he sold—and when we left Kingston I asked him how he happened to be clear of him, and he said that when he got the horse they were in eating their supper, at the hotel and when the vet. came out he tapped him on the shoulder and said: "If you pass this horse there is a ten dollar bill in it for you." That is about all he told me.

[Kentville, Horses—Vinott.]

Q. Did he tell you that he had given the veterinary surgeon ten dollars to pass the horse?—A. No, that is the way he told it to me, just as I have said it to you.

Q. Is this signed statement, Exhibit No. 74, correct? Will you just read it, please. It is signed by you?—A. Well, now, there is another thing that I have forgot; he told me that he got \$100 for that horse, and I understand he claims he only got \$90.

Q. He told you he got \$100 for that horse? Did he say which horse?—A. The last horse he sold.

Q. The last horse he sold, he said he got \$100 for it?—A. Yes.

Q. Now this statement you have signed, headed Dodge's Hotel, is dated May 13th, 1915, and it is addressed To Whom It May Concern, reads as follows:—

To Whom It May Concern:

I, ARTHUR A. VINOTT, of Millville, N.S., hereby certify that A. B. Harvey, of Millville, N.S., told me that he paid Dr. George Chipman, V.S., ten dollars (\$10) to pass or O.K. one of the horses which the said A. B. Harvey sold at Kingston, N.S., in September, 1914, the horse being sold to the Government for military purposes.

I further certify that I drove the said A. B. Harvey home the day on which he sold his last horse at Kingston, N.S., and the said A. B. Harvey told me of paying \$10 to the veterinary, as mentioned above, while riding with me on the day of sale.

(Sgd.) ARTHUR A. VINOTT.

Sgd. F. C. Mills, witness.

Sgd. V. J. Evans, “

Now you said this morning that he told you that he tapped the veterinary surgeon on the shoulder and said there would be a ten dollar bill in it for him if he passed that horse. In your statement you say—not a sworn statement, a signed statement—that he told you he had actually paid ten dollars to Chipman?—A. Well, the Chipman part of it—

Q. Leave out the Chipman part of it. Did he tell you he had paid \$10?—A. Not that I know that he ever paid it; he told me he tapped him on the shoulder and said there was a ten dollar bill in it; no, he didn't tell me he paid it to him.

Q. So this written statement is not quite correct?—A. I would not say that that written statement is correct.

Q. It was made in May?—A. Yes.

Q. 1915?—A. Yes.

Q. Three months ago—would you say it is incorrect?—A. As far as it says there, not that I can recollect it now.

Q. And which do you think is correct: that he told you he tapped him on the shoulder and said he would give ten dollars to pass it, or did he tell you he had given the money to the veterinary surgeon?—A. I am on my oath now, and if I swore either one I would swear he said that he told me he tapped the man on the shoulder and told him that if he passed the horse there was a ten dollar bill in it for him.

Q. You think that is correct?—A. That is the correct story he told me.

The witness retired.

CHARLES LOOMER, farmer, of Weston, sworn:

Examined by Mr. Thompson, K.C.:

MR. THOMPSON: Before proceeding with the examination of this witness, Mr. Commissioner, Mr. Foster is not represented by counsel to-day, and I have no objection to him putting questions to any of the witnesses he may desire.

[Kentville, Horses—Loomer.]

Sir CHARLES DAVIDSON: Is Harvey here? The last witness may remain in court and if Mr. Harvey desires to put any questions to the last witness, or to suggest any, he may do so.

(Harvey was called and did not answer.)

(The witness Vinott was ordered to remain in court.)

Examination of Charles Loomer resumed:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. I did.

Q. Did you sell more than one?—A. No, sir.

Q. Just one?—A. Yes, sir.

Q. Where was the sale?—A. At Berwick.

Q. Who was the buyer?—A. I didn't know the man, but I heard it was McKay and Chipman; I didn't know either of them.

Q. What price did you get?—A. \$155.

Q. What was the age of your horse?—A. Eleven years old, past.

Q. And the weight?—A. Somewhere about 1,100.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. When was the horse examined?—A. The same time it was bought, or a few minutes before.

Q. What time of the day?—A. I would say not much from two o'clock, around three o'clock.

Q. Were you paid almost at once or some time after?—A. About half an hour after.

Q. Who were you paid by?—A. By McKay, I presume.

Q. Was there any one else present when you received your money?—A. Yes, there were several there.

Q. Did you see them receive their money?—A. I saw one man receive his money.

Q. Who?—A. A. B. Harvey.

Q. Do you know what he received?—A. I think it was \$150.

Q. Do you know what the \$150 was for?—A. For the horse.

Q. For one horse?—A. That is what I understood, for one horse.

Q. Was your horse sound?—A. Perfectly sound.

Q. Any Spavins?—A. No spavins.

Q. Not gone in the wind?—A. No, no cough, nothing wrong.

Q. Nothing wrong whatever?—A. No, sir.

Q. What examination did the veterinary surgeon give the horse?—A. Looked in his mouth, walked around him.

Q. Did he ask you to drive your horse up and down?—A. He asked me to get on and take a ride on him.

Q. Did you do so?—A. I did so.

Q. Who bargained with you as to the price?—A. McKay.

Q. What were you asking?—A. \$175.

Q. Is that what he paid you?—A. No.

Q. How much did he offer you?—A. He told me I would have to take off \$20.

Q. And you did so?—A. Yes.

Q. Did you pay any part of that money to McKay?—A. No.

Q. Nor to Chipman?—A. No, sir.

Q. Nor to any other person?—A. To no other person.

Q. And your horse was a good horse?—A. A good horse, worth more than I got for him.

Q. Is that your signature on this card?—A. That is mine as sure as you're alive.

[Kentville, Horses—Loomer.]

Q. Ticket 129—the particulars set forth on the card are as Mr. Loomer has stated. My attention is called to the fact that up in the corner of the card appear the number 165?—A. That is a mistake in price if that is what it is there for.

Q. You only received \$155?—A. He gave me eight 20-dollar bills and I gave him back a five-dollar bill.

Q. There is no mistake about what you received?—A. No.

The witness retired.

LEVI PORTER, retired farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Do you know Henry J. Chute and Roy Chute?—A. I don't know so much about the son.

Q. You know the father?—A. Yes.

Q. Do you know of a very old horse that the Chutes, the father or son, sold?—A. I have no knowledge of them selling a horse. I know that Henry Chute had a horse that I raised.

Q. How old was the horse that Chute had, which you raised?—A. He was twenty-three years old last spring.

Q. And how do you fix the age of the horse?—A. Well, I raised a good many colts and I keep what I call the horse record book and I had that until last fall when I was burned out, and I know I raised two colts off the one mare and sold one to a man named Reid and he sold him three years ago this spring to a man, and the man disputed the age and came to me to find out, and I was looking at that and I found that one was foaled in 1891 and the other in 1892.

Q. And when was the Henry Chute horse foaled?—A. In 1892.

Q. When did you look up the record about the Chute horse?—A. In looking at the record for the other horse.

Q. How long ago did you look up the record?—A. Three years ago this spring.

Q. That is the last time you looked at the record?—A. Yes, I could have showed it to you but I was burned out last fall and it was burned with other papers.

Q. You keep a record of your horses?—A. Yes.

Q. And you can fix the age of the Henry Chute horse in that way?—A. That is right, but I didn't sell him to Henry Chute.

Q. Did you know anything peculiar about the Chute horse?—A. It was all right when I sold him.

Q. That was 23 years ago?—A. No, that would be nineteen or eighteen years.

Q. He was all right 18 years ago?—A. Yes.

Q. A good deal may happen in 18 years?—A. I don't know anything about that. He was a five-year-old horse when I sold him to a man of the name of Andrew Morton.

Q. While you had the horse had he any difficulty in getting on his feet?—A. No sir.

Q. He never had?—A. No.

Q. Nothing peculiar about him when you had him?—A. No sir, he was all right in every respect when I sold him.

Q. Even as a colt?—A. He was all right when I had him, a fine colt.

Sir CHARLES DAVIDSON: Is Mr. Henry Chute or Mr. Ray Chute here. (There was no response.) His friends might tell him of this evidence if he comes in during the day and if he has any questions to ask the witness he can do so.

The witness retired.

ROBERT PALMER, farmer, of Somerset, sworn:

Examined by Mr. Thompson, K.C.:

Q. You know Henry J. Chute and Roy Chute?

Sir CHARLES DAVIDSON: Is that about the Chute horse?

Mr. THOMPSON: This is in reference to the last witness.

By Mr. Thompson, K.C.:

Q. You are a neighbour of the Chutes?—A. Yes.

Q. You know of the old horse they owned last August or September?—A. Yes.

Q. And they sold it to the Government for military purposes, did you know about their selling it?—A. I know they sold it; that is all.

Sir CHARLES DAVIDSON: Did you ask the last witness if this is the horse which he knew to be sold?

Mr. THOMPSON: He said he didn't know about their selling it, he knew about the horse but he didn't know about their selling it. He said he had heard this.

By Mr. Thompson, K.C.:

Q. You heard about them selling this old horse?—A. Yes.

Q. Had they more than one old horse?—A. I don't think they did.

Q. You are intimate with them?—A. Oh yes.

Q. We have some evidence that this old horse would have difficulty sometimes in getting to his feet when he would lie down?—A. Yes, I believe he did.

Q. Did you ever assist the Chutes or any other person in getting the horse to his feet?—A. Yes.

Q. How often were you called in to assist?—A. I only helped them twice.

Q. Did either of the Chutes tell you how long the horse had been affected that way?—A. No, they did not say anything to me at all.

Q. Do you know how long it had been affected that way?—A. No.

Q. You have no information on that subject?—A. No.

Q. Did either of the Chutes ever tell you how old the horse was?—A. No.

Q. How long did they own that horse?—A. That is pretty hard to say; I really don't know.

Q. How long have you been a neighbour of the Chutes?—A. Fifteen years.

Q. Did they own that horse when you came there?—A. No.

Q. How long after you arrived did they buy him?—A. Mr. Holmes Parker bought the horse somewhere about fourteen or fifteen years ago.

Q. Who did Holmes Parker buy from?—A. Andrew Morton.

Q. Did the Chutes buy from Parker?—A. Yes, I think so.

Q. How long did Parker have him?—A. I don't know.

Q. Do you know how long Parker had him?—A. No, I don't.

The witness retired.

SAMUEL B. CHUTE, farmer, of Berwick, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell any horses for military purposes last August or September?—A. Yes, sir.

Q. Where?—A. Berwick.

Q. How many did you sell?—A. Two.

Q. Who was the buyer?—A. McKay, I think.

Q. And who was the veterinary surgeon?—A. Chipman.

Q. What were you paid for your horses?—A. \$400.

Q. What were the ages of the horses?—A. Eleven and thirteen.

Q. What were their weights?—A. 1,200.

Q. Each of them?—A. Practically 1,200 each.

[Kentville, Horses—Chute.]

Q. How were you paid, by cheque or by cash?—A. Cash.

Q. By whom?—A. McKay.

Q. When were your horses examined?

Sir CHARLES DAVIDSON: Have you the age?

Mr. THOMPSON: Eleven and thirteen years respectively.

The WITNESS: They were examined at my house. They were buying horses about a mile further on and on the way to Berwick station they passed my place and looked the horses over there.

By Mr. Thompson, K.C.:

Q. What time of the day was that?—A. Around two o'clock.

Q. Was that on their way to Berwick to buy?—A. Yes, after dinner, it might not be two o'clock.

Q. And when did they pay you?—A. In the evening.

Q. Did you call at Berwick to get the money?—A. I had an office where they were paying; they were buying horses all afternoon.

Q. What examination did they give your horses?—A. They looked around them and looked over them.

Q. Were they in the stable?—A. They were brought out on to the street by two boys.

Q. Did they make the boys move the horses up and down or ask you to do so?—A. No.

Q. Who bargained with you as to the price?—A. McKay.

Q. What were you asking for the horses?—A. \$400.

Q. What did he offer you?—A. \$375.

Q. Did you accept that price?—A. I said: nothing doing, put them in the barn and he said: split the difference, and I said nothing doing, and I went down to the office and about an hour afterwards one of the gentlemen came in and wanted to know if I would send for my horses and he would give \$400, and I said: yes.

Q. Who was it came and asked you if you would send for your horses?—A. I don't know.

Q. When they stopped at your place were they in a buggy or motor car or what?—A. I don't know.

Q. How did they come, were they walking?—A. They were either driving in a motor car, it was two miles from where they were to where they were going to buy and them fellows would not be walking.

Q. And they were on their way to Berwick?—A. Yes.

Q. Who was in the party?—A. Mr. Oakes was in the party and the yet and that is all I remember, and Mr. McKay; there were several others present on their way over.

Q. Was Mr. Foster present?—A. No.

Q. Were your horses sound?—A. Yes.

Q. Do you deal in horses, Mr. Chute?—A. I use a lot of horses and have nine on my farm.

Q. Do you buy and sell?—A. Yes, I bought three last year, the same year.

Mr. THOMPSON: Spurgeon Selfridge, before the Public Accounts Committee, at page 873 was asked:

Q. Do you know Samuel B. Chute of Berwick?—A. I do.

Q. You know him?—A. Yes.

Q. Is he a good citizen?—A. Yes.

Q. Is he a good judge of horses?—A. I do not think so.

Q. You have not much of an opinion of him as a horseman?—A. As a horseman?

Q. Is he a good citizen?—A. A good man.

Q. Did you see the horses that he sold?—A. I did not see them.

[Kentville, Horses—Chute.]

Q. Do you agree with Mr. Selfridge as to your being a good judge of horses?—
A. I think I know the value of a horse as well as any fellow that deals in horses as much as I do. I only buy horses for my farm purposes, and when I have too many I sell them.

Q. How many do you keep as a rule?—A. I have nine.

Q. Do you raise any horses?—A. I do.

Q. How many do you sell in the course of a year?—A. I only sell when I find I have too many, or something like that. I bought three last year, the same year as I sold those.

Q. Is that a fair average?—A. Well, I don't know that I would buy three in a year.

Q. How many years have you been farming?—A. Ever since I was 16.

Q. And what age are you?—A. Forty-eight. I may say I bought three horses last year, and paid \$250 for one, \$260 for another and \$275 for another. These horses I sold were equally good, but coming on the winter I had no work for them and I did not want to feed them.

Q. Do you consider you sold your horses cheap?—A. I do.

The witness retired.

ORRAN BOWLBY, farmer, of Auburn, near Aylesford, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. How many did you sell?—A. Two.

Q. Where?—A. At Kingston.

Q. Who was the buyer?—A. McKay.

Q. And who was the veterinary surgeon?—A. Chipman.

Q. What price were you paid?—A. \$290 for the two horses.

Sir CHARLES DAVIDSON: He sold two?

Mr. THOMPSON: Two horses.

By Mr. Thompson, K.C.:

Q. What were the ages of the horses?—A. Six and ten.

Q. What was the weight of the younger horse?—A. He would weigh about 975.

Q. What was the weight of the older horse?—A. About nine and a half.

Q. How were you paid, by cheque or by cash?—A. Cash.

Q. By whom were you paid?—A. By McKay.

Q. When were your horses examined?—A. About half an hour before I was paid.

Q. What time of the day?—A. About five o'clock, I think.

Q. Who bargained with you as to the price?—A. McKay.

Q. Did he buy the horses as a pair or did he bargain with you separately?—A. As a pair.

Q. What were you asking?—A. \$300.

Q. What did he offer you?—A. \$280.

Q. Did he eventually come to your price?—A. Yes, I told him I wouldn't take that.

Q. You knocked off something, didn't you?—A. Yes.

Q. Did you pay McKay or Chipman any part of your money?—A. No, sir.

Q. No part of it?—A. No.

Q. Nor to any person else by way of commission?—A. No, sir.

Q. Were your horses sound?—A. Yes, practically sound.

Q. Practically sound; what was the exception? Take the young horse first?—A. The young horse was sound.

[Kentville, Horses—Bowlby.]

Q. Now, what about the old horse?—A. The old horse was a little lame when he first started off; the mare kicked him about two weeks before that.

Q. Which leg was he lame on?—A. One of the hind legs; I think it was the left hind leg.

Q. Apart from that slight lameness due to a kick, was he otherwise sound?—A. He was sound.

Q. So far as you know?—A. Yes.

Q. Would that lameness grow worse or a little better as time went on?—A. I think he was better; he was improving; at the time he was kicked he was quite lame.

Q. What part of the leg was he kicked in?—A. I think it was the stifle.

Q. About the hock?—A. Yes.

Q. Did he cut the horse's flesh?—A. No, it only took the hair off. It hit him half way between the stifle and the hip.

Q. Was there a swelling?—A. Yes, it swelled up quite a bit.

Q. Was there a lump?—A. Not anything to speak of.

Q. Did it draw blood?—A. Not much.

Q. What examination did the veterinary surgeon give your horse?—A. He looked in their mouths and looked over them and all around them and that was all the examination he gave.

Q. Did he make you drive your horses up and down?—A. No, sir.

Q. Did he make you move them at all?—A. No, sir.

Q. Did he ask you anything about their soundness?—A. I think not.

Q. Did he observe the place where the horse had been kicked?—A. No, it had all been healed over at that time, it was about three weeks before that.

Q. Did you tell him the horse was a little lame?—A. No, sir.

Q. Did he ask you anything about it?—A. No, sir.

Q. Was there any indication that the horse was lame from the examination Chipman made?—A. No, he never moved him.

Q. Was Mr. Oakes present when you were paid?—A. No, I think not.

Q. Was Mr. Foster present when you were paid?—A. No, I think not.

Sir CHARLES DAVIDSON: Why didn't you tell him that your horse had a defect of that kind which might affect his effectiveness as a military horse?

The WITNESS: I didn't think it materially would hurt the horse because he was improving. When he first started you could see he was a little stiff.

Sir CHARLES DAVIDSON: You are pretty sure it was not a permanent injury?

The WITNESS: I know it wasn't.

Sir CHARLES DAVIDSON: Why didn't you tell him that, and be honest about it?

The WITNESS: He was a veterinary.

Sir CHARLES DAVIDSON: I know, but you are a Canadian. Why didn't you tell him it might affect him and ask him to look at it?

The WITNESS: I didn't think it would.

Sir CHARLES DAVIDSON: You knew the horse was lame?

The WITNESS: I thought he was all right.

Sir CHARLES DAVIDSON: Why didn't you tell him?

The WITNESS: I don't know why I didn't tell him.

Sir CHARLES DAVIDSON: Are you sure you don't know?

The WITNESS: I suppose I needed the money out of the horse in a way and I didn't need the horse. I had two more and two colts besides. I didn't think it would hurt the horse any; he was improving, I thought.

Sir CHARLES DAVIDSON: You knew he would have to carry a soldier?

The WITNESS: I think he would carry a soldier all right.

By Mr. Thompson, K.C.:

Q. Did you sign the receipt?—A. I signed my name in a book, a little book.

Q. What was the size of the book?—A. About six inches by four inches.

Q. Who presented the book to you?—A. McKay, I supposed.

Q. About how thick would the book be?—A. It wasn't very thick, just a thin book.

Q. Do you know what was entered in the book when you signed?—A. Some other names above mine, the rest was blank, I think.

Q. Did you see any others sign the book?—A. I didn't see anyone else, just one was let in at a time.

Q. They put a ticket on the horse?—A. Yes.

Q. And you didn't sign card such as this?—A. I did not.

Sir CHARLES DAVIDSON: Were there other names in the book, other signatures?

The WITNESS: Yes, your honour.

Sir CHARLES DAVIDSON: This is something new.

Mr. THOMPSON: We haven't had any evidence like that before and there may be other witnesses, but I have no information.

The witness retired.

EDWARD BISHOP, farmer, of Auburn, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purpose?—A. Yes.

Q. Last August or September?—A. In September.

Q. How many did you sell?—A. One.

Q. Who was the buyer?—A. Well, I presume it was McKay.

Q. Do you know who was the veterinary surgeon?—A. Chipman.

Q. Where was the sale?—A. At Kingston.

Q. What price did you receive?—A. \$195.

Q. Are you sure it was \$195?—A. I am sure.

Q. Perfectly sure it was \$195?—A. It was \$195.

Q. What was the age of your horse?—A. Nine years old.

Q. And his weight?—A. I think it would weigh something over 1,200.

Q. How were you paid, by cheque or by cash?—A. By cash.

Q. By whom?—A. McKay, I presume. I know very well it is now.

Q. At what time of the day was your horse examined?—A. Among the very last, about five o'clock, I think, somewhere in that neighbourhood, it may be a little later, I cannot tell exactly.

Q. When were you paid?—A. A little while after the sale was made, about half an hour.

Q. What examination did the veterinary give your horse?—A. Just walked around it and looked at it and put a ticket on it.

Q. Did he examine his teeth?—A. No.

Q. Did he feel his legs?—A. No.

Q. Did he move the horse about or make anyone else move the horse about?—A. No.

Q. Who bargained with you as to the price of your horse?—A. McKay.

Q. What price were you asking?—A. \$200.

Q. And what did he pay you?—A. \$195.

Q. Was your horse sound?—A. It was sound but just from the knee down to the fetlock there was just a little scar where she got hurt, but there was no blemish.

Q. Did it make her go lame?—A. Not at all. It was merely a little scar, you couldn't call it a blemish.

Q. It was a blemish, in ordinary terms?—A. It was just a scar, where she was hurt, but it never bothered her. I got her in May and sold her in September. You could not call it a blemish, she was never lame while I had her.

[Kentville, Horses—Bishop.]

Q. What did you pay for her?—A. I cannot tell that, I got her in a trade.

Q. What was the trade?—A. I traded another horse for her.

Q. What was the horse you had?—A. What was it worth?

Q. Yes?—A. It was a good horse. The man I got it from paid \$200 and he got her all right.

Q. And had that horse that you got from the man in trade been injured in any way while in your care?—A. Which one do you mean?

Q. The one you sold to the Government?—A. No.

Q. Was there anything wrong with the horse you traded for this horse?—A. No, a good all purpose horse.

Q. Why did you sell him?—A. Because I wanted a different kind of horse for the winter, I wanted a driving horse for the winter, and I sold this mare because she was more of a working horse. I know one thing, I would have had to pay \$25 or \$30 more this spring for the same horse.

Q. Did you pay any part of that money to McKay?—A. None whatever to nobody.

Q. Or to the veterinary surgeon?—A. Not at all.

Q. Nor to anybody by way of commission?—A. Not at all, I kept the \$195.

Q. Did you see Mr. Oakes present at the sale?—A. He came in the afternoon in an auto but I didn't see the man to speak to him.

Q. What time did he arrive in the auto?—A. I cannot tell you that, I should say somewhere about five o'clock or in that vicinity.

Q. Who was with him?—A. I couldn't tell that.

Q. Was Mr. Foster there on that day?—A. I didn't see him.

Q. Did you sign a receipt for your money?—A. I don't remember of signing any receipt, but I won't say I did or did not, but I don't remember signing any. I got my money the same time as Chute.

Q. Did McKay ask you to enter your name in a book?—A. I don't remember.

Q. Did you sign any book?—A. I don't remember signing any book.

Q. Where were you paid, in the office?—A. Yes, in the office of the Kingston hotel.

Q. Do you remember signing any book or receipt in the office?—A. I cannot remember signing anything that day.

The witness retired.

JOSEPH SEAMON, carpenter of Auburn, Sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. How many?—A. One.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Where was the sale?—A. At Kingston.

Q. And who was the buyer?—A. McKay.

Q. And the veterinary surgeon?—A. I didn't know the man.

Q. Did you hear his name?—A. Yes, I did.

Q. What did you hear?—A. I don't recall it now.

Q. What price were you paid?—A. \$140.

Sir CHARLES DAVIDSON: Was it Chipman?

The WITNESS: No, it wasn't Chipman.

Mr. THOMPSON: Was it Wood?

The WITNESS: No.

Mr. THOMPSON: Gill?

The WITNESS: I couldn't say, because I don't know.

7131—57½

[Kentville, Horses—Seamon.]

By Mr. Thompson, K.C.:

Q. What was the age of your horse?—A. I don't know, I got him for 12. It was a mare.

Q. How long had you had her?—A. Just over night, I got her at eight and sold her the next morning.

Q. And why did you want to buy her?—A. A fellow wanted to trade and I traded horses, harness and rig, the whole thing right out.

Q. Did you trade with the intention of selling it to the Government?—A. No.

Q. Did you have it in your mind at the time?—A. No, not until the next morning.

Q. And nobody suggested that to you that night?—A. No, sir.

Q. Nobody at all?—A. Nobody.

Q. There was no connection between the trade and the sale to the Government?—A. No.

Q. You are quite sure?—A. I am sure.

Q. What was the matter with the horse you traded off?—A. It was a good little horse.

Q. A good horse?—A. A good little horse; sound as a nut.

Q. What was he worth?—A. I paid \$150 for him, I should say, probably a month before I traded.

Q. Had he gone down at all?—A. No, sir, he was just as good as when he let him go.

Q. And you got this horse that you sold to the Government, you say, for twelve years?—A. Yes.

Q. What was his weight?—A. Ten hundred; I didn't have him weighed, but I should say about that.

Q. How were you paid, by cheque or by cash?—A. By cash.

Q. What time of the day was your horse examined?—A. Between three and four.

Q. How long after were you paid your money?—A. Half an hour after.

Q. By whom were you paid?—A. By McKay.

Q. Where were you paid?—A. At the Kingston Hotel, in the office.

Q. Did you sign a receipt for the money?—A. No.

Q. Did you sign a small book?—A. I don't remember signing anything at all.

Q. Did you give either McKay or the veterinary surgeon any part of that purchase money?—A. I did not.

Q. Did the veterinary surgeon look at your horse?—A. He looked in his mouth, that is all.

Q. Did he feel his legs?—A. No, sir.

Q. Make him move around?—A. No, sir.

Q. Walk him?—A. No, sir.

Q. Did he ask you whether your horse was sound?—A. Yes, sir.

Q. What did you say?—A. I said he was all sound except tipped a trifle forward.

Q. Was he tipped in both knees?—A. Yes.

Q. That means sprung in both knees?—A. I suppose.

Q. Was there anything else wrong with him?—A. That was all that was wrong with him; so far as I knew the horse was sound outside of that.

Q. How far did you have to drive him from your place to the place of sale?—A. Five miles.

Q. Did he start off stiff in the morning?—A. Just a trifle.

Q. Did he appear sound in the feet?—A. Yes.

Q. What about his wind?—A. His wind was good. He was sound in every way except that.

Q. Did you examine him pretty well when you traded?—A. I did so; I knew the horse for a year before I got him.

Q. You traded, knowing he was sprung in the knees?—A. I did.

Q. What was wrong with the horse you traded off to compensate for the spring in the knees in this one?—A. He was sound.

[Kentville, Horses—Seamon.]

Q. And you traded a sound horse for one sprung in the knees?—A. Yes, but I got some difference.

Q. What did you get?—A. I got fifty dollars between the whole rigs, wagons, harness and all.

Q. Was your harness and buggy as good as the other?—A. The harness wasn't but the wagon was about the same. My wagon was as good or there wasn't much difference, we bought about the same time, probably his was a little more racked than mine.

Q. So if the horses were of equal value you ought to have got money?—A. I did. I got \$50.

Q. Although your rig was as good as his?—A. My horse was better than his.

Q. And you paid how much for your horse?—A. \$150.

Q. So that, as your wagon was better than his and your horse better than his, what would be the fair value of the horse you got in the trade?—A. Well, I valued him at \$150.

Q. But you only paid \$150 for your own horse?—A. I know it, and that is all right; I paid \$150 for mine and he was worth \$150, but the one I let him have weighed a little over 800 pounds and the one I got was ten hundred, he was a heavier horse.

Q. You say that although your buggy wasn't as good as his yet you got \$50 with the bargain and a better buggy?—A. Yes.

Q. And on top of that you say that your horse that you sold to the Government was valued at about \$150, do you?—A. Yes.

Q. Did you pay any part of the money received to Chipman?—A. No, sir, I did not.

Q. Or to McKay?—A. No, sir.

Q. Did you pay any commission whatever?—A. Nothing whatever.

Q. Did that horse stumble with you when you were going to the place of sale?—A. No, sir.

Sir CHARLES DAVIDSON: Well, are you puzzled, Mr. Thompson?

Mr. THOMPSON: It evidently is a horse deal, I cannot make it out.

The witness retired.

CHARLES WISWALL, farmer, of Wilmot, Annapolis County, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. How many did you sell?—A. One.

Q. Did you sell any for any other person?—A. No.

Q. Where was the sale?—A. At Kingston.

Q. Who was the buyer?—A. They said it was McKay; I didn't know.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price were you paid?—A. \$180.

Q. What was the age of the horse?—A. Five years past last June.

Q. And the weight?—A. Ten hundred, I never weighed him but that is what they said he would weigh.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was your horse examined?—A. About five.

Q. When did you receive your money?—A. Well, I got my money about half an hour afterwards.

Q. Who paid you?—A. McKay, they said.

Q. Was there anyone else in the office at the time you received your money?—A. There was no one in at the time, they only let us in one at a time.

Q. Did you sign any note-book?—A. I signed a paper of some kind, I don't know if it was a book; it was a piece of paper, I think.

Q. Would it be cardboard such as this piece I show you?—A. I think it was a bigger piece.

Q. You are sure it wasn't a note-book?—A. It seemed to me it was a much larger piece of paper than that.

Q. Did they put a ticket on your horse when they examined it?—A. They did.

Q. What examination did they give your horse?—A. They looked in his mouth.

Q. Anything else?—A. That is all.

Q. Did they do anything else?—A. No.

Q. Did they move him about?—A. No.

Q. Did they feel his legs?—A. I don't think they felt his legs because he was perfectly smooth in every shape and form.

Q. Was he perfectly sound?—A. I know it. I raised him.

Q. A very lazy horse?—A. I don't think you would think he was lazy if you were driving him.

Q. Was he a bit lazy?—A. Not a bit.

Q. And when he got in a tight place he would balk?—A. Yes, sir, on a team he was.

Q. When he was in a team he was lazy?—A. Not when he worked.

Q. When was he lazy?—A. He wasn't lazy at all, at any time, but he was a bit balky if he got in a tight place by himself, not in a wagon. I never worked him in heavy work alone, always worked him double.

Q. It was when he was doing heavy work he was balky?—A. Some days, and some days he would not balk at all.

Q. It all depended on the class of work?—A. It depended on the class of work a good deal; he would plough, and harrow, and reap.

Q. The class of work would affect the animal?—A. Yes.

Q. Was there anything else wrong with the horse?—A. Not a thing.

Q. Quite sound?—A. Quite sound.

Q. Wasn't he tipped in the knees?—A. No.

Q. Did you pay any part of the money to McKay or Chipman?—A. I did not.

Q. Or to any other person?—A. No.

Q. Was Mr. Oakes present on that day?—A. He was around there.

Q. Was Mr. Foster there?—A. He might have been, I wouldn't have known him if I had seen him.

The witness retired.

JOSEPH A. CAHILL, farmer, Aylesford, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. Where?—A. Kingston.

Q. Did you sell more than one?—A. No, sir.

Q. Who was the buyer?—A. They called him McKay.

Q. Do you know who the veterinary surgeon was?—A. I think it was Chipman they called him.

Q. What were you paid?—A. \$170.

Q. Quite sure it was \$170?—A. I am pretty sure, yes. I am sure enough. I had it in my mind once it was \$175 but it was not, it was \$170.

Q. What was the age of your horse?—A. Seven years.

Q. What weight?—A. About ten and a half.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. When was your horse examined? What time of the day?—A. It must have been about two o'clock.

[Kentville, Horses—Cahill.]

- Q. And how long after were you paid?—A. Shortly after.
- Q. Who bargained with you as to the horse?—A. Mr. McKay.
- Q. What did you ask for him?—A. I thought she was worth about \$200.
- Q. And what did he offer?—A. \$170.
- Q. Did you accept his price or did you stand him off a little?—A. He seemed to hold at that.
- Q. You let the horse go?—A. I was about obliged to. It was money I was after, I wanted a little money or they would not have got it.
- Q. And you closed for what price?—A. \$170.
- Q. What examination did the veterinary surgeon give your horse?—A. He looked all around her.
- Q. Did he look at her teeth?—A. He went to look at her teeth and she threw up her head and I said I would open her mouth and he said it did not make any difference, he would take my word for it.
- Q. Did he make her move about?—A. I led her around some.
- Q. Was she sound?—A. Sound as she could be.
- Q. How long had you had her?—A. I raised her.
- Q. She showed no signs of unsoundness?—A. No signs of unsoundness.
- Q. Did you pay any part of that money to McKay or any commission to either McKay or Chipman?—A. No, sir.
- Q. Did they put a ticket on the horse?—A. Yes.
- Q. Did you sign a receipt?—A. I don't remember.
- Q. Where were you paid?—A. In the office of the hotel. It almost seems to me, I cannot swear to it, it seems to me there was a book or paper on the table, I cannot tell you whether it was a book or a paper.
- Q. Was it a ticket or a book?—A. I cannot say.
- Q. You think you may have signed something?—A. It seems to me there was something on the table there and he told me to put my name on it.
- Q. What were you asking for your horse?—A. I was asking \$200 for her.
- Q. Did you get about the fair value of the horse?—A. No, sir, she was worth all I asked for her.
- Q. Was that her fair value?—A. Yes, about \$200.

The witness retired.

JOHN F. CROPLEY, blacksmith, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes last August or September?—A. I did. I sold this horse for my brother.
- Q. You didn't sell any for yourself?—A. My brother was busy and I took it for him.
- Q. Did you sell a horse for any other person except for your brother?—A. No.
- Q. Where was the sale?—A. At Kingston, at the hotel.
- Q. Who was the buyer?—A. McKay.
- Q. And the veterinary surgeon?—A. Chipman.
- Q. What price did you receive?—A. \$165.
- Q. And the age of your horse?—A. Five coming six this spring.
- Q. And his weight?—A. About 1,050.
- Q. Were you paid in cash or by cheque?—A. By cash.
- Q. What time of the day was your horse examined?—A. It was the first one after dinner, about one or two o'clock.
- Q. When were you paid?—A. I was paid about an hour or so afterwards, or half an hour perhaps.
- Q. Where were you paid, in the hotel or outside?—A. In the hotel office.

[Kentville, Horses—Cropley.]

Q. By McKay?—A. By McKay.

Q. Do you remember signing any note-book or something like that (indicating)?—A. I do.

Q. What did you sign?—A. I signed a check or a piece of cardboard or something the same as Mr. Foster has there.

Q. Let me show you a cardboard the same as the others signed. This is a sample of the cardboard you signed?—A. Yes.

Q. Did you sign such a card?—A. That is what I signed.

Sir CHARLES DAVIDSON: How is it that we have not all these receipts. Many witnesses have spoken of signing cards, as also this witness, and yet they do not seem to be here. How is that?

Mr. THOMPSON: I have not examined Mr. Foster or Mr. Oakes or anybody as to that; that will come later. It appears in the Public Accounts evidence, that on the last night of the sale, when they were all making their tallies as to their horses and so on, Woodworth and Keever gathered up these receipts between them and carried them off. I will furnish evidence as to these receipts later.

Sir CHARLES DAVIDSON: When do these come?

Mr. THOMPSON: These are produced by Mr. Foster; I have not examined him as to these yet; I will deal with that later on the examination.

Sir CHARLES DAVIDSON: Your information is that they come from Woodworth?

Mr. THOMPSON: I have no information at present as to that. Mr. Sangster informed me that Mr. Foster was in possession of a certain number of receipts, that the receipts were not entirely Woodworth or entirely Keever, but a mixture of both. Further than that, I know nothing, sir.

By Mr. Thompson:

Q. What examination did the veterinary surgeon give your horse?—A. I brought him into the yard, and he just looked him over and asked me how old he was. I told him; I didn't move him around any, he just stood there.

Q. Was your horse sound?—A. Quite sound.

Q. Perfectly sound?—A. I would call him perfectly sound.

Q. Had he any indication of unsoundness?—A. No, nothing that I know of.

Q. How long had you known the horse?—A. I knew the horse about six months or a year.

Q. Do you know what your brother paid for the horse?—A. \$150.

Q. And you sold him for?—A. \$165.

Q. What were you asking for the horse?—A. I asked him \$185.

Q. What did he offer you?—A. He offered me \$165.

Q. And you took it?—A. I took it. I was told by my brother to sell him for that, if I couldn't get any more.

Q. You had some conversation with Chipman at the place where the sale was taking place, didn't you?—A. Well, I was there all afternoon, I was asked to take care of the horses and I was there looking up stabling for them.

Q. Did you have any conversation with Chipman as to the quality of horses he was buying?—A. I wasn't with Mr. Chipman, nothing that I could speak particularly about the quality; I was not with him in the afternoon at all. As the horses were sold I took them to the barns and took charge of them.

Q. You didn't make any comment to Mr. Chipman as to the class of horses he was buying?—A. No.

Q. What class of horses were they buying?—A. Some of them were good horses, some of them weren't, I should say.

Q. Do you recollect speaking to Chipman and telling him he was getting some bad horses and he said he couldn't take orders from everyone?—A. Not to Chipman; that was to McKay.

[Kentville, Horses—Cropley.]

Q. What did you say to McKay about the horses?—A. I pointed him out two or three horses that he didn't ought to buy.

Q. Had he bought them?—A. No.

Q. Did he buy them?—A. He did.

Q. Eventually?—A. Yes.

Q. Were they passed by the veterinary surgeon?—A. I cannot say that; I was not there when they bought them.

Q. Was there a ticket on them?—A. I think there was, I cannot say.

Q. And did McKay, on the occasion of that sale at Kingston, buy any horses that Chipman had turned down and refused to pass?—A. I think there was one. I cannot say for certain. I think there was one he bought, that I know of that Chipman refused and that McKay bought afterwards.

Q. Whose horse was that?—A. I think it was Mr. Chute's.

Q. Was that H. J. Chute?—A. Llewellyn Chute. I think that is his name.

Q. What did Chipman say to you on that occasion about Harvey?

Sir CHARLES DAVIDSON: Is this evidence, Mr. Thompson?

Mr. THOMPSON: Perhaps it isn't, sir. Harvey is here and can deny it, of course.

Sir CHARLES DAVIDSON: Is it a statement which Harvey made to Chipman?

Mr. THOMPSON: No sir, not a statement as to what Harvey said; it is something as to what Harvey did. Perhaps I may put the question another way, sir.

By Mr. Thompson:

Q. Did Chipman acknowledge to you that he had received money from any person whose horses he had passed at the sale?—A. Yes, sir.

Q. Did he say he had been paid that money for passing the horses?—A. No.

Q. Did he say anything further than that he had been paid that money by one of the vendors?—A. I will tell you what he said, if you wish me to.

Q. You can leave out the persons' names:

Sir CHARLES DAVIDSON: I think it has become relevant, Mr. Thompson. I think as against Chipman the entire statement can be put in.

The WITNESS: As Mr. Harvey drove out of the yard that night, he says to me that night, Chipman said: Mr. Harvey is a good kind of a fellow, he must have made well on his horses to-day because he gave me ten dollars. That is what he said to me.

By Mr. Thompson:

Q. That is Chipman said that?—A. Chipman said that to me.

Q. Did he show you the money?

Sir CHARLES DAVIDSON: I take that as not making evidence against Harvey; it is making evidence against Chipman.

Mr. THOMPSON: That is what I put it in for. He will have, if he is available, opportunity to answer it. I put it in as evidence in reference to Chipman.

By Mr. Thompson:

Q. Did he tell you how much money he had from that source?—A. No, that is all he said.

Q. He didn't tell you the amount?—A. Chipman said: he gave me ten dollars.

Q. Chipman acknowledged he received ten dollars?—A. He said he got it from Mr. Harvey.

Q. Did he show you the money?—A. It was just dusk, he put his hand in his pocket, in like that as if to show, but I could not say I saw it. He said that he was a good kind of fellow, that he had made well on his horses, and that he gave him ten dollars.

Q. Had you known about that from any other source?—A. No.

Q. Did any other person tell you about Chipman receiving money in that manner?—A. No.

Sir CHARLES DAVIDSON: I don't think that would be evidence anyway.

Mr. THOMPSON: No, sir, I just wanted to corroborate the fact that Chipman said it. I will not base any evidence on any other person's statement.

Sir CHARLES DAVIDSON: That would not be a confirmation.

Mr. THOMPSON: Very well, sir.

By Mr. Thompson:

Q. Had you anything to do with the care of the horses?—A. Yes, sir.

Q. What?—A. As they were sold, I led them away or had boys to lead them away, and found stable room for them.

Q. Did you keep them overnight?—A. Part of them.

Q. How many?—A. Somewhere in the neighbourhood of forty.

Q. Did you feed them at night?—A. Yes.

Q. Did you feed them in the morning?—A. Yes.

Q. How many times more?—A. At noon; three feeds.

Q. Who paid you for their feeding?—A. I got a cheque from Ottawa or somewhere.

Q. Did Mr. Foster send you a cheque?—A. No, sir.

Q. You think it was from Ottawa?—A. I think it was from Ottawa.

Q. While the horses were in your care, did you notice anything about them that would attract your attention?—A. No, sir.

Q. Were any of them lying down unable to get up?—A. They were all up in the morning.

Q. When you were feeding them did they kick?—A. I do not think so. I had some small boys taking care of them and none were injured.

Q. What were the horses like?—A. Well, they were an average lot of horses, there were some I would not have bought.

Q. About how many would you not have bought?—A. I will try to think it over—about six or seven, perhaps.

Sir CHARLES DAVIDSON: Out of how many?

The WITNESS: I think I had 47, I couldn't say, it was somewhere between 40 and 47.

Sir CHARLES DAVIDSON: And you say six or seven should not have been bought?

The WITNESS: I think so.

By Mr. Thompson:

Q. How many horses were bought at Kingston?—A. About eight, I think.

Q. Where were the balance of the horses kept that were bought at Kingston?—A. At the hotel and at J. M. Neely's; they are both Neelys, one is Jason and one is J. M.

Q. Do you know whether any of the horses bought were kept out all night?—A. Some of them were.

Q. How many?—A. I couldn't say.

Q. Were these horses watched all night?—A. Yes.

Q. Who watched them?—A. Tom Tupper and Jason Neely.

Sir CHARLES DAVIDSON: Is Mr. Harvey in Court?

A. B. HARVEY, Recalled:

Sir CHARLES DAVIDSON: Mr. Harvey, it is fair to you an opportunity should be given you, if you so desire, to put any questions to this witness, because indirectly you are involved in this; although it is hearsay as to you, it is a question of fact as to Chipman.

[Kentville, Horses—Harvey.]

The WITNESS: I have no questions to ask.

Sir CHARLES DAVIDSON: There was another witness, who compromised you some, when you weren't here, that is Vinott. Would you like to ask him any questions. Do you know what he said?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: He said you telephoned to your wife to tell him to come to Kingston and drive you home.

The WITNESS: That is all right.

Sir CHARLES DAVIDSON: And that he did so, and that on the way home you, among other things, told him that you had paid Chipman ten dollars. Do you want to put any questions to him?

The WITNESS: I have no question to put to him; I paid Chipman or no one else ten dollars. I paid no ten dollars to any one.

Sir CHARLES DAVIDSON: He said that you did.

The WITNESS: He must have been mistaken in the man. I didn't pay Chipman or no one else ten dollars.

Sir CHARLES DAVIDSON: You say you did not pay Chipman?

The WITNESS: No, sir, I did not.

The witness retired.

ARTHUR VINOTT, Recalled.

By Mr. Thompson:

Q. When you were driving A. B. Harvey on the occasion of which you have spoken this morning, did he tell you how much he received for the horse he sold at Berwick?—A. Not on that occasion.

Q. On what occasion did he tell you?—A. I understood him, the night before, that he either received \$160 or \$165 for the horse.

Q. For the horse he sold at Berwick?—A. Yes.

Q. Did he tell you he received that?—A. That is as near as I can remember that he received that.

Q. You wouldn't be sure about it?—A. No.

Q. When you say you are not sure, do you say you are not sure as to what Harvey told you?—A. Yes.

Q. You are in doubt as to what he told you?—A. I don't remember if it was \$160 or \$165.

Q. It was one of the two?—A. Yes.

Q. The reason I ask you is that he said yesterday he received \$150 for that horse?—A. I do not know as to that; I do not know; he wasn't on his oath when he told me.

The witness retired.

ROY MEISTER, farmer, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. How many horses did you sell for yourself or for other persons for military purposes last August?—A. Three altogether.

Q. Three, all told?—A. Yes, two of my own and one of my brother-in-law's.

Q. Is that all?—A. I took another one with me, but I didn't sell that one.

Q. You say you actually sold three?—A. Yes.

Q. Who was the buyer?—A. McKay, I believe.

Q. Who was the veterinary surgeon?—A. Chipman, I believe.

[Kentville, Horses—Meister.]

Q. Now, let us take the horses in order, there was your own horse?—A. Two were my own.

Q. Two of yours, well, we will take your horses first. What prices did you receive for your horses?—A. \$195 for one, \$165 for the other.

Q. \$165 and \$195?—A. Yes, sir.

Q. What were the ages of these horses?—A. One was seven or eight, I bought him for that, and the other nine or ten, I think.

Q. Which was the ten-year-old?—A. The \$165 one.

Q. How long had you had the seven-year-old horse?—A. About, I should say, three weeks or a month, just a short time, I cannot say exactly.

Q. Had you owned the other one any time?—A. From the spring.

Q. What was the weight of the seven-year-old horse?—A. I never had him weighed, but nearly 1,100 I should say.

Q. And the weight of the ten-year-old?—A. I weighed him, he weighed 945.

Q. How were you paid, by cheque or by cash?—A. By cash.

Q. At what time of the day were your horses examined?—A. Well, I should say between four and five in the afternoon.

Q. And when were you paid?—A. Very shortly afterwards, perhaps an hour or so later.

Q. And by whom were you paid?—A. McKay, I believe.

Q. Where were you paid?—A. In the office of the hotel.

Q. Was anybody else present?—A. There was, I think, another man, but I don't know who he was.

Q. Did you sign a receipt for the purchase money?—A. I signed something; I don't know whether it was a square ticket or a piece of common writing-paper.

Q. You think it wasn't a note-book?—A. I don't believe it was.

Q. Was a ticket put on your horses?—A. Yes.

Q. What examination did the veterinary surgeon give your horses?—A. He walked around them and examined their teeth.

Q. Did he examine the legs?—A. I cannot say he put his hands on, but he walked around them.

Q. Were your horses hitched up?—A. No, sir.

Q. Did you lead them in?—A. They were hitched to the fence.

Q. Did you or any other person unhitch the horses from the fence at any time during the examination?—A. One I did not, the other I think I led him around the yard, the seven-year-old, I don't think he moved him, he looked at him where he was hitched up.

Q. Were both your horses sound?—A. Yes.

Q. Perfectly sound?—A. The oldest one, you might say, was sprung a trifle, but he did not stumble or anything like that; he was a fine horse in every way.

Q. Did he tremble a little bit?—A. When he would stand on all fours straight you could look at him and you might say he was all right, perfect.

Q. Any spavins?—A. No, sir.

Q. How was his wind?—A. Good as gold.

Q. No trouble at all on that score?—A. No.

Q. Or on any other score?—A. Just the same, a tough hard horse.

Q. Was he lazy?—A. Some say he was very lazy, but he suited me.

Q. Well, do you object to driving fast?—A. He wasn't lazy with me.

Q. Did you spur him on to activity?—A. I had no trouble whatever. I did not have any trouble with him.

Q. He went well when you were behind him?—A. He went well with me. I had worked them together and they were a good team in every way.

Q. Apart from being a trifle lazy, what about him?—A. A good horse all through.

Q. All through?—A. Why certainly.

Q. He wasn't sprung?—A. Not one bit.

Q. No blemishes?—A. No, sir.

Q. And his wind?—A. Good.

Q. Any chest founder?—A. None whatever, no way.

Q. No glanders?—A. No.

Q. Was he a kicker?—A. Not that I know of.

Q. Did he bite?—A. Not that I know of.

Q. And the only complaint you had was that he was a little bit lazy with other people?—A. Not with me.

Q. Other people claimed he was lazy?—A. They claimed he was a lazy horse.

Q. Did you pay any part of that money to anybody else?—A. No.

Q. Did you pay any commission?—A. No.

Q. Nothing to McKay?—A. No, sir.

Q. Nothing to Chipman?—A. No, sir, not one cent to no one.

Q. Was Mr. Oakes present on the occasion of the sale?—A. He was there in the afternoon; he came from Kentville late in the afternoon.

Q. Did you see Mr. Foster there?—A. No, sir.

Q. What time did Oakes arrive?—A. I cannot say, but we had to wait quite a time. The last of the people who sold their horses had to wait for some time for the money, and he came with it.

Q. Who came with the money?—A. Mr. Oakes, I presume, that is what we were told.

Q. Who told you that?—A. It was spoken about in the crowd; perhaps it was only hearsay.

Q. Did you ask for your money and were you refused it?—A. No, sir, I just stayed around in the hotel.

Q. And because of the hitch you did not venture into the hotel office to get your money?—A. I sold my horse and then I went in after waiting outside a short time.

Q. After waiting for some time you went in to get your money?—A. Yes.

Q. What did they tell you?—A. I got the money and went out.

Q. I thought you were waiting about for the money bag to arrive?—A. It was only supposition.

Q. At the time your horse was passed the money had arrived?—A. Perhaps it was there all the time.

Q. That disposes of two horses, what about the other horse?—A. It was a mare.

Q. It belonged to your brother-in-law?—A. Yes.

Q. What is his name?—A. P. H. Nichols.

Q. Did you sell that horse at the same place?—A. Yes, sir.

Q. And to the same purchaser?—A. Yes, sir.

Q. And the same veterinary surgeon?—A. Yes, sir.

Q. What was the horse's age?—A. He bought the horse four years before for eight years old which would make him twelve years old.

Q. Do you think your brother-in-law, Nichols, was imposed upon as to the horse's age when he bought that horse four years before for eight?—A. I don't know.

Q. You knew the horse?—A. I knew him; I have used him.

Q. Was he lazy?—A. No.

Q. How often had you used him?—A. Perhaps once in six months, just a short drive or something like that.

Q. And I suppose you and your brother-in-law would talk over your horses and cattle and so on?—A. We naturally would talk over matters.

Q. I suppose you would talk over this horse's age?—A. I don't think we did.

Q. When he brought this prize packet home with him, did you have any discussion as to whether he had been imposed upon as to the horse's age?—A. I forget. I don't doubt for one moment that we talked it over, we talked over everything.

Q. What did you think, that it was over eight or under eight?—A. I think he was in good shape and good trim and a good-looking horse.

Q. Were you paid in the same manner for this horse?—A. Yes.

Sir CHARLES DAVIDSON: What was the price?

The WITNESS: \$170.

By Mr. Thompson:

Q. For the twelve-year old?—A. Yes.

Q. And what would he weigh?—A. Around ten or eleven hundred. I would say nearer eleven hundred.

Q. What examination did he receive?—A. I led him in. It was the same person who examined the other two. I led him into the yard and he walked around him. I don't think he turned him around.

Q. You brought him in?—A. I think I held him.

Q. Did you hold him pretty steady?—A. Not too steady, he could stand on his own feet.

Q. Was there any danger of the horse moving while you held him?—A. He could move if he wanted to. I held him the same as I would hold any horse. I did not hold him in any particular way.

Q. Did the veterinary surgeon ask you to move him?—A. I don't believe he did.

Q. What was wrong with him?—A. Nothing. I don't think there was an ailment of any kind, I never knew him to be sick.

Q. What about a little spring in the knees?—A. There may have been, I saw none.

Q. Did you notice a little spring in the knees?—A. No.

Q. Any trouble in the knees?—A. No. I have had very little to do with her. I do not say there was not a little splint there, but I do not know.

Q. Did your brother-in-law, Nichols, ever tell you about the splint?—A. Not that I know of.

Q. Or about her wind?—A. I have driven her, she drives all right. I think her wind was all right.

Q. How did she drive, start off a little stiff?—A. No.

Q. Not at any time you took her out of the barn?—A. She never was stiff that I know anything about.

Q. A little stiff in the joints when she started out in the morning?—A. I don't know that I ever drove her in the morning.

Q. Not at all?—A. No.

Q. Do you think she was perfectly sound?—A. I never examined her; these splints may have been there but I do not know anything about that.

Q. Did you suspect there were splints?—A. I did not.

Q. Do you know of any unsoundness in the horse?—A. No.

Q. Or of anything being said about her as to unsoundness?—A. No.

Q. Why did your brother-in-law want to sell her?—A. He was the same as a great many more people, I suppose, he wanted the money. He wanted the money and he didn't want the horse and this was a good chance of selling it.

Q. And there was nothing wrong with the horse, so far as you know?—A. Nothing.

Q. Is your brother-in-law in court this morning?—A. Yes.

Q. I didn't know or I would not have asked you all these questions. Were there many people at the Kingston sale?—A. Quite a number.

Q. Quite a crowd in the yard?—A. Yes.

Q. A bit congested?—A. Not any more than ordinarily when there would be a lot of horses around.

Q. It would be filled up with rigs?—A. There were teams hitched outside and there were a number of people standing around, not so very many rigs.

Q. I think you took charge of some more horses to sell?—A. There was a horse that I worked all summer.

Q. Whose horse was that?—A. Mr. Coffin's. I can't say whether I led him down there or whether my father did, but when we came to the sale he was there and claimed his horse and sold it.

[Kentville, Horses—Meister.]

Q. He wouldn't let you sell it?—A. He was there and he could sell as well as I could.

Q. Who took the horse down—A. I or my father, I don't know which. I worked it all summer and I was to offer it at the sale.

Q. But Coffin sold it himself?—A. Yes.

Q. Quite sure?—A. Positive.

Q. Who is Herman Taylor?—A. A man from Dalhousie.

Q. Didn't you sell his horse?—A. No, sir.

Q. Didn't you bring it down?—A. No, sir.

Q. Down to the place of sale?—A. He was there himself; he sold his own horse.

Q. There is no Herman Meister that you know of?—A. Yes.

Q. Is Herman Taylor in court?—A. I don't think so.

Q. How far is Dalhousie from here?—A. About fifty miles from here.

Q. And there were only three horses that you had anything to do with?—A. Well if you count the Coffin horse, there were four.

Sir CHARLES DAVIDSON: There was one rejected?

The WITNESS: Not that I had anything to do with.

By Mr. Thompson, K.C.:

Q. You just sold three horses?—A. Of my own, yes. Father had a four-year old colt and he was all right except for his age, and he was a year too young.

Q. You drove him in?—A. No, sir, father was there, he showed him himself.

Q. Did your father sell any horses?—A. No.

Q. None at all?—A. None.

Q. He just looked on at you selling them?—A. He was there.

Q. You are sure the four-year old colt wasn't sold?—A. It is at home to-day. They didn't want anything under five.

Q. It is home with you to-day?—A. It was this morning. Excuse me, it was there last night; I did not go into the stable this morning.

Q. You didn't offer any horses that were rejected?—A. No, sir.

Q. Did you pay any part of the money to Chipman or to anybody else?—A. Not one cent.

Q. You kept it all or gave it to your father?—A. I didn't give father any; they were my horses.

Q. And what of your brother-in-law?—A. He received that. That was his own money. He received all of it. I didn't keep one cent.

Q. What is your father's name?—A. Freeman Meister.

Q. He will be able to tell us something about the soundness of his horse?—A. His horse is perfectly sound; there is nothing wrong with it.

Q. It is your brother-in-law Nichols who gave you the horse to sell?—A. Yes.

The witness retired.

PHILIP H. NICHOLS, blacksmith, Aylesford, Sworn:

Examined by Mr. Thompson K.C.:

Q. You heard what your brother-in-law said?—A. I did, sir.

Q. Your horse was twelve years old?—A. Twelve years old as far as I know.

Q. Was he perfectly sound, so far as you know?—A. So far as I know, except a little sprung in the knees, he never stumbled to my knowledge.

Q. You say that your horse was a little tipped in the knees?—A. He was.

Q. In both knees?—A. In both knees.

Q. Would his knees tremble?—A. Not to my knowledge.

Q. Was he noticeably sprung in the knees?—A. Not so very much.

Q. Could you notice it if you looked at them sideways?—A. Yes, sir.

Q. Had he any other defect?—A. Not that I know of.

[Kentville, Horses—Nichols.]

Q. How long was he sprung in the knees?—A. I cannot tell, he was sprung when I got him.

Q. Did he ever stumble?—A. No, sir.

Q. And you had him four years?—A. Yes, sir.

Q. Had he any spavins?—A. No.

Q. Was there nothing wrong with him otherwise?—A. No, sir, not to my knowledge.

Q. Did you receive the amount of the purchase money or did your brother-in-law receive it?—A. My brother-in-law received it.

Q. Did he pay it to you?—A. Yes.

Q. The whole of it?—A. Yes.

Q. He paid you the amount he stated in Court to day?—A. Yes.

Q. Did you pay a commission to McKay or to anybody else in connection with the sale of that horse?—A. No, I did not.

Q. Did you see Oakes there the day of the sale?—A. I was not there the day of the sale.

Sir CHARLES DAVIDSON: How did your brother come to take the horse there for sale?

The WITNESS: My brother did not take the horse there, sir, it was my brother-in-law. I could not go myself, as business kept me at home, and he was going and he took the horse.

Sir CHARLES DAVIDSON: Does he live near you?

The WITNESS: No.

Sir CHARLES DAVIDSON: Does he live at your place?

The WITNESS: No.

Sir CHARLES DAVIDSON: Did you take the horse to his place?

The WITNESS: No, sir, another brother-in-law of mine was going there and he took the horse to him.

By Mr. Thompson, K.C.:

Q. What is his name?—A. Murphy.

Q. Did Murphy sell the horse?—A. No, sir, he was going there and he took the horse there.

The witness retired.

CHARLES UHLMAN, farmer, of Douglas Road, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. No, sir.

Mr. THOMPSON: There was one horse mentioned yesterday, Mr. Commissioner, about which there was a great deal of notoriety and I think some slight history ought to be given of him, as there seems to be some misapprehension.

Sir CHARLES DAVIDSON: You will have to identify him more definitely than that, Mr. Thompson.

Mr. THOMPSON: Than what, sir?

Sir CHARLES DAVIDSON: Than merely that he attained some notoriety. You say he was a horse mentioned yesterday, to which some notoriety was attached; you will have to be more precise than that because there was quite a number of horses in that category.

Mr. THOMPSON: Yes, I suppose that remark would rather have general application.

Sir CHARLES DAVIDSON: What horse was it?

[Kentville, Horses—Uhlman.]

By Mr. Thompson, K.C.:

Q. You were once the owner of the famous Duck and Drake horse?—A. Yes, sir.

Sir CHARLES DAVIDSON: What horse is that?

Mr. THOMPSON: One of the Harvey horses.

Sir CHARLES DAVIDSON: Was it one of the sorrels?

Mr. THOMPSON: It was one of the sorrels.

By Mr. Thompson, K.C.:

Q. Was he a sorrel horse?—A. He was sorrel or a chestnut.

Q. Was he a large horse or a small horse?—A. Quite a big horse.

Q. You might describe him as the big sorrel horse?—A. Yes, with light mane.

Q. To whom did you sell that sorrel horse?—A. To Mr. Hallett Daniels.

Q. How long had you had the horse?—A. I should say somewheres around pretty near around a year.

Q. What did you pay for him?—A. I paid \$125.

Q. And he had an accident, didn't he, while in your possession?—A. Yes, sir.

Q. And it pretty nearly killed him?—A. Well, pretty near.

Q. What sort of a horse was he before the accident?—A. He was a fairly decent horse.

Q. Did he deteriorate while he was in your possession?—A. What?

Q. Had he gone backward while he was in your possession?—A. He could not go any further backward than when I got him.

Q. He was pretty near the limit of being backward then?—A. Yes.

Q. Was he backward in years or forward in years?—A. I do not know, only what I bought him for.

Q. What did you buy him for?—A. I bought him for 14 years old.

Q. And what year did you buy him in?—A. I bought him four years ago last May, I think.

Q. Was he almost dead when you sold him?—A. He was pretty well along for it.

Q. Was his condition when you sold him due entirely to the accident or to other causes?—A. Well, I worked him for two or three days before and he worked all right.

Q. Did he work as well as when you bought him?—A. Yes, sir, better.

Q. What was the nature of the accident?—A. Why, he broke his head-stall and went out through the end of the barn into the manure shed and got down and could not get out and we got it very hard to get him out of that.

Q. Was that the condition he was in when you sold him to Daniels?—A. That was his condition, him and Frank Cochrane helped me to get him out of the shed and get him on his feet, and we tore the side out of the shed.

Q. To whom did you sell him?—A. To Mr. Daniels.

Q. What did you sell him for?—A. I sold him for five dollars.

Q. Did you sell him for cash?—A. No, sir, I took two ducks and a drake.

Q. Was there any cash passed between you?—A. Well, I do not know what you would call it. There was a lot of dickering backwards and forwards and whatever he was to give me I got it.

Q. What did he give you?—A. I got different things from him.

Q. You got different things from him for this horse?—A. No, sir, I only got the sum of five dollars for the horse, and I took the two ducks and a drake.

Q. Instead of the five dollars?—A. Yes.

Q. How old do you think the horse was when you sold him?—A. Well, I am not much of a judge of a horse but he was getting pretty well along in years.

Q. What do you call pretty well along in years?—A. Probably as old as I am.

Q. How old is that?—A. Somewhere around 24 or 25 years.

Q. Were you deceived when you bought him for fourteen years?—A. I would almost think so.

Q. Didn't you get some money for the horse outside the drake and two ducks?—A. I possibly may have, but I cannot say I did.

Q. What do you mean by saying that you cannot say?—A. Well, I worked some for the man and I got a calf from him and some other things.

Q. Did you get a two dollar bill from him?—A. I would not say that I got two dollars from him, I have got money from him.

Q. Did you say you did not get two dollars from him?—A. Not when he received the horse, I might later on.

Q. Was that two dollar bill given you, as consideration money for the horse?—A. I cannot say, it might be when I worked for him.

Q. I want to know which?—A. I cannot say, I do not remember now.

Q. Did you receive anything for the horse but the drake and two ducks?—A. No, sir, not at that time.

Q. Was there any part of the consideration money for the horse outstanding due you?—A. No, sir.

Q. You say that that was the bargain for the horse, five dollars?—A. Yes.

Q. And that instead of the money you took the drake and two ducks?—A. Yes, but I cannot say whether I gave the five dollars for the drake and ducks now.

Q. That was the price of the horse?—A. Yes, sir, five dollars was the price of the horse.

Q. Where did you get this horse?—A. I bought him from William Magee.

Q. When did you sell him to Daniels?—A. Hardly a year afterwards.

Q. How long ago would it be that you sold him to Daniels?—A. That would be three years ago about the last of April.

Q. That is in the year 1912?—A. Yes.

Q. What was there about the horse which you could describe so that we might know him again?—A. Well he was a big, tall horse, with a light mane, a tall, high-headed horse, sprung a little in the knees.

Q. Was he lame?—A. No, not while I had him, he interfered a little.

Q. What were his markings, had he any white feet and so on?—A. Well, I think he had one white foot behind, I would not say for certain.

Q. Was there no mark on his forehead?—A. No, sir.

Q. Were none of his other legs marked?—A. I do not know.

Q. Is that all you can tell about the horse?—A. That is all.

Q. What was his weight?—A. I suppose about ten hundred and a half, he was thin when I had him.

Q. Do you know to whom Daniels sold him?—A. No, sir, only what I heard.

The witness retired.

HALLETT DANIELS, Mount Hanley, Annapolis County, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Do you know Charles Uhlman?—A. Yes sir.

Q. Do you remember getting a horse from him in trade?—A. Yes sir.

Q. It was a sorrel horse?—A. Yes sir.

Q. How long ago is that?—A. I should judge about three years ago.

Q. Uhlman has described his horse and the condition he was in when you bought him, did you hear what Uhlman said here to-day?—A. Yes.

Q. Describe the condition of the horse as you saw him? Were you present at his place when the horse was in trouble?—A. Yes.

Q. Describe the condition of the horse as you saw him?—A. Well he was in a very bad place at the time when I was there. As Mr. Uhlman said, he was in the manure shed.

[Kentville, Horses—Daniels.]

Q. Nearly dead, was he not?—A. He looked very much that way, it was a cold morning.

Q. Had he broken a leg or anything like that?—A. No sir.

Q. Had he sprained his leg?—A. No sir.

Q. What was the chief difficulty with the horse?—A. I do not know, he got down there and floundered himself around and he could not get on his feet.

Q. Did he cut himself?—A. No.

Q. What was the cause of the accident?—A. I do not know really what it was.

Q. Was it a case of exhaustion?—A. Well I would say it was.

Q. Will you describe the horse?—A. What do you mean?

Q. Describe its colour?—A. He was a sorrel horse with a light mane.

Q. Were there no markings on him?—A. Yes, he had a white star on his forehead, I think.

Q. Any marking on his legs?—A. I think he had one white hind leg.

Q. Was he a tall horse or a short horse?—A. A tall horse.

Q. What did you give for the horse?—A. I gave two ducks and one drake.

Q. Did you give any money?—A. No sir.

Q. You gave no money whatever for the horse?—A. No sir.

Q. How long did you have that horse?—A. I had him about one year and a half.

Q. What was the condition of the horse during the time you had him? Was he improving or going back?—A. He improved.

Q. How much did he improve?—A. I do not know just, he came on in flesh some.

Q. Did you work that horse as soon as you got him?—A. No sir.

Q. What did you do with him when you got him?—A. I put him in the stable.

Q. In order to feed him up and improve him?—A. Yes sir.

Q. How long after you got him in trade did you start working him?—A. Probably three weeks, I done a little with him in about three weeks.

Q. Towards the end, what sort of a day's work would you give him?—A. Seven or eight hours.

Q. Would that be just as much as you would work any other horse that you had?—A. No sir.

Q. He could do work for eight hours a day, could he?—A. Yes.

Q. What sort of work?—A. Such as ploughing, and harrowing, and mowing.

Q. He could do seven or eight hours work a day at that sort of work?—A. Yes sir.

Q. And could he do that when you finally parted with him?—A. As far as I know, yes, that is double, I mean, I usually worked him with another horse.

Q. Would he go along in his work with the other horse?—A. Yes sir.

Q. Was he able to do that sort of work when you parted with him?—A. As far as I know, yes.

Q. What was wrong with the horse when you parted with him, was he sound?—A. No, he was sprung in the knees.

Q. What else?—A. That was about all.

Q. Was his wind all right?—A. Yes, sir.

Q. Had he any spavins?—A. No, sir.

Q. Was he lame?—A. Lame a little forward.

Q. Was that from his being sprung in the knees?—A. I think so.

Q. How old do you think that horse was?—A. Well, I am not very much of a judge of a horse, but I should judge he was somewhere between twenty-five years and thirty years.

Q. What about his food, could he manage his food all right?—A. Not very extra.

Q. In what way had he difficulty with his feed?—A. In cutting his hay.

Q. What do you mean by his having difficulty in cutting his hay?—A. He could not eat it very good.

Q. When you had that horse for a year and a half, what did you do with him?—A. I traded him.

Q. With whom did you trade him?—A. Tom Baltzer.

Q. What did you get in return for the trade?—A. I got a black horse.

Q. Have you still got that black horse?—A. Yes, sir.

Q. What condition is that black horse in?—A. Pretty good.

Q. What do you value the black horse at?—A. Somewhere around \$120.

Q. Did you give anything in addition to the old sorrel horse for this horse?—A. Yes, sir.

Q. I want to know what the trade was?—A. I gave \$55 to boot.

Q. \$55 and the sorrel horse?—A. Yes, sir.

Q. And you say that the horse you got is worth how much?—A. About \$120.

Q. And you gave \$55 in addition to the sorrel horse?—A. Yes.

Q. I think you have received \$45 of that, have you not?—A. Of what?

Q. Have you received any part of the \$55?—A. I paid it, I did not receive it.

Q. You paid the \$55?—A. No sir, I paid \$45.

Q. And you still have the other ten?—A. Yes, sir.

Q. Have you been asked for it?—A. No, sir.

Q. Why were you not asked for it?—A. Well, I do not know. I have not been asked. I told him not long ago I would send it on before long.

Q. Had he asked you to send it up to him?—A. He expects me to send it up to him.

Q. And that is a year and a half ago?—A. I had some time to pay the \$55.

Q. What time did you have?—A. Until the fall.

Q. Last fall or the fall before?—A. Last fall.

Q. When did you pay the \$45?—A. Last fall.

Q. And when were you to pay the other ten?—A. As soon as I got it.

Sir CHARLES DAVIDSON: At what date did you trade with Baltzer?

The WITNESS: I think it is two years ago in February next.

Sir CHARLES DAVIDSON: That would be in February, 1914?

The WITNESS: Yes, you are right.

By Mr. Thompson, K.C.:

Q. Did John Cropley ever offer to buy that horse that you got in trade for the sorrel?—A. Not that I know of.

Q. Didn't he offer you \$150 and you refused to sell?—A. No sir, I do not think so.

Q. Will you swear you did not?—A. Yes, sir.

The witness retired.

THOMAS BALTZER, farmer, of Aylesford, sworn:

Examined by Mr. Thompson, K.C.:

Q. Do you remember getting a tall sorrel horse in trade from Hallett Daniels?—A. Yes, sir.

Q. When did you get it from him in trade?—A. I think it was a year ago last February.

Q. Is his statement correct that you traded another horse with him for that horse and got \$55 to boot?—A. Yes, sir.

Q. And he said that he paid you \$45 out of the \$55?—A. Yes.

Q. And there remains ten dollars yet due?—A. Yes, sir.

Q. What was the value of the horse that you traded with him?—A. I did not value him at any certain price at all.

Q. What would you say was the age of the tall sorrel horse that you got from Daniels?—A. I should say that the horse was about thirty years old.

Q. What was his condition?—A. He was thin and could not do much work.

Q. Was he sound?—A. No, sir.

Q. What was wrong with him?—A. He was sprung in one knee and I should say chest-foundered too, and a little lame.

[Kentville, Horses—Baltzer.]

Q. How long did you have him?—A. I had him from February to July or August and I let him go.

Q. What did you do with him?—A. I let Mr. Mader have him.

Q. What Mader?—A. I forget his name, it is Leander I think.

Q. In what month was it that you traded him with Mader?—A. I am not certain, it was either July or August, I think.

Q. Of last year?—A. Last summer, yes.

Q. What did you do with the horse while you had him?—A. In the winter I did not do much with him; I had him in the sled some, but very little.

Q. Did you drive him much?—A. I drove him some, I hauled some wood.

Q. What did you do with him in the summer?—A. In the summer I had him in the seeder, in the spring I was seedfing grain with him.

Q. How much work would he do a day on the seeder?—A. I just put him in with another horse, I do not know how much he did.

Q. What was your deal with Leander Mader?—A. I traded for another horse.

Q. What sort of a horse did you get from Mader?—A. A small horse, but sound.

Q. Was there anything else in the bargain?—A. Yes, I sold him a top for a wagon the same day.

Q. The top for the wagon and the sorrel horse went in trade for the horse you got?—A. Yes, sir.

Q. Have you still the horse you got from Mader?—A. No, sir.

Q. What did you do with him?—A. I traded him for another horse.

Q. What do you value the horse which you got at?—A. I value the horse at fifteen dollars.

Q. The horse you have now you value at fifteen dollars?—A. Yes, sir.

Q. Was there anything else in the bargain when you made the trade?—A. That is all.

Q. Was there anything given to boot?—A. He gave me five dollars which was supposed to be for the wagon top.

Q. That was the trade with regard to the sorrel horse?—A. Yes, I traded the sorrel horse with the little one and gave him the sorrel horse and the wagon top.

Q. And what did you do with the Mader horse?—A. I traded him for the one I have now.

Q. Was it an even trade?—A. Yes, sir.

Q. And does that horse do a day's work?—A. Yes, sir.

Q. Every day?—A. No, sir.

Q. Every day you want him to work?—A. Every day I want him to work, yes.

Q. Does he do a full day's work?—A. I work him on the mowing-machine in the morning, and in the afternoon on the rake.

The witness retired.

LEANDER MADER, farmer, of Auburn, sworn:

Examined by Mr. Thompson, K.C.:

Q. Do you remember getting a horse from Tom Baltzer?—A. Yes.

Q. A tall horse?—A. Yes, sir.

Q. He had a white star on his forehead and one white leg?—A. Yes, sir.

Q. Did you hear what he said about the trade?—A. Yes, sir.

Q. Is that correct?—A. Yes, sir.

Q. How long did you have the horse?—A. I had him about three weeks or so.

Q. Did you work him?—A. Yes, sir.

Q. Did he do an ordinary day's work?—A. He would work seven or eight hours out of the day.

Q. Was that an ordinary day's farm work?—A. Yes, sir.

[Kentville, Horses—Mader.]

Q. How old would you think the horse was?—A. I could not tell you how old he was.

Q. Was he sound?—A. No.

Q. What was wrong with him?—A. He was sprung in the fore knees.

Q. What about his feed, did he have any difficulty about that?—A. He could not eat his hay very good.

Q. What did you do with him?—A. I traded him with Harvey.

Q. What Harvey?—A. Blanch Harvey.

Q. Is that A. B. Harvey?—A. Yes.

Q. What did you trade with him?—A. I traded with him the same day of the sale in Kingston.

Q. Were you at Kingston?—A. Yes.

Q. Did you ask Harvey to trade or did he ask you?—A. He asked me.

Q. What did you get in trade?—A. A little bay horse.

Q. Anything else, any boot?—A. No, sir.

Q. Did he tell you what he wanted the horse for?—A. No.

Q. Did he take the horse out of the rig?—A. Yes.

Q. Did you put your horse in?—A. No.

Q. Did you take that horse home?—A. Yes.

Q. Have you got him still?—A. No.

Q. What did you do with him?—A. I traded him away.

Q. What would you value the horse at that you traded away, for the horse you got from Harvey?—A. I do not know.

Q. About how much was it?—A. I do not know what he would be worth, I cannot tell.

Q. Do you mean to say you cannot put a figure on him?—A. No.

Q. How old is the horse you got from Harvey?—A. He is a horse along in years.

Q. What do you call along in years?—A. When a horse gets up to twenty years.

Q. You think he would be twenty years?—A. Yes.

Q. Can he do a day's work too?—A. No.

Q. You lost by the trade?—A. I did, I lost a little.

Q. What did you sell the horse for that you now have?—A. I ain't got any.

Q. You got a horse from Harvey?—A. Yes.

Q. And you traded him?—A. Yes.

Q. What did you do with the horse you got in trade?—A. I gave him away.

Q. To whom did you give him?—A. I gave him to a friend of mine.

Q. Did he give you anything for it?—A. No, sir.

Q. Does he work him still?—A. No.

Q. What did he do with him?—A. He traded him away.

Mr. THOMPSON: I cannot follow that; that is all I have to ask the witness.

Sir CHARLES DAVIDSON: I suppose you do not intend to follow up that horse?

Mr. THOMPSON: No, sir, that is the end of him.

Sir CHARLES DAVIDSON (To the witness): Where did this trade with Harvey take place?

The WITNESS: In Kingston.

Sir CHARLES DAVIDSON: In the village of Kingston?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Was it while they were selling the horses to the Government?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: What were you doing there?

The WITNESS: I went down to see if I could not trade him away or something similar.

[Kentville, Horses—Mader.]

Sir CHARLES DAVIDSON: You were down there seeing if you could not trade your old sorrel horse for what?

The WITNESS: For a smaller horse.

Sir CHARLES DAVIDSON: You had no thought of selling your horse to the Government?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Did Harvey tell you what he wanted your horse for?

The WITNESS: No, sir, he did not.

The witness retired.

JAMES MCGARVIE, farmer, of Morden, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September to the Government?—A. Yes, sir.

Q. Where did you sell that horse?—A. In Berwick.

Q. Did you only sell one horse?—A. Yes, sir.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Who was the buyer of that horse?—A. I do not know the man's name.

Q. Did you hear what his name was?—A. I heard his name was McKay.

Q. Who was the veterinary surgeon?—A. I forget the veterinary surgeon's name.

Q. Would you know the veterinary surgeon's name if I told you?—A. I might.

Q. Was it Dr. Gill?—A. No.

Q. Was it Dr. Wood?—A. No.

Q. Was it Dr. Chipman?—A. It was Chipman, I think.

Q. What did you get for the horse?—A. \$160.

Q. What was his age?—A. Ten years old.

Q. What was his weight?—A. He was between 900 and 1,000 lbs.

Q. How were you paid, by cheque or by cash?—A. By cash.

Q. When was the horse examined?—A. Right there.

Q. What time of the day was it?—A. Between two and three o'clock.

Q. When were you paid?—A. I was paid about an hour afterwards.

Q. Who paid you, was it the same man who bought the horse?—A. Yes, sir.

Q. Was Mr. Oakes there?—A. I do not know.

Q. Was Mr. Foster there?—A. I do not know him.

Q. What examination did the veterinary surgeon give your horse?—A. He walked around him and looked in his mouth and asked me what I would take for him.

Q. Did he feel his legs?—A. I do not think so.

Q. Did he walk him around or did he make you move him up and down?—A. No sir.

Q. Did he ask you if the horse was sound?—A. Yes.

Q. What did you tell him?—A. I told him that he was knuckled in the hind ankle.

Q. Did you tell him anything else as to his soundness?—A. No sir, he did not ask me.

Q. When he asked you if he was sound is that all you told him?—A. I said he was knuckled on the hind ankle.

Q. What is knuckled in the hind ankle?—A. He was knuckled. When he stood on his ankle he would bend it in.

Q. How sound or unsound was the horse?—A. How sound was he?

Q. Didn't you hear the question?—A. Yes.

Q. Then answer it, please, how sound or unsound was the horse?—A. He was lame at times.

Q. What caused the lameness?—A. I do not know.

[Kentville, Horses—McGarvie.]

Q. How long did you have the horse?—A. Five years.

Q. How long had he been lame with you?—A. Back and forward two years.

Q. In which leg was he lame?—A. Forward.

Q. Was he sprung in the knees?—A. No sir.

Q. Was he foundered?—A. I do not know.

Q. And you say that all you know about his unsoundness was that he was a little lame and knuckled?—A. Yes.

Q. Have you anything else to say as to his unsoundness? Was there anything else the matter with him?—A. He was wind-broken.

Q. Anything else?—A. No.

Q. Does wind-broken mean that he was foundered?—A. I don't know, I do not think so.

Q. You think he was foundered?—A. There was something wrong with him.

Q. Had he been in that condition since you had him?—A. About two years.

Q. What did you pay for him?—A. I bought him and a wagon.

Q. What did you pay for him and the wagon?—A. \$150.

Q. What was the wagon worth?—A. I do not know.

Q. About how much?—A. I cannot just say.

Q. Give us the cost of it?—A. It was a very good wagon.

Q. How much was it worth?—A. Between \$25 and \$30.

Q. Who bargained as to the price of that horse, was it McKay or was it the veterinary surgeon?—A. McKay.

Q. What did you ask for him?—A. I asked him \$175.

Q. What did he offer you?—A. He offered me \$160.

Q. Did you drive him down to Berwick or Kingston the day of the sale?—A. We drove him down alongside another horse into Berwick.

Q. Did he keep up with the other horse?—A. Yes sir.

Q. Do you know Frank J. Carey?—A. Yes sir.

Q. If Frank Carey were to say that that horse was not foundered or anywhere near it, would you say he was wrong?—A. I say he was lame.

Q. Would you say the horse was foundered?—A. I would not say he was foundered.

Sir CHARLES DAVIDSON: Did not the witness state what was wrong with the horse?

Mr. THOMPSON: He said he was knuckled, but he did not say anything about these other blemishes. I asked him a second time if he had informed the veterinary surgeon of any other ailment, and he said the veterinary surgeon did not ask him. I asked him again if he had informed the veterinary surgeon of these ailments, and he said: No.

Sir CHARLES DAVIDSON (To the witness): Where is your residence?

The WITNESS: In Kingston.

Sir CHARLES DAVIDSON: How far is that from here?

The WITNESS: It must be 27 or 28 miles.

Sir CHARLES DAVIDSON: What is the question which the veterinary surgeon put to you?

The WITNESS: He asked me if the horse was sound.

Sir CHARLES DAVIDSON: What did you tell him? Did you tell him that he was knuckled?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Did you sign a receipt for your money?—A. I signed something; I do not know that it was a receipt.

Q. Who presented it to you for signature?—A. The fellow that paid me the money.

Q. Did he put a ticket on your horse?—A. No, sir.

Q. Did you read the receipt?—A. No, I did not.

The witness retired.

[Kentville, Horses—McGarvie.]

INGRAM BOWLBY, farmer, of Aylesford, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. How many?—A. I sold one.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Where did you sell your horse?—A. At Kingston.

Q. Who was the buyer?—A. They told me it was McKay.

Q. Did they tell you who the veterinary surgeon was?—A. Chipman.

Q. What price did you get for your horse?—A. \$150.

Q. What was the age of your horse?—A. Eleven years.

Q. What was his weight?—A. Between 900 and 1,000 pounds, I should think.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. Did you sign a receipt for your money?—A. I signed one of them square tickets.

Q. Was it presented to you by McKay or by the veterinary surgeon or by whom?—A. By McKay.

Q. What time of the day was your horse examined?—A. I should think between four and five o'clock in the afternoon.

Q. When were you paid for the horse?—A. Just shortly after that.

Q. Where were you paid?—A. In the hotel office.

Q. Was anybody else present when you received the money?—A. No, sir.

Q. What examination did the veterinary surgeon give your horse?—A. Practically none.

Q. Did he examine his teeth?—A. No, sir.

Q. Did he feel his legs?—A. No, sir.

Q. Did he make you move him up and down?—A. No, sir, she never moved.

Q. Did he request you to move the horse up and down?—A. No, sir.

Q. Did he ask you if the horse was sound?—A. No, sir.

Q. Did he ask you any question as to the soundness of the horse?—A. No sir, not one.

Q. Did McKay ask you any question as to the soundness of the horse?—A. No, sir.

Q. Did you make any representation as to the soundness of your horse?—A. I told McKay what I had before I sent home for the mare.

Q. I will come to that later, what was wrong with the mare?—A. She had the heaves.

Q. Had it anything else the matter with it?—A. No, that was all I know of.

Q. You had some conversation with McKay, you were going to tell me, what was that conversation about?—A. Well, I took a nice young horse there in the morning, just what they advertised for, and McKay said they did not want him at all, and in the afternoon I asked him what he was buying, and I told him I had this mare, eleven years old, with the heaves, and he told me to send home and get her, and I did so, and he bought her.

Q. You will swear to that?—A. I will swear to that.

Q. You are quite positive about that?—A. Quite positive.

Q. Did McKay see this mare?—A. He seen her when he bought her.

Q. Did you tell him when he saw her that that was the horse you brought down in place of the good horse?—A. No, sir.

Q. You had some conversation with Selfridge about your horse?—A. Yes, sir.

Q. What did you tell him about that horse?—A. I told him she had the heaves, and that if she did not get any better in the fall I would shoot her.

Q. Did you tell Spurgeon Selfridge that she was 17 or 18 years of age?—A. No, sir.

Sir CHARLES DAVIDSON: To whom did he tell this, Mr. Thompson?

[Kentville, Horses—Bowlby.]

Mr. THOMPSON: To Spurgeon Selfridge. Selfridge, at page 605 of the Public Accounts Committee evidence, says:

- Q. Do you know Ingraham Bowlby?—A. I do.
 Q. Is he a neighbour of yours?—A. Yes.
 Q. Did he have a horse for sale?—A. He had two of them.
 Q. Did you know them pretty well?—A. Yes, one of them in particular.
 Q. How old was that one?—A. The one I knew particularly?
 Q. Yes?—A. She would be 17 or 18 last spring.
 Q. Is it a mare or a horse?—A. A mare.
 Q. What were her characteristics, how was she as to wind and limb?—A. She had a very bad dose of the heaves.
 Q. Was she spavined?—A. I think not.
 Q. Any other defects?—A. I do not think so.
 Q. Was that one sold?—A. He took her to Kingston and left her there. I was not at Kingston. He said he sold her, she did not come back.

That is from the evidence of Selfridge at the Public Accounts Committee. Do you remember having a conversation with Spurgeon Selfridge as to your having sold this horse?—A. Yes.

Q. Did you tell him that she was 17 years of age?—A. No, sir, we was talking about another mare that I owned just shortly before that. They call it the Howard Spurr trotter in that book (The Public Accounts Committee evidence) and I owned him, and that is the way he got the two mixed up; she was 18 or 19 years old at that time and he supposed I was speaking about the mare I sold at Kingston. That is the way the mistake was made. This mare that I sold at Kingston I had ever since she was three or four months old.

- Q. Then you know her age?—A. I know her age to the day.
 Q. Did not McKay offer you \$190 for your good horse?—A. No, sir.
 Q. Are you quite sure?—A. Quite sure.
 Q. Will you swear he did not?—A. I swear he did not.
 Q. What did he offer you?—A. I drove a neighbour's horse alongside of him.
 Q. Is that Ernest Brennan's horse?—A. Yes, sir.
 Q. Was Ernest Brennan's horse sold?—A. No, sir.
 Q. What were you asking for the good horse?—A. I didn't set any price on him at all.

Q. Will you swear that McKay didn't offer you \$190 for your good horse?—A. Yes, sir.

- Q. You will swear that?—A. Yes, sir.
 Q. You are quite positive about that?—A. Yes, sir.

Sir CHARLES DAVIDSON: Or did he offer you anything?

The WITNESS: He didn't offer anything, he did not see the horse for the horse was tied away in the back and I simply went to him and told him what I would do and he said he didn't want that class of horse at all.

Sir CHARLES DAVIDSON: Why?

The WITNESS: I did not ask him his reasons.

By Mr. Thompson, K.C.:

Q. Did not McKay offer you \$190 for each of these two horses, that is your horse and the Brennan horse, provided they would pass the veterinary surgeon's examination?—A. No.

Q. You swear he did not?—A. I will swear he did not.

Q. And you will swear that he did not see either your horse or the Brennan horse?—A. Unless he seen him some time when I was not there because I did not take out the horse to show him at all.

Q. And he did not offer you \$190 for your horse?—A. No.

[Kentville, Horses—Bowlby.]

Q. He did not offer you \$190 for the Brennan horse?—A. No.

Q. And he did not offer to buy the pair?—A. No, sir.

Q. You know something about the Howard Spurr horse, don't you?—A. Yes, sir.

Q. He was known as the old charger?—A. Yes, sir.

Sir CHARLES DAVIDSON: Where does this come in?

Mr. THOMPSON: This is not a new horse, this Howard Spurr horse, known as Old Charger, was one of the horses sold by A. B. Harvey, and I want to ask this witness if he knows the horse.

By Mr. Thompson, K.C.:

Q. What about that Howard Spurr horse, what was his condition as to soundness?—A. Well, he was lame most of the time that I owned him.

Q. How long did you own her?—A. I owned her a little over two years.

Q. Was she lame in the forelegs or in the hind legs?—A. In the hind legs.

Q. Anything wrong with the forelegs?—A. No, sir, a little flat-footed, and that is all.

Q. Was she sprung in the knees at all?—A. No, sir.

Q. What about her wind?—A. The wind was all right, so far as I know.

Q. Can you speak as to the age of Old Charger?—A. She would be 23 years old.

Q. You say she was 23 years old?—A. Yes, 23 this spring, by the way I got her.

Q. What was the way you got her?—A. It has been three years this spring since I let her go.

Q. Did you get her pedigree?—A. Yes, I thought I got that straight.

Q. Was she 20 years old when you got her?—A. She would be 18 or 19 when I got her.

Q. Did the man tell you she was 18 or 19 years old or did you have to ferret that out for yourself?—A. I do not know as he told me, he said, that is the fellow I got her from said, that she was 16 or 17 years old, so I took it at that that she would be 18 years old.

Q. Did you sign a receipt?—A. Yes, I signed some sort of a paper but I cannot state what.

Q. Do you recollect signing your name in a note-book?—A. No sir, I do not think I did. I would not say that I did or did not but I think I just signed a ticket.

The witness retired.

JOHN P. CROPLEY, blacksmith, recalled:

Examined by Mr. Thompson, K.C.:

Mr. THOMPSON: I asked this witness this morning if any horses were bought by McKay, which had been refused by the veterinary surgeon, and witness thinks that the statement he made might not be down absolutely correctly, and he wishes to make a statement as to that.

The WITNESS: You asked me if McKay had bought horses that had been turned down by the veterinary surgeon and I said that he had bought one, that he had turned him down and that he was bought in the afternoon by McKay. I cannot say whether the veterinary had passed that horse in the afternoon or not. The veterinary may have passed him in the afternoon before he was bought by McKay, and I want to make that clear.

By Mr. Thompson, K.C.:

Q. But you know the veterinary surgeon had refused to pass that horse in the morning?—A. Yes, or some time before. I want to make it clear.

Q. Whose horse was it?—A. Mr. Chute's.

Q. What Chute?—A. Llewellyn Chute or Kenneth Chute. The horse had a sore back, and he turned him down in the morning and I want to make it clear that when

[Kentville, Horses—Cropley.]

the horse was bought in the afternoon I cannot say whether the veterinary surgeon passed him in the afternoon or not.

Q. But you say the veterinary surgeon refused to pass him in the morning?—A. He refused to pass him in the morning.

The witness retired.

INGRAM BOWLBY, recalled:

Examined by Mr. Thompson, K.C.:

Q. Did you see Mr. Foster present on the day of the sale?—A. No, sir.

Q. Did you see him about on that day at all?—A. No, sir, I do not think I would know him if I saw him.

Q. Did you see Mr. Oakes present?—A. No, sir, I did not, I do not know the gentleman.

The witness retired.

ABNER WOODWORTH, farmer, of Aylesford, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse or horses for military purposes to the Government last August or September?—A. I did.

Q. How many did you sell?—A. I sold one.

Q. Did you sell any horse for any other person?—A. I did not.

Q. Who was the buyer of your horse?—A. They told me it was McKay, but I did not know the man.

Q. Where was your horse sold?—A. At Kingston.

Q. Who was the veterinary surgeon?—A. They said it was Chipman.

Q. What price did you receive for your horse?—A. I received \$140.

Q. What was the age of your horse?—A. Fifteen years old, that is what I bought it for and that is what it was.

Q. Are you sure about that?—A. The man that raised it or had it when it was a colt, I bought it from him and he told me it was only fifteen years old.

Q. From whom did you buy that horse?—A. Edward Barteaux.

Q. Are you sure that horse was not twenty years old?—A. Yes, I am.

Q. What was the weight of that horse?—A. About 900 lbs. I should think, I do not think he would weigh any more.

Q. Were you paid by cheque or by cash for that horse?—A. I was paid by cash.

Q. By whom were you paid?—A. I was paid by McKay, they said it was McKay, that is all I know.

Q. Where did he pay you?—A. In the hotel office.

Q. Was there anybody else present when you were paid?—A. There were several in there.

Q. Did you see any of them get their money?—A. I did not.

Q. Did you sign a receipt for your money?—A. I do not remember, although I might.

Q. Who bargained with you as to the price of your horse?—A. McKay.

Q. What did you ask for him?—A. I asked \$150.

Q. What did he offer you?—A. He offered me \$140.

Q. What did the horse go at?—A. \$140.

Q. What examination did the veterinary surgeon give your horse?—A. I do not see that he gave him any. He just walked around the horse, he never put his hand on the horse or looked in his mouth.

Q. Did he ask you to move the horse up and down?—A. He asked me to lead the horse towards the road and I led it out I suppose four rods.

[Kentville, Horses—Woodworth.]

Q. Did he ask you if the horse was sound?—A. No, he did not.

Q. Did McKay ask you if the horse was sound?—A. He did not.

Q. Did any of them ask you if the horse was sound?—A. None of them, all I was asked was how old he was.

Q. And did you tell them the correct age of the horse?—A. I told him exactly what the man told me. I supposed the horse was not any older, and I did not think he was any older anyway.

Q. What age was that?—A. Fifteen years.

Q. How long did you have that horse?—A. I think I bought that horse last June or the first of July.

Q. Of last year?—A. Yes.

Q. What did you pay for him?—A. I paid \$60.

Q. Did you pay cash?—A. Yes.

Q. There was no trade or nothing to boot?—A. No.

Q. You just made a straight purchase of the horse for \$60?—A. Just a straight purchase at \$60.

Q. Was that horse not soft on his front feet?—A. I do not think he was.

Q. Will you swear he was not tender on the front feet?—A. I will not swear that at all.

Q. Was he not a little stiff when he started out?—A. He was a little stiff when you took him out of the barn in the morning.

Q. Did he have any spavins?—A. No, he was a good clean horse to look at and a good driver, and a good worker, and a good decent driver.

Q. And you say he was not tender in the front feet?—A. He was not, so far as I know. I cannot tell you that exactly, because I never had him examined, but I would not think he was.

Q. Did he ever stumble with you?—A. No, not at all, not that I ever knew.

Q. What was the extent of the stiffness when he started out in the morning?—A. You would say it was a little sore to see the horse move off; after a hard drive there was a little soreness.

Q. Did you pay anybody any part of the money you got for that horse?—A. No. sir, I took it home. It was in twenty-dollar bills.

Q. Selfridge says you bought this mare from Barteaux for \$50, is that correct?—A. It is no such thing.

Q. He slanders your horse when he says that?—A. Yes he did.

Q. And you paid \$60 for the horse?—A. I did.

Q. He was villifying your horse, was he?—A. Yes, he was.

Q. And you paid \$60 for him?—A. Yes.

Q. But only to the extent of ten dollars?—A. Yes.

Q. He says at page 608 of the evidence before the Public Accounts Committee that you told him last spring that you only paid \$50 to Barteaux?—A. I did not tell him last spring at all. I might have spoken to him last spring about the mare when him and his wife were at my house and a man by the name of Graves was there, and we were talking about horses. I do not remember whether I told him I gave \$50 for the mare or not, but at all events it was none of his business.

Q. He has sworn that you told him that?—A. I will swear to the best of my knowledge that I did not tell him that.

Q. But he swears positively that you told him you did buy the horse for \$50?—A. It was none of his business if I did.

Q. I want to know whether you told him or not?—A. I would not swear I did not, but I swear I think I did not.

Q. Do you know Robert Stark?—A. Yes.

Q. Does he know anything about this horse?—A. Not that I know of.

Q. Where does he live?—A. He lives on the Morden road.

Q. Does he live near you?—A. He lives about three miles from my place.

[Kentville, Horses—Woodworth.]

Q. Did he ever own that horse?—A. Not that I know of. Mr. Barteaux bought the horse when he was a colt and he owned it until I bought it. Mr. Barteaux asked me more than that for the horse, but he said he was short of hay and he had another colt and he asked me if I would take this horse, and he gave me this one at that price.

Sir CHARLES DAVIDSON: Do you state that you were asked what age the horse was by Chipman?

The WITNESS: I think it was Chipman that asked me.

Sir CHARLES DAVIDSON: At all events it was one of the officers there?

The WITNESS: Yes, sir, one of them, and I told him she was 15 years old and the reply he made was, if you will allow me to tell it—

Sir CHARLES DAVIDSON: Just wait a moment—

The WITNESS: I want you to know just what he said.

Sir CHARLES DAVIDSON: You told him she was 15 years old?

The WITNESS: Yes, and he says: "Didn't you see what the advertisements said," and I said: "No, I did not." "Well," he says, "Don't you know we don't buy horses that old." And I said: "I didn't know until you told me, and you need not take that horse if it does not suit you," and I started to go out and he says: "Hold on, won't you take \$140" and I said: "I do not think I should take any less than I have asked." And he said: "I think it is a pretty good price," and I said: "Well, you come so near to it that you can have her."

By Mr. Thompson, K.C.:

Q. Did you sign a receipt for that money?—A. Not that I know of although I might have. If you have any receipt with my signature to it, show it to me; I will own up or reject it.

Q. You made an affidavit last year, did you not, that Mr. Spurgeon Selfridge had given false testimony before the Public Accounts Committee at Ottawa?—A. There was an affidavit fetched to me to state that Mr. Selfridge swore at Ottawa that I bought the mare for \$50 and sold her for \$130, and I said that if he swore to that he swore false.

Q. Is that the way you put it?—A. That is just the way I put it and I signed my name to it.

Q. Do you swear you did not say that Selfridge had sworn falsely?—A. It was false.

Q. Did you state that Selfridge's evidence was false?—A. I said that if he swore that I bought the mare for \$50 and sold her for \$130, he swore false.

Q. And you think that is the way it was put in the affidavit?—A. Yes, sir, I think that was the way it was put.

Q. Are you sure that is the way it was put there; did you not swear that he gave false testimony?—A. I do not know just what it stated, but I said that if he swore that I bought that horse for \$50 and sold him for \$130 he swore what was false.

Q. Do you think they changed the affidavit?—A. Yes, they did, if that is not what was in it.

Q. Did you read the affidavit carefully before you signed it?—A. No, but he read it to me.

Q. Were you satisfied with the way it was read to you?—A. Yes.

Q. You are satisfied with the affidavit the way he read it to you?—A. Yes.

Q. And you made that affidavit on the report made to you as to the evidence given by Selfridge at Ottawa?—A. Yes.

Q. And all that fuss was made over a question of ten dollars for a rotten horse?—A. Yes.

The witness retired.

JOHN GRAVES, farmer, of Aylesford, sworn:

Examined by Mr. Thompson:

Q. Did you hear Abner Woodworth's testimony?—A. I did.

Q. What do you say as to the age of that horse?—A. I would not know exactly the age, only what he told me, and as Edward Barteaux said, fifteen years old.

Q. What about the condition of that horse?—A. Well, I would call her very tender forward or foundered, either one.

Q. Did the horse go lame when she was driven?—A. I would not say, only when starting out in the morning she started off pretty stiff.

Q. Was the horse over in the knees?—A. No, I do not think so.

Q. Do you know of any other thing that was wrong with the horse?—A. No.

Q. Do you know the horse that he actually sold?—A. I do, I drove her.

Q. Were you asked by anybody to give evidence that the Woodworth horse was no good?—A. No.

Q. You were asked by no person to do that?—A. By no person.

Q. You did not discuss anything about the horse until you were subpoenaed?—A. No.

Q. Did you hear a conversation between Selfridge and Woodworth as to that horse?—A. I did.

Q. What did Woodworth tell Selfridge about him?—A. He told him he paid \$50 for the mare and sold her for \$130, and he thought Foster was doing a good thing for the country.

Q. What sort of terms are you on with Woodworth?—A. Well, nothing extra at the present time.

Q. Have you had a row with him?—A. I never had any words with him.

Q. Are you on as friendly terms with him now as you were when the conversation took place?—A. No, I am not.

The witness retired.

ROBERT STARKE, farmer of Auburn, Sworn:

Examined by Mr. Thompson, K.C.:

Q. Do you know Abner Woodworth?—A. Yes, sir.

Q. Did you hear the testimony that was given by him?—A. Yes.

Q. What do you say as to that horse's condition?—A. It was something similar to what Mr. Woodworth said, probably not just the same as Mr. Woodworth said, I do not understand it the same as Mr. Woodworth.

Q. How would you understand it if you were diagnosing this horse's case?—A. I did not know the horse at all, I did not know anything about the horse but I happened to be there the day of the sale.

Q. Did you see the horse?—A. Yes.

Q. Did anything appear to be wrong with the horse?—A. He looked to be an old fellow.

Q. Was there anything wrong with his mouth, or his nose, or anything like that?—A. I did not see anyone look in his mouth.

Q. Did anything appear to you to be wrong with the horse?—A. The horse, I thought, was running a little at the nose.

Q. Are you sure of that?—A. Quite sure.

Q. What, therefore, do you think was wrong with the horse?—A. Further than that I could not tell very well, unless I made an examination of the horse.

Q. The horse might have been quite well or quite sick, so far as you know?—A. Yes.

Q. Do you know how old that horse is?—A. No, sir, only what Mr. Woodworth himself said.

The witness retired.

DIMMOCK BOWLBY, farmer of Aylesford, Sworn:

Examined by Mr. Thompson, K.C.:

Q. You sold a horse last August or September to the Government for military purposes?—A. Yes, sir, last September.

Q. Where did you sell your horse?—A. At Kingston.

Q. Who was the buyer of your horse?—A. They told me it was Mr. McKay.

Q. Who was the veterinary surgeon?—A. Dr. Chipman, I was told.

Q. What is the price you received for your horse?—A. \$160.

Q. What was the age of that horse?—A. Fifteen years old.

Q. What was the weight of the horse?—A. I should judge about 950 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was it that your horse was examined by the veterinary surgeon?—A. I would think about four o'clock, probably, but of that I am not quite sure.

Q. How long after your horse was examined were you paid?—A. I cannot say, it may be an hour or half an hour afterwards, but I am not quite sure as to that.

Q. Where were you paid?—A. I was paid at the hotel office at Kingston.

Q. Were you paid by the same man, McKay, who bought your horse?—A. Yes, sir, by Mr. McKay.

Q. Was anybody else present when you were in there getting paid?—A. I think there were two or three in there but I am not sure.

Q. Did you see them get their money?—A. I saw two of them get their money.

Q. Do you know what they got?—A. No, they were strangers to me.

Q. Did you see Mr. Foster there on the day of the sale?—A. No.

Q. Did you see Mr. Oakes there?—A. No, sir.

Q. How much were you asking for the mare?—A. \$160.

Q. What did they pay you?—A. \$160.

Q. Who bargained with you as to the price?—A. Mr. McKay.

Q. What examination did the veterinary surgeon give to your horse?—A. He looked in her mouth and walked around her, that is all he did, and he looked at the horse's legs some.

Q. What else did he do?—A. That is about all.

Q. Did he ask you to move the horse around?—A. No, sir.

Q. Did you pay any part of that money to McKay or to Chipman?—A. I paid no part of it to anybody.

Q. Did you pay any commission to anybody in connection with the sale?—A. I did not.

Q. Did you promise to pay any commission to anybody in connection with that sale?—A. I did not promise to pay anybody.

Q. How sound or unsound was the mare?—A. She was sound in wind and limb in every respect, so far as I know.

Q. That mare had a colt running at her side?—A. Yes, sir, she had raised a colt.

Q. Did you tie her up some little distance away from where the sale was taking place?—A. No, sir, I did not tie her up anywhere. I brought her up there and after she was sold I put her in the barn.

Q. Did you take the horse down to the sale yourself?—A. Yes, sir, my brother and I drove down together.

Q. Did you not stop before you got to the place of the sale and milk the mare?—A. I stopped at a place for dinner. I planned to show her in the morning, but I was told they did not buy until the afternoon.

Q. Did you milk her on that occasion?—A. I milked her before starting out, I did not milk her quite dry.

Q. What did the veterinary surgeon, Chipman, say to you about that mare as to your having milked her?—A. I do not remember what he said; I do not know whether he asked me or not.

[Kentville, Horses—Bowlby.]

Q. What did you say to him about it?—A. I do not remember saying anything to him about it, but I told Mr. McKay that she had raised a colt and was not dry.

Q. What did he say?—A. He did not say much more. He bargained for the mare.

Q. Which one of them told you she would be all right if she was milked the night before and if she was put on the car she would do until she went to Valcartier?—A. I would not swear that either of them asked me that.

Q. Do you swear that?—A. I do not remember that they did ask me.

Q. Do you remember any such conversation as that taking place?—A. Not that I remember.

Q. Did you order your hired man to milk her before she was put on the car?—A. I got the man to milk her out before she was put on the train so that she would be sure to be all right.

Q. What do mean by that?—A. To be sure there was no milk in her bag to do her hurt or injury during the journey.

Q. What did you suppose would happen when she got to the end of the journey?—A. I do not know about that. I questioned some of the men who took the horses there, and they said she would be all right.

Q. And you say the veterinary surgeon did not say she would do until she got to Valcartier if she was milked before she went on the train?—A. I do not remember about that.

Q. And you say the mare was perfectly sound?—A. Unless you could call a little flat-footedness unsound. That was the only thing about her.

Q. How long did you have that mare?—A. Nearly all the time since she was a foal.

Q. How long was that?—A. Fifteen years.

Q. Was that mare not over in the knees?—A. No, sir.

Q. Had she any spavins?—A. No, sir, not a spavin.

Q. Was her wind gone?—A. No, sir, not a bit.

Sir CHARLES DAVIDSON: How old was the colt?

The WITNESS: I think when I sold the mare the colt was about three and a half months old.

Sir CHARLES DAVIDSON: When is a colt weaned?

The WITNESS: Generally about three months, sometimes longer and sometimes younger.

The witness retired.

WILLIAM WHITE, farmer, of Kingston, sworn:

Examined by Mr. Thompson:

Q. Did you sell a horse to the Government for military purposes last August?—A. Yes, sir.

Q. How many did you sell?—A. One.

Q. Did you sell any horse for any other person?—A. No.

Q. Where was the sale of your horse?—A. At Kingston.

Q. Who was the buyer?—A. I understood it was McKay.

Q. And who was the veterinary surgeon?—A. Chipman.

Q. What price did you receive for your horse?—A. I think it was \$150.

Q. Was it not \$140?—A. No, \$150 I think.

Q. What price were you paid?—A. \$150, I think.

Q. What was the age of the horse?—A. Well, what I got him for, he would be all of fourteen years.

Q. What do you think his age was?—A. I do not know, I did not raise the horse.

Q. How long did you have him?—A. I had him for three years.

Q. What did you pay for him?—A. Well, I paid \$125.

Q. Were you paid by cheque or by cash when you sold the horse to McKay?—
A. I was paid by cash.

Q. What time of the day was it that your horse was examined?—A. Along in the afternoon, I do not know exactly, but it was three or four o'clock.

Q. How long after that were you paid?—A. I suppose probably an hour afterwards.

Q. Where were you paid?—A. In the hotel at Kingston.

Q. Did you sign a receipt?—A. I do not know whether I did or not, I signed a paper and put my name down.

Q. Was it in a book that you signed or something separate from a book?—A. I do not know that I remember, it was a sheet of paper, I think, they were all signing there when they were paid off.

Q. What examination did the veterinary surgeon give your horse?—A. He looked in his mouth and he walked around him.

Q. Did he ask you to move him around?—A. No, he did not.

Q. Did he feel the horse's legs?—A. I do not think he did.

Q. Did he ask you was the horse sound?—A. No, he did not.

Q. Did he ask you any questions?—A. No.

Q. Did he ask you no questions as to the soundness of the horse?—A. No, he did not.

Q. Are you sure he did not ask you if the horse was sound?—A. No, he did not.

Q. What price were you asking for the horse?—A. \$160.

Q. And what price did they give you?—A. \$150.

Q. Did the veterinary surgeon ask you if the horse was sound?—A. No, he did not.

Q. Did he ask you what age he was?—A. He asked me his age.

Q. Did you tell him the horse was fourteen?—A. I told him by what I got the horse for he would be fourteen years old.

Q. And that horse had four big legs, did he not?—A. He had two stocked up behind.

Q. That is they were swollen?—A. Yes.

Q. To what large extent?—A. Oh, not to very much, they were large enough.

Q. Large enough to be seen, I suppose?—A. Yes, everybody could see them.

Q. Large enough for it to be seen they were out of the ordinary?—A. Yes.

Q. What about his forelegs, were they bent?—A. Not his forelegs.

Q. Were they quite straight?—A. They were, I think, bent a little.

Q. In keeping with the rest of the horse, I suppose. Was he foundered?—A. No, I don't think so.

Q. What about his wind?—A. Well, he had a little cough.

Q. How long had he had that little cough?—A. Well, ever since I had him.

Q. Did you doctor him for the cough?—A. I never gave him anything for the cough.

Q. You did not drive him hard?—A. No, I did not drive him hard.

Q. So as not to increase his cough?—A. Yes.

Q. What about his spavins?—A. I did not see any on him.

Q. That is the only thing he had not got apparently. That horse was evidently so useless that they did not take him away with them; you got your money and they let you keep him?—A. I took him home.

Q. After they paid you the money?—A. Not for keeping him.

Q. After they paid you the purchase money they let you take him home?—A. Yes, sir.

Q. I do not wonder. I suppose you brought him down the next morning?—A. Yes.

Q. You had great difficulty in getting them to take him away as a gift, did you take him down?—A. I did.

Q. And they refused to have him at first?—A. I didn't hear it.

Q. But they took him eventually?—A. I took the horse over and tied her up and never heard a word about it afterwards.

[Kentville, Horses—White.]

Q. Where did you tie the horse up?—A. At the warehouse.

Q. Why did you take your horse home over night?—A. I had my wagon and I asked them after they had bought the horse if I could take the horse home and they said I could, and I asked another man that was standing there if it would be all right, and he said it would.

Q. And you took the horse home?—A. Yes.

Q. Was it McKay who said it would be all right?—A. No.

Q. Who was it?—A. John Cropley.

Q. Did you take the horse home with the tag on her?—A. Yes.

Q. And did you bring the horse back again with the tag on her?—A. I did.

Q. Did you bring back the same horse with the tag on that you took away?—A. Yes, sir.

Q. Did you pay McKay or Chipman any part of the purchase money that you got for that horse?—A. No, sir.

Q. Did you give him some other money that might not form part of that money?—

A. No sir, I did not give him a cent.

Q. Did you give any commission to any person for the sale of that horse?—A. No.

Sir CHARLES DAVIDSON: Did you have two horses or only one?

The WITNESS: I just had the one.

Sir CHARLES DAVIDSON: Did you read the posters calling for horses for military purposes?

The WITNESS: I do not know as I did. I heard they were wanting horses and I took my horse down in the morning.

The witness retired.

L. A. REID, trader, Aylesford, sworn:

Examined by Mr. Thompson:

Q. Did you sell a horse for military purposes last August or September to the Government?—A. Yes, sir.

Q. Where did you sell him?—A. At Kingston.

Q. Who was the buyer?—A. McKay they told me, I did not know him.

Q. Who was the veterinary surgeon?—A. Chipman they told me.

Q. What price did you get for your horse?—A. \$150

Q. What was the weight of your horse?—A. About 900 pounds.

Q. Were you paid by cheque or by cash for the horse?—A. Cash.

Q. When was the horse examined in the day time?—A. Around perhaps four or five o'clock.

Q. When were you paid?—A. Between six and seven o'clock.

Q. Where were you paid?—A. At the hotel in Kingston.

Q. Were you paid by McKay?—A. By McKay.

Q. Did you sign a receipt?—A. Yes, sir.

Q. Was Mr. Foster present that day do you know?—A. No, sir, he was not.

Q. Was Mr. Oakes present?—A. No, sir, not that I know of.

Q. Who bargained with you as to the price you would get for the horse?—A. Mr. McKay.

Q. What did you ask for the horse?—A. I did not ask him anything.

Q. Did he ask you how much you wanted for the horse?—A. Yes he asked me.

Q. What did you say?—A. I said: the horse is for sale, how much can you afford to give for him.

Q. How much could he afford to give?—A. He said: "We can allow you \$150," and I said: "Cannot you do more", and he said: "That is all the horse is worth and if you do not take that for him you can take him away."

Q. How old was the horse?—A. I give him to be 12 years old, 11 when I got her and I had her a year and a half, so that she would be 12 years old.

Q. What examination did the veterinary surgeon give to your horse?—A. Nothing to speak of.

Q. What do you mean by that?—A. In the first place, he asked me if the horse was for sale, and I said: "Yes, if she suits you." I had not seen the poster. Then he said, "According to what they tell me she is older than what the Government calls for."

Q. The veterinary surgeon told you that?—A. No, I told the vet. according to the posters she is older than you call for.

Q. And then he asked you how old she was?—A. I said she was 12 years old, and he said: "That is better than a four-year-old." Before he said that he asked me what her teeth were like and I told him her teeth were good.

Q. Did he look at her teeth?—A. No, he did not look at them. I told him the horse could cut the hay as well as any horse I had and he asked me what the horse was like and I told him she was a good driver and a good worker, and an easy keeper.

Q. That is to say she would not eat much?—A. No, she could do with little food.

Q. She would not eat much?—A. Yes.

Q. What did you pay for the horse?—A. I got her in a trade.

Q. What was the trade?—A. I traded a horse I got from Thomas Hill with Bernal Armstrong.

Q. What was wrong with the horse you traded when you got this one?—A. Scared of autos.

Q. And that horse that was scared of autos, did that horse find its way to the Government?—A. No, she is on the mail route now.

Q. She is pretty close to the Government still?—A. Yes.

Q. How bad was the horse you sold to the Government, what was wrong with her?—A. There was nothing wrong with the mare.

Q. Nothing at all?—A. Do you mean as to being sound?

Q. Yes?—A. She had a small slough on the hind foot. After the vet. said he would have the mare I pointed out this slough: "Now," I said, "there is a slough there, what about that?" He said: "Is she lame?" I said: "No." He said: "Do you know of her being lame?" I said: "Not any since I knew the mare." He said: "That is all right."

Q. What about her wind?—A. Good.

Q. Was she not a little over in the knees?—A. No, not a particle.

Q. Not at all?—A. Nothing that you could notice, I never saw her stumble.

Q. Then she was a little over in the knees?—A. I would not call her so.

Q. But if you were critical about it, would you not call her so?—A. No.

Q. Did that mare have no indication of being over in the knees?—A. I am not a horseman, but I would not take her to be over in the knees.

Q. Do you think her knees were perfectly straight?—A. No, I would not call her that, but that never did hurt her.

Q. What about her hind legs, were there any spavins on them?—A. No, sir, this slough was on the hind feet.

Q. Was there no enlargement of the leg, such as some of the others seem to have had; was she not a little stiff when starting out in the morning?—A. No, sir, she was just as good in the morning as at night.

Q. No stiffness in starting out?—A. No.

Q. Did she bite?—A. No.

Q. Did she kick?—A. No, my wife and girls could drive her.

Q. Was she scared of automobiles?—A. No.

Q. Your mare evidently possessed all the virtues?—A. As far as I know, yes.

Q. What did you use her for?—A. Just driving, and my neighbours used her, I did not use her all the time, and I let my neighbours have her to do their work.

Q. Why did you want to get rid of her?—A. I did not want to keep a horse.

[Kentville, Horses—Reid.]

Q. Not at all?—A. Not at all.

Q. Did you buy any other horse after you sold this one?—A. No, I was going to buy an auto.

Q. Did you pay any part of that money to McKay or Chipman?—A. No, sir, it was all my own.

Q. Did you pay any commission to anybody?—A. No, sir.

The witness retired.

ALBRO MORSE, farmer, of Kingston, sworn:

By Mr. Thompson:

Q. Is your father in court?—A. Yes, sir.

Q. Did you or your father sell two horses to the Government for military purposes last August or September?—A. Yes, sir.

Q. Who did the selling?—A. I did.

Q. The selling of both horses?—A. Yes, sir.

Q. Where did you sell them?—A. At Kingston station.

Q. Did you sell them for military purposes?—A. Yes, sir.

Q. Who was the buyer?—A. McKay.

Q. Who owned them?—A. I owned one and father owned the other.

Q. And you say you did the selling of the two?—A. Yes.

Q. You are familiar with the age of your father's horse and you know all the particulars about him?—A. Yes, sir.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price were you paid?—A. \$175.

Q. For which horse?—A. For my own.

Q. What were you paid for the other horse?—A. \$125.

Q. What was the age of your horse?—A. Eight years.

Q. What was the age of your father's horse?—A. I cannot tell you.

Q. About how old; your father's horse was the one that could not eat his hay and could eat nothing but soft food?—A. He could always eat hay with us, if he could not eat hay it was after he left us.

Q. About how old was your father's horse?—A. I cannot tell you.

Q. How long did your father have that horse?—A. About three years.

Q. From whom did your father buy that horse?—A. The horse was on the place we bought.

Q. Was he on the place when the house was built?—A. I suppose so.

Q. What was the weight of your horse?—A. 1,000 pounds.

Q. What was the weight of your father's horse?—A. 1,000 pounds.

Q. Were you paid by cash or by cheque?—A. By cash.

Q. What time of the day was your horse examined?—A. Mine was the third horse examined in the morning.

Q. Were you paid at the same time?—A. No, I was paid about ten o'clock for my horse.

Q. Did McKay pay you?—A. Yes sir.

Q. Who bargained with you as to the price?—A. McKay.

Q. How much did you ask for your horse?—A. \$180.

Q. And what did he offer you for your horse?—A. He offered me \$175.

Q. And you closed with him at that?—A. Yes.

Q. What did you ask for your father's horse?—A. \$130.

Q. And what did he pay you for your father's horse?—A. \$125.

Q. And you closed with him at that?—A. Yes, sir.

Q. What examination did the veterinary make of your horse?—A. He never looked at my horse, he just stood off, and said: "That horse is just what I want," and he bought him for \$175.

[Kentville, Horses—Morse.]

Q. He said your horse was just what he wanted?—A. Yes, sir.

Q. Did he examine him at all?—A. No, sir.

Q. Did he put a ticket on your horse?—A. Yes, sir.

Q. Did you eventually sign a receipt for your money?—A. Yes.

Q. And did you also sign for your father's?—A. I did not sign for my father's.

Q. What was the matter with your horse?—A. My horse was sound in every way and shape.

Q. He had no sloughs?—A. There was not a pimple on him.

Q. Was he sprung in the knees?—A. No, sir.

Q. Had he any spavins?—A. No, sir.

Q. Was he touched in the wind?—A. No, sir.

Q. Did he have any ringbones?—A. No.

Q. Now what about your father's horse?—A. My father's horse was sound every way and shape.

Q. You say there was no sign of unsoundness about your father's horse?—A. No, sir.

Q. You say your father's horse could eat his hay quite well?—A. He could eat it all right when we had him.

Q. That was the old mare?—A. Yes, sir.

Q. The old mare that was on the place when you moved into it?—A. Yes, sir.

Q. And you say she did not have any trouble about eating her feed?—A. No, sir.

Q. And you say she was not sprung in the knees?—A. No, sir.

Q. And not soft in the feet?—A. No, sir.

Q. And she was not lame?—A. No, sir.

Q. And you say that mare was perfectly sound?—A. Yes, sir.

Q. And what about the age now?—A. I do not know what age she was.

Q. Do you know Dr. Wiley Church?—A. Yes, sir.

Q. Did you see him on the day of the sale at Kingston?—A. Yes.

Q. Did you see him doctoring a horse?—A. I saw him in the barn with a bottle, but I could not tell what he had in it; he was at a horse.

Q. Which horse?—A. The horse that he sold.

Q. The horse that who sold?—A. That Dr. Church sold.

Q. To whom did he sell that horse?—A. He sold it to Mr. McKay.

Q. Are you sure he did?—A. Yes, sir.

Q. Did you see him sell that horse to McKay?—A. Yes.

Q. Did he tell you what was in the bottle?—A. No, sir.

Q. Did you ever find out what was in the bottle?—A. No, sir.

Q. Did you see him holding the bottle to the horse's mouth?—A. Yes, sir.

Q. Did Dr. Church take the horse down?—A. Yes, sir.

Q. Did Dr. Church sell that horse?—A. Yes, sir.

Q. Did he sell that horse himself?—A. Yes, sir.

Q. Did you see Dr. Church receive the money?—A. No, sir.

Q. Did you see Dr. Church present when the vet. was examining that horse?—A. He had the horse there himself.

Q. And you are sure it was Dr. Church's horse?—A. Yes.

Q. You know the horse?—A. Yes, sir.

Q. And you know Dr. Church?—A. Yes, sir.

Q. And you knew it was Church's horse?—A. Yes, sir.

Q. Do you know what was wrong with that horse of Dr. Church's?—A. No, sir.

Q. Are you sure that was sold by Church himself?—A. Yes, sir, he had a hold of the horse and was talking to McKay, who was asking him what he would take for the horse; I did not hear the bargain.

Q. There cannot be any mistake about that being one of the horses?—A. I believe Dr. Church sold that horse.

Q. And that is all you know about it?—A. Yes, sir.

Sir CHARLES DAVIDSON: Is Dr. Church to be called?

Mr. THOMPSON: He is out of the country at the front; he is a veterinary surgeon.

[Kentville, Horses—Morse.]

By Mr. Thompson:

Q. Do you know if Dr. Church is here?—A. No, sir.

Q. Where is he?—A. I cannot tell you.

Q. Is he at the front?—A. I cannot tell you.

The witness retired.

ALDEN MORSE, farmer, of Kingston, sworn:

Examined by Mr. Thompson:

Q. Did you hear the testimony given by your son?—A. Yes, sir.

Q. What was the age of your horse?—A. I cannot tell you.

Q. About how old was your horse?—A. Somewhere between ten years and sixteen years and seventeen years, perhaps, I cannot tell you exactly, I do not know positive what age he was.

Q. Are you a judge of horses?—A. A poor judge, I suppose.

Q. Why are you a poor judge?—A. I am a poor judge of a horse, to judge by looking at their mouths.

Q. What were you told was the age of the horse when you got her? The horse was on your place when you moved into it?—A. I asked the man when I bought the place how old the horse was, and he said he could not tell me. The horse came from Halifax years before that.

Q. Who was on the place when you moved into it?—A. A man by the name of Wylde.

Q. How long had Wylde had that horse?—A. About a year.

Q. Was the horse on the place when Wylde got it?—A. I think so.

Q. What about its teeth, did it have difficulty with the food?—A. No.

Q. Not while you had the horse I suppose?—A. I worked that mare and drove her, I worked that horse right straight along all the time I had her.

Q. Were you not obliged to feed her on soft food?—A. I did not know I was obliged to feed her on soft food, I fed her anything that any other horse would be fed on.

Q. You made no distinction in the feed between your horses?—A. No, sir.

Q. You made no difference in that respect whatever?—A. No, sir.

Q. And you did not think she had difficulty about her teeth?—A. No, sir.

Q. Do you know Jason Neill?—A. Yes.

Q. Do you know Heber Magee?—A. Yes.

Q. I may have to call these men as to the condition of your horse, and I wish to let you know that?—A. Of course you see I did not sell that horse.

Q. But your son sold that horse?—A. Yes, sir.

Q. And he sold that horse under your instructions?—A. I let him sell her for me.

Q. Under your instructions?—A. I told him he could sell the mare if he wished to.

Q. I only want to know the condition of your horse, that is all; you state positively that your horse had no difficulty with the oats whatever?—A. I say that I fed her and used her just the same as I did any horse.

Q. Did that horse have any difficulty in eating her hay, so far as you knew?—(No answer.)

Sir CHARLES DAVIDSON: Did you tell your son the age of that horse?

The WITNESS: I could not tell him because I did not know.

Sir CHARLES DAVIDSON: Did you never discuss his age with your son?

The WITNESS: No.

Sir CHARLES DAVIDSON: Did you never tell your son the horse must be about 17 years old?

The WITNESS: I do not think so, not to my knowledge.

Sir CHARLES DAVIDSON: Do you think he was 17 or 18 years old?

The WITNESS: I cannot say, sir, because I do not know.

[Kentville, Horses—Morse.]

By Mr. Thompson:

Q. How much did you pay for that horse?—A. That is pretty hard for me to say.

Q. How much did they put the horse in at when you bought the place?—A. They said the mare was worth \$140 when I got her. When I bought the place I took the mare with the property.

Q. Did that horse have a name?—A. Yes.

Q. What was the name of that horse?—A. Doll.

Q. Was not that horse well and favourably known in the neighbourhood for many years?—A. She certainly was.

Q. She was well known in that district?—A. Yes.

Sir CHARLES DAVIDSON: I suppose this horse was one of the old settlers.

The WITNESS: She was there when I went there.

By Mr. Thompson:

Q. Is Mr. Neilly an old settler?—A. I do not think so, he is not very old.

Q. How old is he?—A. I cannot tell.

Q. About how old is he?—A. I should think he is somewhere about 38 years.

Q. How much did you tell your son to ask for that horse?—A. I did not tell him anything.

Q. You gave him no instructions?—A. I told him not to take less than one hundred and a quarter for her because I could not fill her place for less money.

Q. And how much did he get for the horse?—A. \$125.

Q. You had another horse?—A. Yes, sir.

Q. Is that the one you had a qualm of conscience about selling?—A. I made up my mind I would not sell her.

Q. I understand there was some little protest from one of your family about selling her?—A. Yes, sir.

Q. Was that horse which you reserved for a future occasion older than the one you sold?—A. I could not tell you.

Q. Did it look older?—A. No, I do not know as it did.

Q. That is the one you were going to care for for the rest of his days?—A. I presume so.

Q. But you wanted to sell her?—A. The one I have got home I decided to keep.

Q. Did you offer her for sale to the Government?—A. I stood there and they asked me if the horse was for sale.

Q. That is an older horse still than the one you have sold?—A. That is the one I have now.

Q. And did you sell that horse?—A. No, sir.

Q. And did he want to buy it?—A. Yes, he would have bought that.

Q. Were you at the sale?—A. Yes.

Q. How was it you got your son to sell the horse which you say was from ten years to seventeen years old?—A. I do not know, he sold her, he went and got her, she was not there when they opened the sale.

Q. He went and got her where?—A. She was at home.

Q. And you told him to take her around to the sale?—A. I told him to go and get her if he wanted to, yes.

Q. Where were you?—A. I was over to the shop, I was at the blacksmith's shop and I went to the hotel.

Q. And you told your son to go back and get the old mare and to bring her in?—A. I told him he could get her if he wished to.

Q. Had he his own horse there?—A. She had been sold.

Q. And then you saw your chance of selling the old one?—A. I did not see any chance, I let him do it.

Q. Did you suggest it to him?—A. He asked me.

[Kentville, Horses—Morse.]

Q. Did he ask you or did you tell him to take the horse over and sell her to the military authorities?—A. He asked me.

Q. He asked you if he could sell the old horse?—A. He asked me if he could sell the mare.

Q. That is the mare that was at home then?—A. Yes, sir.

Q. What were you doing at the sale?—A. I was up getting my horse shod, I came across from there with my horse when I got it shod.

Q. Were you tempted to sell?—A. I was at first.

Q. Why?—A. Because they asked me.

Q. What did you ask?—A. \$150.

Q. Did they make you an offer for the horse?—A. Yes, I did not sell because I had the horse all her life and I did not want to sell her.

Q. How old was that horse?—A. Twenty-five years old.

Q. And you would not sell?—A. No, sir.

Q. And you say they offered you \$150 for the horse?—A. Yes.

Sir CHARLES DAVIDSON: Was it sentiment or qualm of conscience that prevented you selling the horse?

The WITNESS: It was because I did not want to dispose of her. I always had her and she was my brother's horse and I felt as long as I could I was going to keep her and care for her myself.

The witness retired.

The Commission then adjourned until to-morrow morning, Friday, August 13, at half-past ten o'clock.

KENTVILLE, N.S., Friday, August 13, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES PEERS, DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,

As Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

The Commission met this morning at half-past ten o'clock.

At the sitting of the Commission:

J. ABNER PHINNEY, of Melvern Square, Annapolis County, sworn:

By Mr. Thompson:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. How many did you sell?—A. One.

Q. Did you sell any horse for any other person?—A. No.

Q. Where was the sale?—A. At Kingston station.

Q. Who was the buyer?—A. Mr. McKay, I believe.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

Q. What price did you receive for your horse?—A. \$140, I think.

Q. Why do you say you think?—A. I am not just positive, I think it was \$140.

Q. What was the age of your horse?—A. Thirteen years.

[Kentville, Horses—Phinney.]

Q. Do you know the age of your horse well?—A. Yes, sir.

Q. Are you not taking off a year?—A. I think not.

Q. You think he would not be 14 years old?—A. No, sir, I think not.

Q. What was his weight?—A. 940 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. When was your horse examined?—A. About half-past five o'clock in the afternoon.

Q. When were you paid?—A. I was paid the next morning.

Q. You were not paid until the following morning?—A. No, sir.

Q. Are you sure you were not paid until the following morning?—A. Yes, sir.

Q. Who paid you?—A. Mr. McKay paid me.

Q. What excuse did he give you for not paying you the night before?—A. When he bought my horse, Mr. McKay said: "I have got no money at present." I said: "That is all right, sir, I want to bring my horse home, I live two and a half miles from here, and I will bring him back in the morning."

Q. And did you drive your horse home?—A. I did, sir.

Q. And did you bring back the same horse next morning?—A. I did, sir.

Q. What examination did the veterinary surgeon give your horse?—A. Not very much, he looked him over, I think he looked in his mouth and looked at his legs, looked over his legs.

Q. Did he make you trot him up and down?—A. No, sir.

Q. He didn't make you do that at all?—A. No, sir.

Q. Did you move your horse at all for him?—A. No, sir, I do not remember moving him a step.

Q. Did he look at his mouth?—A. He did.

Q. Did he examine his teeth?—A. He did.

Q. Did he ask you if the horse was sound?—A. I don't remember that he did.

Q. Will you say that he did not?—A. No, I would not like to say that he did not, but I do not remember.

Q. Perhaps it was not necessary for him to ask you whether the horse was sound?—A. Well, I do not know about that.

Q. Do you think it was necessary, considering the condition of your horse, that even an inexperienced person like myself would have to ask whether he was sound or not?—A. I don't understand that.

Q. Would not any inexperienced person, myself for instance, have seen that there was a spring in his knees without asking you?—A. You might have.

Q. How badly was he sprung in the knees?—A. Not very bad.

Q. He was sprung in the knees, was he not?—A. He was sprung a little in one knee.

Q. In both knees?—A. No, sir.

Q. Was he not sprung in both knees?—A. No, sir, a little in one knee.

Q. If the veterinary surgeon moved him around could he see how lame he was?—

A. No, sir.

Q. Do you swear he was not lame?—A. I do, sir.

Q. Was he not lame in any degree?—A. Not in any degree the day I sold him.

Q. Had he been lame before that?—A. About a year before that he was a little thin on the heel.

Q. In the front feet?—A. Yes.

Q. What caused that, what is a little thin on the heel?—A. I do not know.

Q. And you had taken care to drive him in in a gentle sort of way to the sale?—

A. No, sir, I had driven him pretty hard.

Q. You did not forget to work him on soft ground?—A. I worked him on any kind of ground I came to.

Q. You said the thinness of the heel did not make him lame when you sold him?—A. I put a bar shoe on and built his heel up and I thought he was all right.

Q. Did he always have a thin heel?—A. Yes.

[Kentville, Horses—Phinney.]

Q. Was he born that way?—A. Yes.

Q. And you were obliged to put that particular sort of shoe on him?—A. I was not obliged to. I thought he would be better with it.

Q. And if you did not do so he would go a little lame?—A. I think he might.

Q. Was that before you bought him?—A. Yes, sir.

Q. How long did you have him?—A. About five months.

Q. What did you pay for him when you bought him?—A. \$135.

Q. What blemishes had he?—A. None that I know of.

Q. Are you sure he did not have some blemishes to his hind legs?—A. Yes, sir.

Q. Are you quite sure about that?—A. Not that I noticed.

Q. And you had him altogether for five months?—A. I did.

Q. Who told you it would be better to put that sort of shoe on him?—A. Nobody, sir.

Q. What made you decide to put that sort of shoe on him?—A. Because I believed it was better myself.

Q. Because he had this thin heel?—A. Yes, sir.

Q. Was it because you had seen him going a bit lame that you put that sort of shoe on him?—A. Yes, sir.

Q. Do you remember signing a receipt for your money?—A. I signed a paper of some kind but I do not know what it was.

Q. Did you rebate any of the price you got for that horse?—A. No, sir.

Q. Do you know what the amount you signed for was?—A. I do not know.

Q. Do you remember saying to anybody that you signed a receipt for more money than you actually received?—A. No, sir.

Q. You never said that?—A. No, sir, not that.

Q. Did you pay any part of that money to McKay?—A. Not one cent, sir.

Q. Or did you pay any part of it to Chipman?—A. Not one cent.

Q. Did you pay any commission at all to anybody for the selling of that horse?—A. Not one cent.

Q. Did you make any present directly or indirectly to anybody?—A. Not one cent.

Q. No present of any sort whatever?—A. Of no sort.

The witness retired.

FRED PINEO, farmer, of Aylesford, sworn:

Examined by Mr. Thompson:

Q. Did you sell any horse for military purposes last August or September?—A. Yes sir.

Q. Where did you sell them?—A. I sold one at Berwick and one at Kingston.

Q. Let us take the one you sold at Berwick first, who was the buyer?—A. McKay, I assumed.

Q. Who was the veterinary surgeon?—A. Chipman, I heard.

Q. What did you receive for him?—A. \$145.

Q. What was his age?—A. Five years old.

Q. What was his weight?—A. About nine and a half hundred, as near as I could guess.

Q. What time of the day were you paid?—A. It was along in the afternoon.

Q. When was your horse examined?—A. About ten or fifteen minutes before I was paid.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What examination was given your horse?—A. The veterinary looked him over and I rode him up and back.

Q. Did the veterinary surgeon feel his legs?—A. He looked at his legs and asked me if he was sound, and I said there was a little slough on it, and he said it is a spavin, ain't it, that is all he said, I did not contradict him.

[Kentville, Horses—Pineo.]

Q. It was Chipman said this?—A. Yes.

Q. Was there anything else wrong with your horse?—A. That was all.

Q. So far as you know?—A. I am pretty sure that was all.

Q. What else do you think might be wrong with him?—A. Nothing.

Q. You say there was nothing wrong with his wind?—A. No.

Q. Were his feet tender?—A. No.

Q. When he started out in the morning was he not a little stiff?—A. No, except the slough might make him a little stiff, they generally are.

Q. Was he sprung a little in the knees?—A. Not a bit.

Q. And you say his wind was all right?—A. Yes.

Q. Did he ever stumble with you?—A. Never.

Q. How long had you had that horse?—A. I had her for five months.

Q. What did you pay for her?—A. I traded. She cost me about \$107.

Q. And what did you sell her at?—A. \$145.

Q. Did you sign a ticket?—A. I think I signed a ticket that time.

Sir CHARLES DAVIDSON: As a matter of fact, was the horse spavined?

The WITNESS: No sir.

By Mr. Thompson, K.C.:

Q. She had a slough?—A. A slough.

Q. Who was the buyer at Kingston?—A. The same time, Chipman put the price on, and he asked me the price and I told him.

Q. Where did he do that?—A. At each place. I told him what my price was and he passed it.

Q. What did you get for the Kingston horse?—A. \$140.

Q. What was the age of the horse you sold at Kingston?—A. I always thought she was between 11 and 12 I heard since she might be 13 or 14.

Q. What was her weight?—A. About 1,000 pounds.

Q. When were you paid?—A. I was paid along before night.

Q. How long before six o'clock or after six o'clock was it?—A. It was before six o'clock.

Q. How long?—A. I daresay right around half-past five o'clock.

Q. When was that horse examined?—A. Just along I think about that time, I took her over to the stable and got down and got a rope and tied her and put her in the stable.

Q. Then you were paid?—A. Yes, sir.

Q. Was there a ticket put on her?—A. Yes.

Q. What examination did Chipman give her?—A. He looked at her, just looked her over and looked in her mouth and passed her.

Q. Did he ask you if she was sound?—A. I cannot tell you.

Q. You do not remember?—A. I don't remember that.

Q. What was wrong with her?—A. There was nothing wrong with that one in any way.

Q. Nothing wrong in any respect?—A. Not in any way, she was a good mare in every way in the world.

Q. What did you pay for her?—A. That I cannot tell you.

Q. How long had you had her?—A. A couple of years.

Q. Had you any trouble at all with her when you had her?—A. No trouble at all, I worked her hard every day.

Q. There was no trouble with her wind?—A. No trouble with her wind, she had good wind.

Q. Was she lame at all?—A. She was not lame. I won't say not lame because I have seen her go lame if you left her shoe on three or four or five or six weeks, she has a little corn in one foot.

Q. Is that all that was the matter with her?—A. That was all she had about her in any way, she never went lame if I kept her shod.

[Kentville, Horses—Pineo.]

Q. Did she eat her hay in good order?—A. Yes, sir.

Q. And she had never been sick on your hands?—A. Never, I do not think she ever lost a day.

Q. Would she kick?—A. I cannot tell you that, I suppose you could make her kick.

Q. Was she known as a kicker?—A. No, she was good in every respect.

Q. Did you give any part of that money which you received at Berwick to McKay or Chipman?—A. No, sir.

Q. Or to any other person by way of commission?—A. No, sir.

Q. Did you pay any part of the money at all that you received to any person?—A. No, sir.

Q. Did you pay any part of the purchase money you received at Kingston to either McKay or Chipman?—A. To nobody.

Q. Did you pay any commission to any person whatsoever?—A. No, sir.

Q. None whatever?—A. None whatever.

Q. Neither directly nor indirectly?—A. No, sir. I paid to nobody.

The witness retired.

KENNETH CHUTE, of Melvern Square, Annapolis county, farmer, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. I did in a way, and I did not in another way. I was in Halifax at the time, and my father took them in.

Q. What is your father's name?—A. Charles Chute.

Q. Where was the sale, do you know?—A. In Kingston.

Q. Was the horse his?—A. It was my horse, one was sold for military purposes and the other was sold to Dr. Church.

Q. By your father?—A. Yes, sir.

Q. Was it the 14-year old horse that was sold to Dr. Church?—A. Yes, sir.

Q. Are you sure that it was sold to Dr. Church?—A. No, sir.

Q. Were you there before Church took that horse away?—A. No.

Q. Did he take that horse away before you got back from Halifax?—A. I came down and she was there then.

Q. She was there?—A. She was there about seven o'clock.

Q. Had Church taken her away from your stable?—A. Yes, this was in Kingston.

Q. You do not live in Kingston?—A. No, sir.

Q. Where did he buy your horse?—A. In Kingston.

Q. And your father took both horses down there to sell?—A. Yes, sir.

Q. And he sold one to the Government at Kingston and one to Dr. Church at Kingston?—A. Yes, sir.

Q. Is your father in court to-day?—A. No, sir.

Q. He will have to come here. How far do you live from Kingston?—A. Three miles.

Q. How far do you live from here?—A. It is over thirty miles.

Q. Tell your father to come here on Tuesday next?—A. Yes, sir.

Q. In the meantime, I will get a few particulars from you with regard to both these horses, one of them was a three-year-old?—Yes, sir.

Q. Is that three-year-old the one that your father sold for military purposes?—A. Yes, sir.

Q. What price did you receive for that horse?—A. \$165.

Q. Was he sound?—A. Yes, sir.

Q. Was that horse quite sound?—A. Yes, sir.

Q. I want to follow that horse because, while your father took both horses to Kingston and sold them, he only sold one to the Government, while he sold the other

[Kentville, Horses—Chute.]

to Dr. Church at Kingston, where the sale was going on, and Church sold it to the Government; apparently that is the horse which Church was reported to be doping the day of the sale—was there anything whatever wrong with the three-year old horse?—A. No, sir.

Q. How long had you had him?—A. Nearly three years, I bought him when he was ten months old.

Q. Was he broken in?—A. Yes, sir.

Q. Was he a saddle horse or what?—A. A driver.

Q. What did he weigh?—A. Nine hundred and a half.

Q. Do you think he was quite sound?—A. Yes, sir.

Q. He had no spavins?—A. No, sir.

Q. And no blemishes?—A. No, sir.

Q. What was his colour?—A. Black.

Q. Quite black?—A. Yes.

Q. Had he any markings?—A. He had a spot about as big as a ten cent piece on his forehead.

Q. What colour was the spot?—A. White.

Q. Were there any other markings on that horse?—A. There was a spot about the same size on his hind leg.

Q. Which hind leg?—A. I don't remember just which.

Q. What did you use that horse for?—A. I used to drive him.

Q. Was he shy of motor cars?—A. No, sir, nothing to speak of.

Q. Did he ever go into a ditch when a motor car came?—A. No, sir.

Q. Did he kick?—A. No, sir.

Q. Did he bite?—A. No, sir.

Q. Was he sprung in the knees?—A. No, sir.

Q. Had he any ailment of any sort?—A. No, sir.

Q. Was he ever lame with you?—A. No.

Q. What did you tell your father to sell him for?—A. \$175.

Q. Was that your lowest price?—A. I was away at the time and I wanted to get rid of one of them.

Q. What price did you put on him?—A. \$175.

Q. And you received how much?—A. I received \$165.

Q. What your father say about the other ten dollars, namely, the difference between what you were asking and what you received?—A. He said that was all they would offer him and he let it go at that, that was all.

Q. Did he tell you he paid any commission?—A. No, sir.

Q. Do you swear that he did not pay any commission to anybody?—A. No, sir, he did not.

Q. Did he give a present to anybody?—A. No, sir.

Q. Now, about that fourteen year old horse, let us have his history, you didn't have him fourteen years?—A. No, sir, I bought him in the spring.

Q. I want to find out the history of this horse, something about the history of this fourteen year old horse; your father took that fourteen year old horse into Kingston and sold him, and for some reason or other he was not sold by your father to the Government but sold to Dr. Church at Kingston where the sale was going on, and apparently Church sold that horse to the Government. How long before had you yourself bought that horse?—A. Early in the spring.

Q. What did you pay for him?—A. \$75.

Q. What money did your father bring back?—A. \$85.

Q. As a result of the sale to Church?—A. Yes sir.

Q. Do you know whether that was the horse which Dr. Church sold to A. B. Harvey?—A. I know nothing about it.

Q. What was wrong with that horse?—A. There was nothing wrong with him.

Q. Nothing wrong with him whatever?—A. No, sir.

Q. Not in any way?—A. No, sir.

[Kentville, Horses—Chute.]

Q. Are you quite sure about that?—A. Yes.

Q. Are you sure he was not sprung in the knees?—A. No, sir, he was not.

Q. Are you quite sure there was nothing wrong with the old horse?—A. Yes, sir.

Q. Then, how were you able to buy him for the small sum that you paid for him?
—A. I will tell you, I told you the age I bought him for but I never heard he was older than that.

Q. How old did you hear that horse was?—A. I heard he was twenty, I know nothing only what I was told about it.

Sir CHARLES DAVIDSON: You bought him for how much?

The WITNESS: Seventy-five dollars.

Sir CHARLES DAVIDSON: For what age did you buy him?

The WITNESS: Fourteen years.

Sir CHARLES DAVIDSON: And you heard he was 20 years?

The WITNESS: Yes sir.

By Mr. Thompson, K.C.:

Q. Could he eat his hay?—A. Yes sir.

Q. Do you say that as far as you know there was nothing wrong with him whatever?—A. Yes, sir.

Q. Nothing whatever?—A. Yes, sir.

Q. Did your father tell you he had given anyone a present with regard to that horse?—A. He told me he had not.

Q. Did you ask him about it?—A. I do not know whether I asked him.

Q. Well, you have some recollection about it, have you not?—A. He said he sold him for \$85 to Church and that is the money he gave me.

Q. Did you ask him whether he had to slip anybody some money to get rid of that horse?—A. No, I did not ask him anything.

Q. Did he tell you that he had to pay anything to get rid of that horse?—A. No, sir.

Q. Or the other horse either?—A. No, sir.

Q. Did you hear that Dr. Church had to treat him, to doctor him, or anything like that?—A. No, he was as sound as could be.

Q. Did you hear that Dr. Church had doctored him on that day of the sale, or the day before with medicine?—A. No, sir.

Q. Or that he had doctored him the following day?—A. No, sir.

Q. Did your father tell you that he sold him to Church instead of to the Government, because he was ashamed to sell him to the Government?—A. No sir, Church wanted to buy him. He wanted to buy him.

Q. He wanted to buy him?—A. He was a small horse about 950 and not power enough, and he said he could trade him.

Q. Who said that?—A. Church said he could trade him as I understand it for one he could sell.

Q. Did Church want to trade this old horse for another horse which he could sell to the Government?—A. That is the way I understood it.

Q. From whom did you understand that?—A. I just forget now.

Q. Well, remember, who did you understand that from?—A. I think it was father told me.

Q. Are you not sure it was your father that told you that?—A. I am not positive, no.

Q. Who else could have told you?—A. There was a lot of fellows talking like that.

Q. But the other fellows were not interested in Dr. Church or Dr. Church's doings, or in your horse, was it not your father that told you that?—A. I cannot say positive.

Q. Try and think it out?—A. Well, that was just an excuse.

Q. I want to know whether it was your father who told you that?—A. I cannot tell you.

[Kentville, Horses—Chute.]

Q. Do you say your father was not the one who told you?—A. He may have done so, I do not remember.

Sir CHARLES DAVIDSON: Do you live with your father?

The WITNESS: I did at that time but I do not at present.

By Mr. Thompson, K.C.:

Q. You were just temporarily at Halifax?—A. Yes, sir, I went in the day of the sale and came out that day.

Q. What time did you arrive from Halifax?—A. Seven o'clock.

Q. Did you go to Kingston that day?—A. Yes, sir, after the train came in, I was at Kingston, it was seven o'clock.

Q. What is your father's name?—A. Charles Chute.

Q. Is Kingston your station?—A. Yes, sir.

Q. Was the sale over then when you got there?—A. No, sir, they was buying then.

Q. Was the sale of your horse over?—A. Yes, he was sold.

Q. Was the sale to Dr. Church over?—A. Yes, sir.

Q. Did your father offer to sell the old horse to the Government?—A. No, sir.

Q. Did he not offer to sell it and was it not refused?—A. No, sir, that is what he told me.

Q. Did your father see Church before he sold your horse, or did he see Church after he had sold your horse?—A. Before.

Q. You say he saw Church before?—A. Yes, sir.

Q. Did Church snap up the old horse?—A. He tried to buy her as cheap as he could.

Q. Did Church snap up the old horse before your father had an opportunity of selling her to the Government?—A. Yes, he came along before.

Q. And Church made an offer for that horse before your father could offer it to the Government?—A. Yes, sir.

Mr. THOMPSON: You and your father will have to come back here on Tuesday next.

Sir CHARLES DAVIDSON: How many hands high was that old horse?

The WITNESS: I cannot just tell you, she was middling low and Church put up the bluff that she would be too low for the cavalry.

By Mr. Thompson, K.C.:

Q. Is that so?—A. That is what he said, whether it was bluff or not I do not know.

Q. Was she over or under 15 hands?—A. I cannot tell you, 15 hands would be a pretty decent height.

Mr. THOMPSON: You will come back here on Tuesday and bring your father with you.

The witness retired for the present.

LEWELLYN CHUTE, farmer of Melvern Square, Annapolis County, Sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. Where did you sell that horse?—A. At Kingston Station.

Q. How many horses did you sell?—A. Just one.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Who was the buyer of your horse?—A. I asked the names, these two men who were buying horses.

Q. They were the men who bought the other horses?—A. Yes.

Q. McKay and Chipman?—A. That is what I heard.

Q. What price did you receive for your horse?—A. \$100.

[Kentville, Horses—Chute.]

- Q. What was his weight?—A. About 1,000 pounds or a little over it.
- Q. Were you paid by cheque or by cash?—A. By cash.
- Q. What time of the day was your horse examined?—A. About three or four o'clock, in the afternoon, I do not know but it was some time in the afternoon.
- Q. What was the age of your horse?—A. I think about 13 years.
- Q. Who bargained with you as to the price of that horse?—A. Both of them.
- Q. What were you asking for your horse?—A. \$110.
- Q. What did they offer you?—A. \$100.
- Q. And you accepted it?—A. Yes, sir.
- Q. What examination did the veterinary surgeon make of your horse?—A. He stood and looked at her and looked her over.
- Q. Did he examine her teeth?—A. I forget whether they did or not, I hardly think they did.
- Q. Did they make you move the horse around?—A. No, they seen me when I brought him up.
- Q. Were you leading him?—A. Yes.
- Q. He was not under saddle?—A. No.
- Q. Did he have any harness on?—A. Nothing except the bridle.
- Q. Did they ask you if he was sound?—A. I do not remember that they did.
- Q. Will you say they did not?—A. I do not think they did.
- Q. As he had no harness on, they could see the sore on his back, could they not?—A. Yes sir.
- Q. What did they say about that?—A. They said it was a little sore but that it would be all right.
- Q. Did you offer that horse for sale in the morning?—A. No.
- Q. Did you not offer him for sale in the forenoon?—A. No, in the afternoon.
- Q. And you did not offer him for sale in the forenoon?—A. No.
- Q. Did you offer that horse for sale in the forenoon?—A. No, in the afternoon.
- Q. And the first time you offered him did not the veterinary refuse to pass him?—A. He said that he thought the sore would be bad for the saddle, but it was pretty near healed up.
- Q. And you did not close the bargain with him then?—A. No.
- Q. Did you have any relatives at the sale?—A. Yes, my father.
- Q. What is his name?—A. Charles Chute.
- Q. Are you a brother of Kenneth Chute?—A. Yes, sir.
- Q. Did you see Mr. Oakes there?—A. Yes, I think I did.
- Q. Did you have a chat with Mr. Oakes at that sale?—A. No.
- Q. Did you see Mr. Foster there?—A. I do not remember.
- Q. Was not Mr. Foster there?—A. Not that I know of.
- Q. Did you tell your father that your horse had been turned down?—A. No, sir.
- Sir CHARLES DAVIDSON: Do you live with your father?
- The WITNESS: No, sir.
- Sir CHARLES DAVIDSON: Have you your own farm?
- The WITNESS: I had one, but I sold it.
- Sir CHARLES DAVIDSON: You had a farm then?
- The WITNESS: Yes, I had a farm then.

By Mr. Thompson, K.C.:

- Q. Did you tell your father that your horse had been turned down by the veterinary surgeon?—A. No, sir.
- Q. Did you tell him that that horse had not passed?—A. No sir.
- Q. Did you tell your brother they did not pass your horse?—A. No, sir.
- Q. Whom did you tell about it?—A. No one.
- Q. Did you tell nobody at all?—A. No, sir.
- Q. How long after that did you offer your horse for sale again?—A. About an hour afterwards.

Q. Did you ask anybody to intercede with you in the meantime with the buyers?
—A. No, sir.

Q. Not a soul?—A. Not a soul.

Q. Had you any conversation with anybody about the horse in the meantime?
—A. No, sir.

Q. You are quite sure about that?—A. Yes, sir.

Q. When you decided to make a second attempt at it whom did you see?—A. I saw McKay.

Q. Did you see Chipman?—A. Chipman, they were both together.

Q. To whom did you speak when you made your second attempt to sell the horse?
—A. I spoke to the two men that were buying them.

Q. Did you speak to them both together?—A. Yes, sir.

Q. Which of the two did you speak to first?—A. I do not know them apart.

Q. Was it the veterinary surgeon or the buyer you spoke to first?—A. The buyer.

Q. You spoke to the buyer?—A. Yes.

Q. What did you say to him?—A. I told him I wanted to sell my horse.

Q. But you had already told him that on the first occasion?—A. That is the veterinary surgeon.

Q. You told the veterinary surgeon you wanted to sell your horse in the morning?
—A. Yes.

Q. And he refused to pass him?—A. He said he thought the sore would interfere.

Q. He did not pass him?—A. He did not pass him.

Q. Did you tell McKay, or whoever the buyer was, when you were making your second attempt to sell that horse, that the veterinary surgeon did not pass him on the first occasion?—A. Well, he knew it.

Q. Did you tell him?—A. Yes, we were talking about it.

Q. Was McKay there on the first occasion?—A. No, just the veterinary surgeon.

Q. Did McKay know that the horse had been turned down on the first occasion?
—A. The veterinary surgeon said that he thought the sore would interfere.

Q. Did McKay know that the horse had been turned down on the first occasion?
—A. I suppose he did.

Q. Did you tell him?—A. No.

Q. Did you hear the veterinary surgeon tell him?—A. That is what the veterinary surgeon said to me. He said: "I think that sore on the horse would be bad with the saddle" he said that right before this man when he bought him.

Q. That was on the second occasion?—A. Yes.

Q. And that was before McKay had closed with you for the purchase of the horse?
—A. Yes, sir.

Q. What did McKay say in reply to that?—A. He said that he thought the sore would be all right, that it was pretty near healed.

Q. What did the veterinary surgeon say?—A. He said perhaps it would, it may be all right.

Q. What else was wrong with the horse?—A. Nothing that I know of.

Q. Did he have the heaves?—A. No, sir.

Q. Was he sprung in the knees?—A. No, sir.

Q. Was he lame?—A. No, sir.

Q. How long had you had him?—A. Two months.

Q. What did you pay for him?—A. I traded him.

Q. What did you give in trade?—A. Another horse.

Q. What was that other horse worth?—A. Well, I will tell you what the mare cost me, it was \$120.

Q. How long had you had her?—A. Two months.

Q. What was wrong with her that you wanted to trade off?—A. Nothing, only that she would kick once in a while.

Q. Would the one that you sold to the government kick once in a while?—A. That is the only one I sold to the government.

[Kentville, Horses—Chute.]

Q. And that horse would kick once in a while?—A. Yes, sir.

Q. The one you sold to the government was a kicker?—A. Yes, sir.

Sir CHARLES DAVIDSON: Did you tell him he kicked?

The WITNESS: Yes, sir.

By Mr. Thompson, K.C.:

Q. To whom did you tell that?—A. To both of them.

Q. Did you tell them that after you got your money or before?—A. Before, when they were buying.

Q. Who else heard that conversation?—A. I do not know.

Q. I refer to the conversation between you, and the veterinary surgeon, and McKay?—A. I do not think there was any one heard it.

Q. Did you give McKay anything for buying your horse?—A. No, sir.

Q. Did you give him any promise of anything?—A. No, sir.

Q. Did you give Chipman anything?—A. No, sir.

Q. Did you give any other person anything in connection with that sale of your horse?—A. No, sir.

Q. Did you give anything by way of commission or money to any one, either directly or indirectly?—A. No, sir.

Q. Did you give any allowance, or rebate, or compensation, whatsoever, to anybody in respect to the sale of that horse?—A. No, sir.

Q. How long had you known Chipman?—A. I did not know him at all.

Q. You never saw him before?—A. Not that I remember of.

Q. What about McKay, did you know McKay?—A. I never met the gentleman before.

Q. Did you have any conversation with Mr. Oakes on that day?—A. I do not think I did.

Q. Did you see him there?—A. I think I seen him there.

Sir CHARLES DAVIDSON: Has the witness said what was the cause of this sore and how long it was on the horse's back?

By Mr. Thompson, K.C.:

Q. Was that horse sore when you got him?—A. I do not think he was.

Q. What was the age of that horse?—A. I think, 13 years.

Q. Did you buy him as a 13-year-old?—A. Yes, sir.

Q. Were you satisfied he was 13, or did you think he was more?—A. No, I do not know; he was not more.

Q. Did you have your doubts about it when you bought him?—A. No.

Q. How did the horse get the sore on his back?—A. The saddle galled him.

Q. How long had he had that saddle gall?—A. I do not remember, just a few weeks.

Q. Did you ride the horse?—A. No, just a back saddle and the harness.

Q. It was not your riding saddle that galled him?—A. No.

Q. Why did you sell that horse for \$100 if you paid \$125 for him?—A. Because I did not need the horse.

Q. Had you been obliged to abandon working him on account of the sore?—A. No, sir.

Q. How long had he had that sore?—A. Just a few weeks.

Q. Did you expect it would heal up?—A. Yes.

Q. Was the back just raw?—A. Just raw.

Mr. THOMPSON: The sore may not have been very serious, but no doubt it was a moving inducement to sell that horse.

The WITNESS: It might have been.

Sir CHARLES DAVIDSON: It may have been. (To witness): Was it on account of the sore you sold that horse?

The WITNESS: No, it was not, I did not need her, that was the only thing.

Sir CHARLES DAVIDSON: Then why did you say it might have been? Was it?

The WITNESS: No, it was not.

Sir CHARLES DAVIDSON: You said a moment ago it might have been an inducement for you to sell her.

The WITNESS: It might have been.

The witness retired.

JOSEPH BROWN, farmer, Melvern Square, Annapolis county, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. How many did you sell to the Government?—A. One.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Where was the sale?—A. At Kingston Station.

Q. Who was the buyer?—A. He said his name was McKay.

Q. Who was the veterinary surgeon?—A. Chipman, he said.

Q. What price did you get for your horse?—A. \$170.

Q. What age was your horse?—A. Five years old.

Q. What was the weight of your horse?—A. 1,035 pounds.

Q. Were you paid by cheque or by cash?—A. It was by cash.

Q. By whom were you paid?—A. By Mr. Outhit, he signed for the horses when I was putting them in the stable.

Q. He signed for both of them?—A. Yes.

Q. Did you authorize him to receive the money?—A. Yes, sir.

Q. What examination did the veterinary surgeon give the horses?—A. He walked around them and looked around them.

Q. Did he feel your horse's legs?—A. No, sir.

Q. Did he make you move the horse around?—A. No, sir.

Q. What time of the day was your horse examined?—A. I should think it was between one and two o'clock.

Q. How long after that were you paid?—A. I should think 15 or 20 minutes after, I would not say, Mr. Outhit was paid.

Q. Did you drive home together?—A. Yes, sir.

Q. Did you sign a receipt for that horse?—A. No, sir.

Q. Did you sign the ticket that was put on the horse?—A. No, sir, I signed nothing.

Q. Who bargained with you as to the price of that horse?—A. They were both there, McKay and Chipman.

Q. What were you asking for your horse?—A. \$180.

Q. And what did they offer you?—A. \$170.

Q. And you accepted their offer?—A. Yes.

Q. Was your horse sound?—A. Yes.

Q. Was he perfectly sound?—A. Yes, sir.

Q. Were there any blemishes on him?—A. No, sir.

Q. How long had you had him?—A. I do not know, I think about a year.

Q. What did you pay for him?—A. I paid \$160 for him.

Q. Was he in as good condition when you sold him as when you bought him?—A. He was in better condition.

Q. When you bought him, did you pay cash for him?—A. I did.

Q. Did you give any part of the money you received to Chipman?—A. No, sir.

Q. Or did you give any part of it to McKay?—A. No, sir.

Q. Or did you part with it in any manner whatever?—A. No, sir.

Q. You paid nothing whatever to anybody in connection with the sale?—A. Nothing whatever.

Q. Did you pay any commission whatever to anybody?—A. No, sir.

Q. Or did you make a gift to anybody of any money in connection with the sale?—A. No, sir.

Q. Or did you give anything else to anybody to get the sale through?—A. No, sir.

The witness retired.

D. M. OUTHIT, farmer, of Melvern Square, Annapolis County, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. Where did you sell your horse?—A. At Kingston Station.

Q. Who was the buyer?—A. I do not know the gentleman's name, it was the men who were there buying horses, I never seen them before.

Q. Did you hear what the names were?—A. I heard the names of Chipman and McKay mentioned.

Q. What did they pay you for your horse?—A. \$160.

Q. What was the age of your horse?—A. Seven years old.

Q. What was his weight?—A. About 950 pounds.

Q. Were you paid by cheque or by cash?—A. Paid by cash.

Q. By whom were you paid?—A. I do not know which man.

Q. What time of the day was your horse examined?—A. I should think between one and two o'clock.

Q. How long after that were you paid?—A. Immediately after.

Q. Which of the two men paid you your money?—A. The stout light-complexioned man, I do not know whether he was McKay or Chipman.

Q. That would correspond with McKay's description; who bargained with you as to the price?—A. The same man.

Q. What did you ask for the horse?—A. I asked \$170.

Q. What did he offer you?—A. He offered me \$160.

Q. How long had you had that horse?—A. I raised him.

Q. Was the horse sound?—A. No, sir.

Q. What was wrong with him?—A. He had a couple of jacks on him, small ones.

Q. Are these blind spavins?—A. I suppose that is what you would call it.

Q. Did they make him lame?—A. No.

Q. They did not make him lame at all?—A. No.

Q. Was he not a little stiff when starting out?—A. A little stiff in starting sometimes; it had been on since he was two years old.

Q. Was there anything else wrong with him?—A. In regard to soundness?

Q. Yes?—A. No.

Q. He was not over in the knees?—A. No.

Q. He was not tender in the feet?—A. No.

Q. And not otherwise affected?—A. No.

Q. Was his wind all right?—A. Yes.

Q. Had the jacks grown since he was two years old?—A. I do not know that they had grown any.

Q. What is the distinction between a jack and a spavin?—A. I guess they are both spavins only one was perhaps a little smaller than the other, that is the only difference, so far as I know.

Q. What is the difference between a spavin and a blind jack?—A. I do not know, I am not enough of a vet. for that.

Q. What is the difference between a thoroughpin and a spavin?—A. I am not a vet. I cannot go into these things.

Q. Would you recognize one or the other if you saw them?—A. I would not know; I would know a spavin if it is large enough so I can see it, or rather I would know where to look for it.

Q. Would you know whether it was a jack spavin or a thoroughpin?—A. I do not know as I would.

Q. Did you pay any part of the money you received for that horse to McKay or to Chipman?—A. No, sir.

Q. Or did you pay any other money to them?—A. No, sir.

Q. Did you make them any present in any way?—A. No, sir.

Q. Did you promise to make them any present?—A. No, sir.

Q. Did you authorize anybody else to pay them anything on your behalf?—A. No, sir.

Q. Did you pay anybody anything, either money or any other consideration, in order to get the sale through?—A. No, sir.

Q. Did you pay anything either after the sale or before the sale?—A. After the sale was through, Dr. Church came around and said that I should make him a present of something for putting the sale through.

Q. Did you make him a present?—A. I did.

Q. How much did you give him?—A. Five dollars.

Q. Had you asked Church to put the sale through?—A. No, sir, I had not.

Q. Did he volunteer his services?—A. Not that I know of, he was around there looking at the horses with the other parties.

Q. Why did you pay him five dollars if he had not been interested in selling the horse?—A. I do not know whether he was interested or not.

Q. How did you know that he put the sale through?—A. I did not know whether he did or not, I took his word for it.

Q. Did he have a conference with either McKay or Chipman when the negotiations for the sale of your horse were going on?—A. Not that I know of.

Q. Did you see him talking to them?—A. No, I did not.

Q. How long after the sale was through did Church come to you and say you should make him a present?—A. I suppose half-an-hour afterwards.

Q. You say you had no conversation with Church whatever?—A. No, sir.

Q. On that day?—A. No, sir.

Q. Or the day before?—A. No, sir.

Q. You say you had no conversation with him at any time with reference to the selling of that horse?—A. None whatever.

Q. And yet you voluntarily paid him five dollars?—A. I paid him five dollars.

Q. Were you afraid the sale would be cancelled and the money taken away if you did not pay Church?—A. No, I was not.

Q. Was Church a friend of yours?—A. No, he is an acquaintance of mine.

Q. Had Church any horse for sale on that day?—A. Not that I know of.

Q. Perhaps you got a little better price for your horse than you expected to get?—A. I do not know that I did.

Q. Was not that why you paid Church five dollars?—A. I would be perfectly willing to sell the horse for less than what I got for it.

Q. Was it not because you got a pretty good price that you were willing to allow Church five dollars?—A. I considered I got a good price for the horse.

Q. Was it because of that you let Church have the five dollars?—A. I considered I got a good price for the horse.

Q. And Church said he had been instrumental in putting the sale through?—A. Yes.

Q. Was it because of that you allowed Church five dollars, answer yes or no?—A. I would say: "Yes." I got a good price for the horse.

[Kentville, Horses—Outhit.]

Sir CHARLES DAVIDSON: You will answer that question. Was it because you got a good price for the horse that you gave Church the five dollars?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Did you pay Church anything for having put through the sale of Joseph Brown's horse?—A. No, Mr. Brown sold his own horse.

Q. But you received the money?—A. I received the money and signed the cheque.

Q. Did Church ask you for any rake-off on the Brown horse?—A. No, sir, nothing whatever.

Q. Had you any acquaintance with Chipman or McKay?—A. I did not know the gentlemen at all.

Q. You did not know either of them?—A. Neither of them.

Q. How long have you known Church?—A. Two or three years.

Q. Did you sign a receipt for your money?—A. I signed something.

Q. Did you sign a receipt for both horses?—A. For Mr. Brown and myself.

The witness retired.

JOSEPH BROWN (Recalled):

Examined by Mr. Thompson, K.C.:

Q. Did you pay any money to Dr. Church on the day of the sale?—A. No, sir.

Q. Did you authorize the last witness, Outhit, to pay any money to Church?—A. No, sir.

Q. Neither before the sale nor after the sale?—A. No, sir.

Q. Did you give away any sum of money at all to any person in respect to the sale of that horse?—A. No, sir.

Sir CHARLES DAVIDSON: Who is Church?

The WITNESS: Church is a veterinary surgeon that used to be around here.

Sir CHARLES DAVIDSON: Does he live in that vicinity and practise there?

The WITNESS: He used to run a blacksmith shop in Wilmot one time.

Sir CHARLES DAVIDSON: Was he a doctor?

The WITNESS: He was a veterinarian.

Sir CHARLES DAVIDSON: And a village blacksmith.

By Mr. Thompson, K.C.:

Q. What was Church doing in August of last year?—A. At the time the horses were sold?

Q. Yes?—A. I do not know what he was doing, he was around there the day they bought the horses.

Q. What was his occupation?—A. He was practising his profession.

Q. Was he practising as a blacksmith or as veterinary surgeon?—A. As a veterinary surgeon.

Q. Was he also practising as blacksmith at that time?—A. No, sir, I do not know that he ever did any blacksmithing himself, he had hired men.

Q. Did he do much veterinary work?—A. He did quite a little bit.

Q. Do you know where he lives?—A. He boarded there in Wilmot.

The witness retired.

WILLIAM SMITH, farmer, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. Where did you sell that horse?—A. Kingston station.

Q. Did you sell more than one horse then?—A. No, sir.

Q. Did you sell any horse for any other person to the Government?—A. No, sir.

Q. Who was the buyer of your horse?—A. I do not know the man, only I heard afterwards.

Q. What did you hear afterwards?—A. McKay and Chipman.

Q. What price did you receive for your horse?—A. \$175.

Q. What was the age of your horse?—A. Ten years old.

Q. What was the weight of your horse?—A. About 1,050.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. I should think about three o'clock in the afternoon.

Q. How long after that were you paid?—A. I should think about an hour afterwards.

Q. Where were you paid?—A. At Kingston station.

Q. Who bargained with you as to the price of that horse?—A. Both of them.

Q. What did you ask?—A. I asked \$200 for him.

Q. What did they offer you?—A. \$175.

Q. And you took it?—A. Yes sir.

Q. Did they put a ticket on your horse?—A. Yes sir.

Q. Did you sign a receipt?—A. I signed something.

Q. You don't know what the amount stated on the receipt was?—A. I do not.

Q. What examination did the veterinary surgeon make of your horse?—A. He did not make any, he simply looked at him, I would not suppose it was an examination.

Q. Did he feel the horses legs?—A. No, sir.

Q. Did he look at his mouth?—A. No, sir.

Q. Did he move the horse about?—A. No, sir.

Q. How long had you had that horse?—A. Two and a half years.

Q. What did you pay for him?—A. He cost me in trade about \$180.

Q. Did the veterinary surgeon or McKay ask you if the horse was sound?—A.

Yes, sir.

Q. What did you tell them?—A. I told them he was at the present.

Q. Had he been unsound?—A. At the time I got him he was a little lame in one foot.

Q. What was wrong with him at the time you got him, was it a sore?—A. It was something called a dry hoof.

Q. How long did it take you to cure him of the dry hoof?—A. I did not have him a month until he was cured, as far as I know.

Q. Did he give you any other trouble?—A. No, sir.

Q. Did you have to pay attention from time to time to that dry hoof?—A. No, sir.

Q. Did not you have to pay attention to the way he was shod?—A. No, sir.

Q. Was he lame in any other respect?—A. No, sir.

Q. Did he have any spavins?—A. No, sir.

Q. Was his wind all right?—A. Yes, sir.

Q. Were either of the knees bad?—A. No, sir.

Q. Did he kick?—A. No, sir.

Q. There was nothing wrong with your horse otherwise?—A. No, sir.

Q. Not in any way?—A. Not in any way at the time.

Q. How long had you known that horse?—A. I did not know him until the night I got him.

Q. Was he a little lame when you got him?—A. Yes, sir.

[Kentville, Horses—Smith.]

Q. And after you once cured him of that lameness, which you told us was in about a month, did he show any signs of weakness on that hoof afterwards?—A. No, I do not think so, not that I ever noticed.

Q. Even when you drove him to Kingston?—A. I drove him hard.

Q. And he never showed any signs of lameness?—A. No, sir.

Q. Did you pay McKay anything in connection with the sale of that horse?—A. No, sir.

Q. Did you pay Church anything in connection with the sale of that horse?—A. No, sir.

Q. Did you pay anything to any one whomsoever in connection with the sale of that horse?—A. No, sir.

Q. Did you see Mr. Foster there on the day of the sale?—A. No, I do not know Mr. Foster.

Q. Did you see Mr. Oakes there on the day of the sale?—A. No, I did not.

Q. Did you pay anybody any sum of money?—A. No, sir.

Q. Did you pay anybody anything for putting the sale through?—A. No, sir.

Q. Either directly or indirectly?—A. No, sir.

Sir CHARLES DAVIDSON: It is a pleasure, sir, to have a witness like you in the box. The witness retired.

OWEN ARMSTRONG, farmer, of Kingston Station, sworn:

By Mr. Thompson, K.C.:

Q. You sold a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Where did you sell that horse?—A. Kingston station.

Q. Did you sell more than one?—A. Only one.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Who was the buyer of your horse?—A. I did not know the man at the time only I heard that the men who were buying were Chipman and McKay, I supposed. I asked the fellows that night and they said Woodworth, but I guess it was McKay.

Q. They said it was Woodworth?—A. I inquired who the buyer was and they said it was Woodworth.

Q. Who told you it was Woodworth?—A. I do not know as I could say.

Q. Who was the veterinary surgeon?—A. I presume it was Chipman.

Q. Did you know Chipman before that?—A. No, sir.

Q. Were you told it was Chipman?—A. Not at that time but only afterwards.

Q. How long afterwards?—A. I did not know it was Chipman until I came here yesterday.

Q. What did he look like?—A. He was a small man, light-complexioned, I think.

Q. What price did you receive for your horse?—A. \$125.

Q. What age was your horse?—A. I told them he was 11 or 12 years old, and I did not think he was any older, and I heard afterwards he was not that old.

Q. What was his weight?—A. Between 1,000 and 1,100 pounds, he was a good-sized horse.

Q. What time of the day was your horse examined?—A. I would say it would be pretty well on in the afternoon, probably four or five o'clock.

Q. Were you paid by cheque or by cash for your horse?—A. By cash.

Q. How long after the horse was examined were you paid for him?—A. I should think it was an hour.

Q. Who paid you?—A. Mr. McKay paid me.

Q. What did you ask for your horse?—A. I asked \$150.

Q. What did they offer you?—A. \$125.

Q. And you took it?—A. I told them they could have the horse for that.

[Kentville, Horses—Armstrong.]

Q. What examination did the veterinary surgeon make of your horse?—A. I would say none.

Q. Did he move him about?—A. No, sir.

Q. Did you move him about for him?—A. No, sir.

Q. Did he ask you to move him about?—A. No, sir.

Q. Did he look at his mouth?—A. Yes, sir, I asked him to.

Q. Why did you ask him to?—A. He ask me how old the horse was and I said: he is only a young horse, 11 or 12 years old, look at his mouth, and he looked at his mouth and said he was younger than that, and it was all right.

Q. Did you ask him to look at his feet?—A. No, sir.

Q. Did you ask him to feel his legs?—A. No, sir.

Q. Why did you ask him to look at his mouth?—A. He asked me how old the horse was and I thought he was the man to judge for himself.

Q. Did he ask you if the horse was sound?—A. No, sir.

Q. Did you volunteer the information that your horse was not sound?—A. No, I did not.

Q. Why didn't you?—A. He could see for himself.

Q. He could see for himself?—A. Yes, sir.

Q. What could he see for himself?—A. He could see that he was a little over in the knees.

Q. In both knees?—A. Yes, sir.

Q. But he could not see he had sore feet, could he?—A. Well, I do not know. As he was over in the knees if he was not sore he would not be over in the knees, any horse that is sore naturally stands a little over.

Q. He was over in the knees, was he?—A. Yes, he stood over because he was sore forward.

Q. He was sore forward?—A. Yes.

Sir CHARLES DAVIDSON: What does that mean, "sore forward"?

The WITNESS: Sore on the front feet.

By Mr. Thompson, K.C.:

Q. When you say he was sore forward, you mean he was sore on the front feet?—A. Yes, sir.

Q. What kind of a sore was it?—A. Just thinness, stepped short.

Q. That does not make a running sore?—A. No.

Q. There are horses that are sore on the front feet and which are not necessarily sprung in the knees. What the witness says is that when a horse is sprung in the knees he nearly always is tender forward?—A. Yes, it is an indication that way.

Q. Did you pay Chipman or McKay anything for having passed your horse?—A. No, sir.

Q. Neither after they passed it or before?—A. No, sir.

Q. Did you pay Church anything?—A. No, sir, I do not know Church.

Q. Did you pay anybody anything for having passed the horse?—A. No, sir.

Q. Or before they passed the horse?—A. No, sir.

Q. Did you give any reward to anybody?—A. No, sir, I spoke to nobody.

Q. Did you pay any reward to anybody?—A. No, sir.

Q. Did you pay anything either directly or indirectly to anybody for having passed that horse?—A. No, sir.

Q. Or after the horse was passed?—A. No, sir.

Q. Or did you give any promise that you would pay something to somebody if the horse was passed?—A. No, sir, no promise was given. The vet. pointed to his feet and said: "We should not buy a horse like that at all." I said: "If he is not worth that what is he worth to you." He said, he was worth \$125.

Q. Who said that?—A. McKay said that.

Q. Was the veterinary surgeon there at the time?—A. No, the veterinary surgeon put a ticket on him and said I would have to see the other man.

[Kentville, Horses—Armstrong.]

Q. Who put the ticket on him?—A. Mr. Chipman. Chipman had put the ticket on him before McKay saw the horse.

Sir CHARLES DAVIDSON: And then McKay said they ought not to buy a horse of that kind.

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Were both of these men present when the bargain was made as to the horse?

The WITNESS: Not when the bargain was made.

Sir CHARLES DAVIDSON: It was just McKay who was present?

The WITNESS: Yes, sir.

By Mr. Thompson, K.C.:

Q. The front knees could not be cured, and I suppose the sore forward were not curable either?—A. I think they could, they were a lot better than when I got him.

Q. What did you pay for the horse?—A. I got him in a trade.

Q. What was the trade?—A. I gave another horse for this horse and got some boot.

Q. How much boot did you get?—A. I do not keep in mind these things, but I should say somewhere between \$60 and \$70, \$62.50 I think.

Q. What did you value the horse at that you traded?—A. The horse cost me \$175.

Q. What did you value this horse at when you got him?—A. Well I know what this horse cost me in the way of trade.

Q. How much?—A. \$100.

Q. And you had him how long?—A. Seven months.

Sir CHARLES DAVIDSON: I suppose, Mr. Thompson, this horse was not fit for a saddle horse?

Mr. THOMPSON: I should think not.

Sir CHARLES DAVIDSON: And I suppose that was the only purpose to which they could put him?

Mr. THOMPSON: I think so.

By Mr. Thompson, K.C.:

Q. What was the weight of that horse?—A. Pretty nearly 1,100 pounds.

Mr. THOMPSON: He was heavy enough for a draught horse, had he been a saddle horse?

The WITNESS: I do not think so, I had worked him on the farm.

Sir CHARLES DAVIDSON: You stated that you thought this horse was 11 or 12 years old?

The WITNESS: Between 10 years and 11 years.

Sir CHARLES DAVIDSON: And then you spoke of him as a young horse.

The WITNESS: I said he was not an old horse.

Sir CHARLES DAVIDSON: No sir, you did not, you said he was a young horse—when does a horse cease to be a young horse?

The WITNESS: It is very different with horses; I think they call a 12-year old horse that is well taken care of as being in the prime of their life. They are as good at that age as they are at any time, as near as I can figure it.

Sir CHARLES DAVIDSON: Is a horse in the prime of life still a young horse?

The WITNESS: I do not remember. If he has got it down that I said he was a young horse, all right, but what I think I said was that he was not an old horse at all; he is 11 or 12 years old.

Mr. THOMPSON: Possibly the horses in this valley are like the apples, they ripen slowly.

Sir CHARLES DAVIDSON: I get the impression sometimes that they must have been born again.

The witness retired.

WILLIAM FRANEY, farmer, of Aylesford, sworn:

By Mr. Thompson:

Q. Did you sell a horse for military purposes last August or September?—A. I sold a horse that belonged to a son to a man I supposed to be McKay.

Q. Who was the veterinary surgeon?—A. Chipman, it was supposed to be, but I do not know any of the men.

Q. Where did the sale take place?—A. At Berwick.

Q. Do you know the particulars with reference to that horse?—A. It was on the farm for a couple of years, and I did not drive it much, my son drove it and he owned it, and he was in Kentville working, and he left his horse there and told me to sell it.

Q. What price did you get for the horse?—A. I sold it for \$160.

Q. What was the age of the horse?—A. I do not know.

Q. About how old was the horse?—A. I do not know anything about the age.

Q. How long had your son had him?—A. He had him for a couple of years.

Q. How much did he pay for it?—A. He paid between \$90 and \$100 for it, I do not know exactly.

Q. Would you say that the age of that horse was 14 years old?—A. I cannot say.

Q. Did he look like a 14 year-old horse or a 16 year-old horse?—A. It was a fine small driving mare.

Q. Yes, but what about the age, was it not 14 years or 16 years?—A. It might be that old, I am not informed on that.

Q. I will not tie you down to a year, would you say that horse was 14 or 16 years old, from looking at him?—A. I should think he was.

Q. Tell us again how much your son paid for him?—A. Between \$90 and \$100, I do not know exactly.

Q. He paid between \$90 and \$100 for that, two years previously?—A. Yes, sir.

Q. Who bargained with you as to the price of that horse when you sold it to the government?—A. Well, Mr. McKay did.

Q. What did you ask for the horse?—A. \$180.

Q. And what did he offer you?—A. Well, the vet. went and examined its mouth and they walked away and did not say anything and I stood there and said I: "If anybody will ask me why I did not sell this horse what will I tell them." Well, they walked around and they came back again, and McKay said: "We will give you \$160," and I said: "All right."

Q. Did they move the horse around at all?—A. I took the horse out of the wagon, and led it into the crowd with the bridle, and they seen it, they did not move it around at all.

Q. Could they see what was wrong with him?—A. They could see. There was nothing wrong with him they could see, all that was the matter with him there was, that she had a little cough, and my son was afraid it would develop into the heaves. That is the reason he wanted to sell.

Q. The mare was not lame?—A. Oh no, no blemishes.

Q. She had no tender feet?—A. No.

Q. Was she over on the knees at all?—A. No, straight as you like, all right.

Q. It must have been a very peculiar horse, if she was not over in the knees, judging by the other horses we have had evidence about?—A. Straight as a rush.

Q. What about the spavins?—A. She had no spavins.

Q. No sores?—A. No, sir.

Q. Did the mare have that cough when your son had her?—A. At times, you know.

Q. Did the mare have the cough when he bought her?—A. I do not know.

Q. How far did you drive that horse to get into Berwick that day?—A. Five miles.

Q. Did he get a bit wheezy in the wind?—A. Not a bit.

Q. Perhaps you nursed him along a little bit on the road?—A. Not a bit, no.

Q. What time of the day was your horse examined?—A. Between one o'clock and six o'clock.

[Kentville, Horses—Franey.]

Q. Would it be nearer six o'clock or nearer one o'clock?—A. Well, it would be about between the two, I think.

Q. When did you arrive at Berwick?—A. I arrived there a couple of hours before, I should think.

Q. Did you sign a ticket or a receipt?—A. Yes, I signed something.

Q. You did not look at it, did you?—A. No, I do not see well without my glasses and I did not have them with me.

Q. Did they ask you if the horse was sound?—A. No.

Q. When you said to these men, as they were walking away: "What will I say if you don't buy the horse," what did they say?—A. I said: "If you don't buy the horse and any one asks me why, what will I tell them."

Q. What did they say?—A. Well McKay walked out and he said: "I will give you \$160."

Q. Did they say nothing more than that?—A. Well he did say, he said: "Your horse is a good one," in a kind of a joke.

Q. He said that as a sort of a joke?—A. Yes, when I asked \$180.

Q. What did you say?—A. I said nothing.

Q. And did you have no argument over it at all?—A. No argument at all, it was a very short sale.

Q. Did you pay him any part of the purchase money?—A. No, sir.

Q. Did you pay him any part of any other money?—A. No, sir.

Q. Did you give Chipman anything?—A. No, sir, I gave nothing to them.

Q. Did your son give anybody anything for putting the sale through?—A. Oh no.

Q. Did he tell you he had done so?—A. He did not tell me anything. He did not tell me had done so.

Q. Did Church get any money from you?—A. Church was not around there at all that day, I did not see him.

Q. Did Church get any money from you or your son?—A. We are not acquainted with Dr. Church at all.

Q. But did he get any money from you before or after the sale?—A. No.

Q. Or from your son?—A. I do not know anything about that.

Q. Where is your son?—A. He is in Wolfville.

Q. Did you pay any commission at all to anybody in connection with the sale of that horse?—A. No, sir, not a cent.

Q. What is your son's name?—A. St. Clair Franey.

Sir CHARLES DAVIDSON: That horse had the heaves.

The WITNESS: That horse sometimes was heavy.

Sir CHARLES DAVIDSON: As a matter of fact she had the heaves, had she not?

The WITNESS: I do not know whether you would call it heaves or not, sometimes, when you overfed her, she would be a little full, a little blowy.

Sir CHARLES DAVIDSON: Are you not giving the horse the benefit of the doubt?

The WITNESS: I worked the horse on the farm and I would just as leave they would not sell the horse, but the horse was all right, only that was all that was the matter with the horse, it had a cough and sometimes a little wheezing.

Sir CHARLES DAVIDSON: Did you tell the man who bought the horse?

The WITNESS: No, they did not ask me anything about it. They did not ask me whether it was sound or not.

By Mr. Thompson, K.C.:

Q. Did the horse cough when he was up there for sale?—A. No, sir.

Q. How much did the horse cough on the way down to the sale?—A. I do not think it coughed any.

Q. Did you treat him that day for the cough?—A. No, sir.

[Kentville, Horses—Franey.]

Q. How often did you treat that horse for the cough?—A. I never treated him at all.

Q. How often did your son treat him?—A. I do not know, I have known him to give it some liniment once in a while.

Q. Did he give him the liniment inside or outside?—A. Inside, he put it on his feed.

Q. Did he do that for the cough?—A. Yes.

Sir CHARLES DAVIDSON: Mr. Thompson, have you made up your mind that this horse had the heaves?

Mr. THOMPSON: I certainly have.

Sir CHARLES DAVIDSON (to the witness): Did you not disclose that when you were selling the horse for the soldiers?

The WITNESS: At that time there was very little talk about the war. The horse had no heaves to hurt it. That was my opinion after I had worked it and driven it, and it did not hurt it at all scarcely.

The witness retired.

AZA LUTZ, farmer, of Kings county, sworn:

By Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. How many did you sell?—A. One.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Where did the sale take place?—A. At Berwick.

Q. Who was the buyer?—A. I did not know the man at the time.

Q. Did you hear who it was?—A. They say it was McKay and Chipman.

Q. How much did you receive for that horse?—A. \$170.

Q. What was the age of that horse?—A. Five years old.

Q. What was its weight?—A. I never had it weighed, but somewhere between 900 pounds and 950, I do not know exactly.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. About half-past four, I should think.

Q. When were you paid?—A. About half an hour afterwards.

Q. Who were you paid by?—A. I was paid by McKay.

Q. What did you ask for your horse?—A. I asked \$180.

Q. How much did they offer you?—A. \$165, and I started off, and when I started he says: "I will give you \$170."

Q. Who said that?—A. McKay said that.

Q. And what did you say?—A. I said all right.

Q. And you closed the sale at \$170?—A. Yes, at \$170.

Q. What examination did the veterinary surgeon make of your horse?—A. He just looked it over and asked me how old it was, and I told him five years old.

Q. Did he ask you was the horse sound?—A. Yes.

Q. What did you tell him?—A. I said, yes.

Q. Was the horse quite sound?—A. It was sound as far as I know, I bought it the last of June, I guess.

Q. What did you pay for it?—A. \$150.

Q. Did you discover any blemishes on the horse after you bought him?—A. No, sir, no blemishes.

Q. Did you have any trouble with the horse?—A. No, sir.

Q. Did the horse kick?—A. No.

Q. Did it run away?—A. No, sir, quiet in every way.

[Kentville, Horses—Lutz.]

- Q. There was nothing wrong with his feet?—A. No, sir.
- Q. Was he too quiet?—A. No, he was not too quiet, he was a little scared of a train.
- Q. Why were you anxious to sell him?—A. Because I did not want to winter him, I was going away to work in the woods.
- Q. And you say the horse was quite sound?—A. Yes, sir.
- Q. Did you pay McKay anything for passing the horse?—A. No, sir.
- Q. Or did you pay Chipman anything?—A. No, sir.
- Q. You know Dr. Wiley Church pretty well?—A. Yes, I have seen the man, but I am not acquainted with him.
- Q. He lives down your way?—A. Yes, sir.
- Q. Did you see him the day of the sale?—A. No, sir, I did not see him at all.
- Q. Did you pay anything to anybody for passing the horse?—A. No.
- Q. Or did you pay anything after the horse was passed?—A. No, sir.
- Q. Did you pay any commission in any way?—A. No, sir.
- Q. You paid nothing at all to anybody, either directly or indirectly?—A. No, sir.
- Q. The sale was right on the square?—A. Yes, sir.
- Q. And your horse was sold?—A. Yes, sir.
- Q. He was just a little light in weight, was he not?—A. I guess he was a little light, but he did not say anything against that.
- Q. Did you see the military posters?—A. Yes, sir.
- Q. Did you notice what kind of horses they called for?—A. Yes, sir.
- Q. And yours was a little underweight according to that?—A. Yes, sir, there was no weight mentioned that I know of, he did not say anything against the horse.
- Q. He did not ask you about the weight?—A. He did not ask me about what the horse weighed.
- Q. And it weighed somewhere between 900 and 950 pounds?—A. Yes.
- Q. And the horse would be under 15 hands high, would he not?—A. He was quite a tall horse for his weight.
- Q. Do you think he was more than 14·2 hands?—A. I do not know. It was quite a tall horse for the weight of it; he had long legs.
- Q. If he was a tall horse, he must have been thin, or something else must have been the matter with him to get within the weight?—A. The horse was not thin; it was a low set horse and it had longer legs than some horses.
- The witness retired.

JAMES SMITH, farmer, Kingston, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.
- Q. Where did you sell the horse?—A. Kingston station.
- Q. Did you sell any horse for any other person?—A. No, sir.
- Q. You sold only one horse to the Government?—A. Yes.
- Q. Who was the buyer of that horse?—A. I did not know the man at the time, but I hear now that his name was McKay.
- Q. Who was the veterinary surgeon?—A. Chipman.
- Q. What price were you paid for your horse?—A. \$170.
- Q. What was the age of your horse?—A. Seven years old.
- Q. What was the weight of your horse?—A. I weighed him when he was five years old and he weighed 1,065 pounds; he was about 1,100 pounds.
- Q. Were you paid by cheque or by cash for the horse?—A. By cash.
- Q. What time of the day was your horse examined?—A. About four o'clock I think, but I would not say positively.
- Q. How long after that were you paid for the horse?—A. Perhaps a half an hour afterwards.

[Kentville, Horses—Smith.]

Q. By whom were you paid?—A. By the gentleman that bought him, Mr. McKay, as I was told.

Q. Did you sign a receipt?—A. I did.

Q. Was there a ticket put on your horse?—A. Yes.

Q. Was the ticket put on by the veterinary surgeon?—A. Yes.

Q. What examination did the veterinary surgeon give to your horse?—A. He walked around him, I do not think he felt his legs, but he looked over the horse and asked me his age and I told him seven years, and he looked in his mouth and did not make any remark.

Q. Did he ask you was your horse sound?—A. Yes.

Q. And was your horse sound?—A. Absolutely sound.

Q. What did you pay for him?—A. He was born in my own stable, I owned him all these years.

Q. And you say the horse was sound?—A. Quite sound.

Q. Did you pay anything to Chipman for putting through the sale of the horse?—A. No.

Q. Did you pay anything to McKay in connection with the sale of the horse?—A. No.

Q. Did you pay anything to anybody before or after, did you pay to these men or to anybody else?—A. No, sir, I paid no money to no person.

Q. Did you sign a receipt?—A. I presume it was a receipt, I signed it in the office of the hotel.

Q. You went to Valcartier with the horses?—A. I did.

Q. Did you have charge of a number of cars or only one car?—A. I had charge of one car in particular, and oversight of the other cars that went from Kingston.

Q. How many horses went from Kingston?—A. Eighty-four were shipped from Kingston in the cars I had.

Q. Can you state whether or not there were 84 horses purchased at Kingston or whether some were brought in from the outside?—A. When we were loading there were four horses brought into the warehouse where we were loaded them. There was a colored gentleman leading them and someone who was there asked where the horses came from.

Q. Who asked that?—A. I am not sure. I was tying the horses in the cars. I remember distinctly this man who was holding them saying that they came from Middleton. I did not know the horses and I did not know the name of the man, but I remember distinctly there were four horses brought in.

Q. Do you know how many horses were purchased at Middleton?—A. No, sir, I do not.

Q. How did the horses endure the journey to Valcartier?—A. I thought they carried themselves well, I thought they came out well for the time we were on the journey.

Q. Were any of them down on the journey?—A. There was one, I remember one.

Q. Was that the old Church horse or the duck and drake horse?—A. This was a young sound horse. I would not say a sound horse, but I recollect that he was a young horse, I recollect that.

Sir CHARLES DAVIDSON: How long was the journey?

The WITNESS: I left Kingston Saturday afternoon, and we were on the train from Saturday afternoon until Wednesday morning.

Sir CHARLES DAVIDSON: Did you feed the horses?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Did you see them unloaded?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Were any of the horses down when you got to Valcartier?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Except the one you spoke of?

The WITNESS: That horse was down for a little while and we got him right up, he got up himself.

[Kentville, Horses—Smith.]

By Mr. Thompson, K.C.:

Q. Where were the Berwick horses shipped from?—A. I do not know.

Q. Was it the Kingston horses only that you had in charge?—A. Just the Kingston horses.

Q. What is the name of the coloured man that brought in these four horses?—A. I did not know him at all. I remember distinctly that he was standing there with these horses when we were loading.

Q. How far is Middleton away from the place where you were shipping the horses from?—A. About eight miles.

MR. THOMPSON: We will have to find out as to which horses were shipped first.

SIR CHARLES DAVIDSON: Is there a station at Middleton?

THE WITNESS: Yes, sir.

SIR CHARLES DAVIDSON: And they could be shipped from there?

THE WITNESS: Yes, sir. I do not know whether that coloured gentleman brought them from Middleton or not, but he was standing holding these four horses and I heard some one ask him where he came from, while I was tying the horses in the cars.

The witness retired.

HARRY NEILLY, of Kingston, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government last August or September?—A. Yes.

Q. How many horses did you sell?—A. One.

Q. Where did you sell that horse?—A. At Kingston station.

Q. Did you sell horses for any other person to the Government?—A. No.

Q. Who was the buyer of your horse?—A. I did not know the man at the time.

Q. Did you hear it was McKay?—A. Yes, I heard it was McKay.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price did you receive for your horse?—A. \$175.

Q. What was the age of your horse?—A. He was five years old.

Q. What was his weight?—A. I never had him weighed, but I heard them say he would go 1,000 pounds; he was between nine and a half and a thousand pounds.

Q. Were you paid by cheque or by cash for your horse?—A. By cash.

Q. What would your horse stand in height?—A. He would stand 15 hands.

Q. Who did the bargaining with you as to the price?—A. I forget whether it was Chipman or not; but Chipman asked me what I wanted for him, and McKay when he came asked me the price.

Q. And what did you tell him?—A. \$175.

Q. And what did he offer you?—A. He looked him around and said tie him up.

Q. He snapped right at the horse at that price?—A. That was all that was said.

Q. Had you known Chipman for any length of time?—A. I saw him once about four years ago when he was returning from a fishing trip.

Q. Is that all you know of him?—A. Yes, sir.

Q. Did you know him before that?—A. No, sir, I never saw him before.

Q. Did he ask you whether the horse was sound?—A. I do not recollect whether he asked me if the horse was sound or not.

Q. Was your horse sound?—A. Quite sound.

Q. You are sure he was quite sound?—A. Yes.

Q. Had he any blemishes?—A. The only blemish was a little jack on the outside of the leg, he was not lame.

Q. Did it make him go lame?—A. No, sir.

Q. Was he lame?—A. He was a little lame in the spring.

Q. What from?—A. From driving him over the hard roads.

Q. Had he ever been lame before?—A. No, sir.

Q. Was he lame when you sold him?—A. No, sir.

Q. Was he tender in the feet?—A. No, sir.

Q. Had he any spavins?—A. No, sir.

Q. Was he over in the knees?—A. No, sir.

Q. What did you pay for him yourself?—A. I raised him.

Q. And did you consider him perfectly sound?—A. Yes.

Q. Did you pay any commission or any money to Chipman for passing that horse?
—A. No.

Q. Did you pay any money to him before or after you sold the horse?—A. No.

Q. Either directly or indirectly?—A. No.

Q. Did you pay any money to McKay in any way?—A. No.

Q. Do you know Dr. Wiley Church?—A. I have seen him at different times and I know him well enough to speak to him.

Q. Was he there the day of the sale?—A. I saw him around that day.

Q. Did he speak to you?—A. I merely passed the time of the day with him.

Q. He didn't ask you for any commission?—A. No, sir.

Q. Did you pay any money to any person, either directly or indirectly in connection with the sale of the horse?—A. No, sir.

Q. Did you sign a receipt?—A. Yes, sir, but I do not recollect whether it was a card or in a book, but I know I signed my name and I also saw the price I was getting for the horse on that receipt.

Q. Did they put the price on the receipt?—A. The price was on the receipt before I signed it.

Q. Who had entered that price on the receipt, do you know?—A. Well, Mr. McKay was the one that was in the office at the time.

Q. Did you see him enter that price on the ticket?—A. I cannot say positively that I did, no, sir.

The witness retired.

STEPHEN TAYLOR, retired artisan, Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. I did.

Q. Did you sell more than one?—A. I only sold one.

Q. Did you sell a horse for any other person?—A. Not for any other person.

Q. Where was the sale?—A. At Kingston station.

Q. Who was the buyer?—A. Mr. McKay.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

Q. What was the price that you received for your horse?—A. I received \$175.

Q. What was the age of your horse?—A. Either ten years or eleven—would you allow me to make a little explanation on that. The horse was not mine, I did not own it, the horse belonged to my brother, and he died in January, and I took the horse. He left a widow and a child and they could not attend to it, and I took the horse to keep it until I could sell it. They wanted \$200 for the horse. I was keeping it at an expense to me and them, and I had nothing in the world for it to do, and I was stopping with my son-in-law at Kingston and I sold the horse for less than it was really worth, they wanted \$200 for it.

Q. Was the horse sound?—A. Quite sound, all right forward and an A-1 horse, as every one will tell you that ever saw the horse.

Q. Was the horse lame in any way?—A. He never took a lame step that I know of.

Q. Did the horse kick?—A. Not at all, but it was a little afraid of autos.

Q. That is not a sign of unsoundness; what sort of examination did they make of the horse?—A. Well, Chipman came over and looked at the horse. I had it in the

[Kentville, Horses—Taylor.]

barn and I led it out with the bridle and he talked to me about the horse and I explained to him how I came to have it, and he looked the horse over, and felt it, and went around it, and he didn't ask me any question except about the age, and I told him, as near as I could remember, that it was either ten or eleven years old and that my brother raised it.

Q. It had not been in the family as long as some of the other horses?—A. She was in the family ever since she was foaled.

Sir CHARLES DAVIDSON: She was not an heirloom?

The WITNESS: No.

By Mr. Thompson, K.C.:

Q. Did you sign a receipt for the money?—A. I did, sir, but I didn't have my glasses and I do not know just what he put on it. I saw Mr. McKay write it and I said: What is this? and he said: This is a receipt for your money.

Q. And you did not pay any part of that money to anybody as commission for the sale?—A. No, sir.

Q. Neither directly or indirectly?—A. No.

Q. Did you give any money to Chipman?—A. No, sir.

Q. Or to Dr. Church or to anybody else?—A. No, sir.

The witness retired.

VINTON P. SMITH, farmer, of North Kingston, sworn:

Examined by Mr. Thompson:

Q. Did you sell a horse or horses to the Government for military purposes last August or September?—A. Yes, sir.

Q. Was it your own horse that you sold?—A. Yes, sir.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Where did the sale take place?—A. At Kingston station.

Q. How many horses did you sell?—A. I sold three.

Q. Who was the buyer?—A. I presume it was McKay.

Q. Who was the veterinary surgeon?—A. Dr. Chipman, I presume.

Q. What price did you receive for your three horses?—A. I received for one \$140 but as to that one I am not positive about the price, and for one \$125, and for the third one I cannot say just what I did get, but somewhere between \$140 and \$150. I did not keep check of them because it was not impressed on my memory, I sold the horses and I thought that was the end of it, and I did not keep check of anything.

Q. You received \$140 for one horse?—A. Yes.

Q. And you received \$125 for another horse?—A. Yes.

Q. And you received between \$140 and \$150 for the other horse?—A. Yes.

Sir CHARLES DAVIDSON: What was the total?

The WITNESS: \$405 if I got \$140 for the other, I did not keep any estimate of it at all.

By Mr. Thompson, K.C.:

Q. What was the age of the \$140 horse?—A. The \$140 horse was six years old.

Q. What was the age of the horse that you got somewhere between \$140 and \$150 for?—A. Seven years old.

Q. What was the age of the \$125 horse?—A. Five years old.

Q. Five years?—A. Four or five, I would not say as to that, but, of course, the man that raised him is here.

Q. Who raised him?—A. Don Parkin.

Q. You say that horse was between four and five years old?—A. Yes, one or the other, not older than five years.

Q. What was the weight of the \$140 horse?—A. Somewhere around 900 pounds.

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[Kentville, Horses—Smith.]

Q. And what was the weight of the horse that you got \$140 or \$150 for?—A. I would judge about 1,000 pounds.

Q. And what was the weight of the \$125 horse?—A. I should think somewhere over 800 pounds.

Q. That was a very small horse?—A. Very small.

Q. What time of the day were your horses examined?—A. They were not all examined at once. The first one, that is the one I received somewhere between \$140 and \$150 for, was examined somewhere in the afternoon. I came down in the morning, and there was nothing doing until the afternoon.

Q. What time in the afternoon were the other horses examined?—A. One was examined, I would judge, about three o'clock, I did not keep an account of the time.

Q. When was the next one examined?—A. In the early part of the evening, somewhere around seven o'clock, I think the train had come in.

Q. When were you paid for the horses?—A. The first one I was paid almost immediately afterwards, as soon as I could get in, that was the ten or eleven year old one that I got somewhere between \$140 and \$150 for. I was paid at once as soon as I could get into the office to get my money.

Q. When were you paid for the other two?—A. The second one, the \$140 horse, was the same, and the small horse, the third horse, I waited for the money for him. I took him down and sold the horse and they said there was no cash, and they wanted me to come back the next morning, and they said the auto had gone to Middleton for funds and asked me to wait until the next morning I decided I had better wait and get the money for the horse before I went back and I waited and somewhere along about ten o'clock the cash was handed to me.

Q. Who brought the cash, do you know?—A. I do not know.

Q. Was Mr. Foster present?—A. I would not know him if he had been.

Q. Was Mr. Oakes present?—A. I saw Mr. Oakes in the evening.

Q. What examination did the veterinary surgeon give to the horse that you got between \$140 and \$150 for?—A. He asked me how old the horse was and I told him somewhere around ten or eleven years, and he looked in his mouth, and he said: "He is somewhere around 16 or 17," and I said: "No." And the horse that time gave a little cough and he pressed his hand on his throat, and Mr. McKay asked if it amounted to anything, and I said: "No, it is just a little cold."

Q. How long had the horse been affected with that?—A. That is the first time I ever heard him cough.

Q. How long had you had him?—A. I bought him in the early spring.

Q. What did he cost you?—A. I traded a colt and gave some difference.

Q. About what would you think he cost you?—A. I think about \$140 or \$150 would be the valuation of the horse.

Q. What else did you give with the colt?—A. I gave cash.

Q. How much cash?—A. \$90 or \$95, one or the other.

Q. Who bargained as to the price of that horse?—A. At the sale?

Q. Yes?—A. I do not know. They were both there, they were looking over the horses, after he gave this cough they gave him a little further examination.

Q. Do you mean McKay and Chipman?—A. Both.

Q. What did you ask for that horse?—A. \$165.

Q. What did they offer you?—A. Whatever I got, \$140 or \$145.

Q. And you closed with them at that?—A. No; I hung out and waited for a while and I just thought to myself I had better take it and I took it.

Q. Did you sign a receipt?—A. I signed a card or something; I did not look at it to see what it was.

Q. Was that other horse sound?—A. As far as I know.

Q. Did you have any trouble with him?—A. Yes.

Q. What was the trouble?—A. Two or three days before I sold him—I say two or three days but I would not be exact about the date—I gave him a feed of green oats and next morning he took sick and we treated him for it.

[Kentville, Horses—Smith.]

Q. Was that the day you sold him?—A. No, a day or two before that, I would not be positive about the time, and he came all right.

Q. Had he ever been sick before?—A. Not to my knowledge, and the parties I bought him from told me that they never knew the horse to have a sick day.

Q. How long after you bought him did you give him these oats?—A. Oh a considerable time, I bought him along in the spring, and whenever the sale was, it was just a few days before that.

Q. Was he lame?—A. No.

Q. Had he any spavins?—A. Not that I know of, and I never heard any one say he had.

Q. Was he over in the knees?—A. Not a particle.

Q. Was he tender in the feet?—A. No.

Q. What examination did they give to the \$140 horse?—A. I cannot say they gave him any except to look in his mouth.

Q. Did they feel his legs?—A. No.

Q. Did they move him about?—A. No.

Q. Did they ask you to move him about?—A. No.

Q. Did they ask you if the horse was sound?—A. No.

Q. What did you ask for that animal?—A. \$150.

Q. What did they offer you?—A. \$140.

Q. And you closed with them?—A. I think I closed quick; I don't know.

Q. What was wrong with that horse?—A. Well, I do not know that there was anything wrong with her but that she had one deformed foot, it was a little smaller than the other foot, they call it a colt's foot.

Q. How much smaller than the other foot was it?—A. Well, you would notice it.

Q. Did it make the horse go lame at all?—A. No.

Q. Was there not a little limp?—A. No, I do not think on that leg.

Q. Did it make her limp on any leg?—A. No, when she would walk, sometimes she would twist that other around.

Q. The foot was a little smaller than the other ones?—A. Yes, but I worked her and drove her considerable, I was driving the mail at that time, and I drove her a lot.

Q. How long had you had her?—A. Around April or the first of May I got her.

Q. What did you pay for her?—A. I do not know, I traded and got her.

Q. What did you trade?—A. I traded another horse.

Q. Did you get anything to boot?—A. No, I gave boot.

Q. How much did you give?—A. Twenty dollars.

Q. What did you pay for the horse that you traded away for this one?—A. I traded a cow and gave some difference for that one.

Q. Had she shown any signs of lameness?—A. Not the day I sold her.

Q. Had she before?—A. Yes.

Q. To what extent?—A. She was lame. They were out driving one night with the mail delivery and a stone sprained her ankle, I suppose it was a sprained ankle, and she was laid up with me somewhere, I suppose, two or three weeks.

Q. How long before the sale was that?—A. I cannot say that, probably two or three weeks and maybe longer.

Q. Had she shown any signs of lameness before she stumbled?—A. Not when I had her or I never knew her to.

Q. Was she over her lameness when you sold her?—A. Completely I think at the time I sold her. I do not remember her being lame, I was using her.

Q. Did you see her twist her foot a little out as she drove to the sale?—A. No.

Q. Had she any spavins?—A. I do not think she had any; she may have if anybody said she did, but I did not notice any.

Q. Had she any jacks?—A. I do not know.

Q. What about her wind?—A. I never saw her fail in her wind any.

Q. Did she kick very much?—A. She never did while I had her.

Q. Did she bite?—A. No, she did not bite me.

Q. Was she subject to running away?—A. She never ran away with me.

Q. There were no objections to her that you know of?—A. Not that I know of.

Q. Now we will come to the little horse for which you received \$125, why did you not sell that little horse at the same time that you sold the other two?—A. I did not own him.

Q. You did not own him?—A. Not at that time.

Q. Well you must have bought her or got her in trade during the sale?—A. I bought her right about the time the sale was on.

Q. What did you pay for her?—A. \$75, I think it was.

Q. From whom did you buy her?—A. Hibbert Warner.

Q. What was Warner doing at the sale?—A. Well, I do not know. He did not have his horse there, he was there at the sale I suppose the way lots of them were there as a looker-on.

Q. You thought it was a good chance for you to make a little money. A. No, sir.

Q. Then why did you buy this horse?—A. I had to have a horse, I was driving the mail.

Q. But you bought him and then you sold him right away?—A. I bought the horse. I was driving the mail and about three o'clock I had sold the other horse and I had no horse to drive the mail with.

Q. You sold the little black horse and you still had one?—A. Pardon me, this man came to me and he says: "Will you buy a horse", and I said: "Yes, if he suits me", and he said: "I will drive you around with the mail". I asked him what he wanted for the horse and I said: "If he suits me in the drive I will give you that".

Q. That was the day of the sale?—A. Yes, after I sold the first one.

Q. You were satisfied with the drive around?—A. I was satisfied with the drive around, in a way.

Q. And you closed with him?—A. I closed with him and paid him in cash.

Q. And then you took the little horse in to the sale?—A. I took the little horse in and drove the mail and came back and put him in the stable. I had two wagons down at the station where I had taken the horses down to sell, and the two harnesses and I would not say who it was came along, I think it was one of the Chute boys, and I asked him to bring my harness and wagons to me from the sale, and I got down there and one of the boys said: "Will you sell him", and I said: "No, he won't pass". Some of them said, I do not know who it was, there was a lot around there looking at the sale, and I hitched him up to the fence.

Q. To sell him?—A. To sell him.

Q. Did you hitch him up to the fence in order to sell him?—A. No, not at that time, I had not any idea if I would sell him or if he would sell.

Q. Then, what did you hitch him up to the fence for?—A. To be a spectator with the rest of them. I did not want to pull him around after me. Some said, as I said before: "Are you going to sell", I said: "I don't think, he won't pass". And Mr. Chipman and Mr. McKay, as I supposed them were the two men who had done business through the day with the officer came along, and I says: "Look at that horse, does he suit you," and they looked at the horse and Mr. Chipman, I do not think was there at that time, I do not remember seeing him, and Mr. McKay looked at the horse and said it was rather small, and he came up and he chinned him and asked me what I wanted. He walked up with his hand up to see how high the horse was and I said \$125, and he said: "When a man is patriotic enough to sell a horse like that for \$125 I guess we had better take it."

Q. And what did you say?—A. I said: "All right, sir, you can have him".

Sir CHARLES DAVIDSON: That was \$50 in your pocket?

The WITNESS: Well yes, I had lost some money, I suppose, on some of the others, and I had a good chance here to make it up.

Sir CHARLES DAVIDSON: You did not tell him what you paid in the morning for that horse.

[Kentville, Horses—Smith.]

The WITNESS: I did not buy him in the morning. I bought him in the afternoon. They did not ask me. I did not suppose I was supposed to tell them what I had or had not paid, they asked me no questions and I told them nothing.

By Mr. Thompson, K.C.:

Q. Did anybody tell you about this little black horse after you sold your first two horses?—A. Outside of the man who owned him, do you mean?

Q. Yes?—A. No, he came to me.

Q. Did he see you at the sale?—A. Yes, after I sold my two and I had nothing to drive with.

Q. Was there any suggestion on his part that if you bought that horse from him you would be able to sell it to the Government?—A. There may have been, I would not say there was or was not.

Q. Did he not suggest that to you?—A. I do not think he did. At the time anyway, if he did, I know at the time that I did not think that the horse would pass, and I would not have bought him in order to turn him over to the sale on that condition. I didn't have any idea the horse would pass, I thought the horse was too small and I had various reasons to think he would not pass.

Q. And you brought him down to the place where the sale was going on, for the purpose of selling him?—A. No, sir, when I left home I had no intention of selling.

Q. Or of offering him for sale?—A. Not at the time I left home.

Q. What examination did the veterinary surgeon give him?—A. Just simply as I said.

Q. What was that?—A. He walked up to him and chinned him, I think it was McKay chinned him, but whichever one it was, I do not remember seeing the vet. there at that time.

Q. Was it the man who paid the money to you that chinned him?—A. The same man.

Q. And you think that horse was only five years old?—A. He was not over five, I do not think.

Q. And possibly four?—A. Yes.

Q. He was blind in one eye?—A. Yes, he was blind in one eye.

Q. Could he see out of the other eye?—A. I could not tell you, sir.

Q. Did you try him?—A. No, I only owned the horse about just long enough to drive the mail that time.

Q. He had a cataract on the eye and the eye was blind?—A. I do not know what was wrong with his eye, he had one big white eye.

Sir CHARLES DAVIDSON: Why did you not tell us that before?

The WITNESS: He did not ask me, sir.

Mr. THOMPSON: It is an interesting horse, and I would like you to volunteer any information about him that I may not ask you.

Sir CHARLES DAVIDSON: You will understand, witness, that you are sworn to tell the whole truth.

The WITNESS: I am trying to.

Mr. THOMPSON: I did not stop you from telling us about the blind eye.

The WITNESS: I said he had other defects.

Mr. THOMPSON: He had one blind eye, now what were the other defects.

Sir CHARLES DAVIDSON: I suppose he did not quite suit you for driving the mail?

The WITNESS: He did not.

By Mr. Thompson:

Q. You have told us about one blind eye and some other defects, now what were the other defects?—A. As far as I know, he had no other defects, that is, that would prevent him from driving the mail. I do not suppose that bad eye would prevent him from driving the mail, because he kept the road and drove along the same as any other horse.

Q. Which would be an indication that he could see something with the other eye?
—A. I would presume so.

Sir CHARLES DAVIDSON: On which side did the man look at the horse? Did he chin him on the side where the white eye was.

The WITNESS: I could not tell you that, sir.

Sir CHARLES DAVIDSON: Which was the white eye?

The WITNESS: You have got me there again.

Sir CHARLES DAVIDSON: You only owned the horse for a short time and probably you cannot remember.

The WITNESS: I only owned the horse for an hour and a half.

By Mr. Thompson, K.C.:

Q. Which side of the road did he keep closest to?—A. I did not notice that he kept close to any side. I think he followed the road as well as any horse I ever drove.

Q. Then why didn't he suit for driving the mail?—A. He suited all right for driving the mail.

Q. But you have just said he did not suit?—A. I said he did not suit it to a certain extent.

Q. No, you did not say that?—A. I cannot say why he did not suit for driving the mail then, if I gave my evidence as such.

Q. Why didn't he suit for driving the mail?—A. I cannot say why he did not suit for driving the mail, I drove the horse around that night.

Q. And you said that he did not suit you in a way?—A. Yes.

Q. And then you afterwards said he did not suit for driving the mail, now, what do you mean?—A. He was not quite heavy enough to carry the mail on the hills. My route is a mountain route and I thought he was hardly heavy enough to put on the route, there are very bad hills and heavy hills on it, and big loads all the time every day; it was a daily mail route.

Q. What examination did you give to that horse when you got him?—A. I gave none.

Q. None at all?—A. None at all.

Q. None whatever?—A. None whatever.

Q. And you parted with \$80 cash for him?—A. \$75.

Q. Did you pay the vendor his money before you took the horse away?—A. No, sir, I drove the mail first with the horse before I paid him.

Q. Did you pay him before you took the horse down to the place where he was sold?—A. Yes, sir.

Q. How much did you pay him?—A. I paid him \$75.

Q. Did you ever pay the other five dollars?—A. No, sir.

Q. Did he ever ask you for it?—A. Never.

Q. And you told us that you paid \$80 for him?—A. I was to give \$80 if he suited me, and as I said before, if he was all right to drive the mail.

Q. Did you purchase the horse?—A. I purchased the horse under these conditions.

Q. Then why did you not give the vendor the last five dollars?—A. Because I did not think he was heavy enough to carry the mail, and I did not wish to part with the \$80, and I said: "I will give you \$75 under these conditions," and I said: "I can trade him." I was trading horses then and shifting, one way or the other, and I knew that if I could get any one with \$75 he was good value at that and possibly more, and I thought I could take the horse at \$75 and shift him and get one that would suit me, by paying a little difference, and be a little one.

Q. And when the vendor of that horse found you had made a handsome profit out of him did he ever ask you for the \$5?—A. No.

Q. And you never paid him anything more?—A. Never a cent.

Q. What did he say to you?—A. Nothing, sir.

[Kentville, Horses—Smith.]

Q. What were the other defects in this horse?—A. He had two lumps on his hind legs. Some people call that spavins and some people say they were born there.

Q. You only had him a short time and therefore you cannot tell us whether after he had travelled a little bit he would start out stiff in the morning?—A. No, sir, I could not tell you that, but he did not go stiff that night in any way.

Q. You had him such a short time that he did not have a chance to get stiff?—A. No, sir, I hitched him with a good horse that night, and he went right off, just as sound as any horse could go.

Q. What about his wind?—A. As far as I know it was perfect.

Q. What about his legs?—A. Outside of the two hind legs his legs were all right.

Q. Then he had two fairly good legs?—A. He had two fairly good front legs.

Q. Were they bent a little?—A. The front legs?

Q. Yes?—A. I did not notice them bent any.

Q. Were they a little tender?—A. Not to my knowledge at all.

Q. What do you mean by saying that he had two fairly good front legs?—

A. Fairly good front legs?

Q. Yes?—A. Well, if I said that I don't know what I meant.

Q. Well you have to be very cautious in giving your evidence that you do not give this horse undue praise?—A. I am not giving him any undue praise.

Q. Was he tender in the feet so far as you know?—A. Not so far as I know. I did not notice in his front feet that he favoured in any way, shape or form.

Q. Did you sign a ticket?—A. I signed something.

Q. Did you pay McKay anything for passing that horse?—A. Never a cent.

Q. Did you pay Chipman anything?—A. No, sir.

Q. Did you give Chipman any money?—A. No, sir.

Q. Did you promise to give Chipman anything?—A. No, sir.

Q. Did you promise to give Chipman or McKay money or anything else?—A. No, sir.

Q. Neither directly or indirectly?—A. No, sir.

Q. Or did you tell any other person or make a promise to Chipman?—A. No, sir.

Q. Or did you pay anything to Dr. Church?—A. No.

Q. Did you tell either the buyer or the veterinary surgeon about the lumps on the legs?—A. No, sir, I did not tell them anything.

Q. Were they large enough to see?—A. Yes, sir.

Q. How large?—A. Big enough to see.

Q. As big as an apple?—A. Hardly.

Q. As large as an apple?—A. Hardly.

Q. As large as an egg?—A. As large as a small-sized bone spavin would be if they were bone spavins, they were on the place they come.

Q. Do you swear that you did not pay Chipman or McKay, or any other person whomsoever, any sum of money in consideration of the sale of that horse?—A. I do so.

Q. Or as an inducement with respect to the sale of the horse?—A. I do so.

Q. Either directly or indirectly?—A. No, sir.

Q. Do you know McKay?—A. I never saw either one of the gentlemen before that day.

Q. You received quite a sum of money from these people, what did you do with it?—A. The money I received?

Q. Yes?—A. Well, that is rather a complex question as to what I did with it all. I received that day for the three horses something over \$400. Now, I had to have a horse in the first place, and I bought one.

Q. From whom did you buy that horse?—A. From Lamont Stronach, the same man as I bought one from before.

Q. Did you bank your money?—A. The remainder, no, sir.

Q. Did you pay any sum of it out except to purchase articles for your own use?—

A. No.

Q. All for your own use?—A. All for my own use, every dollar.

Q. Every bit of it?—A. Every bit of it.

Q. Was it all spent for your own personal use?—A. For my own personal use or for my family's use.

The witness retired.

WALLACE FOSTER, farmer, Greenwood, sworn:

By Mr. Thompson, K.C.:

Q. You were going to sell a horse last August or September for military purposes?—A. Yes sir, I planned to.

Q. How did your plans miscarry?—A. Well, the day of the sale I was away, and the next morning I took this horse and I went to Kingston, and the veterinary was in bed, the both of them were in bed, at the hotel.

Q. What time of the day was that?—A. About eight o'clock in the morning. It was, I think, when I arrived there. When he got up he said that they got word last night about eleven o'clock not to buy any more horses. He asked me if I had any and he said he wanted to shift. He said: "Go out in the stable and look them over and if you see any there that suits you let me know." And so I did and I saw a little horse there that I owned once before and I so informed him and I traded with him.

Q. Did you take him out of the stable?—A. No, sir.

Q. What did you do, did you go back and tell them?—A. He came out.

Q. What did you tell him?—A. He asked me if I saw a horse that suited me and I told him I thought I had.

Q. Did you show him the horse?—A. Yes.

Q. Where was your horse?—A. Standing right in the yard in the back.

Q. Did he look him over?—A. Yes.

Q. Did the veterinary surgeon look him over?—A. No, the buyer.

Q. Did you know the buyer?—A. I did not know any of these men only what I was told.

Q. Are you sure it was not the hotel-keeper himself who did that?—A. I saw another gentleman with him. He was the man who told me, and Mr. Neely told me of these men, I did not know them.

Q. And when they came down he introduced you to them?—A. I do not know whether he introduced me or not, he told me who they were.

Q. And one of them came out with you, did he?—A. Yes, sir.

Q. What did he say?—A. He told me to go into the stable.

Q. Did he look your horse over before you went into the stable?—A. He went right along and looked him over; I do not know that he felt him.

Q. What did he say?—A. He told me to go into the stable and see if there was a horse in there that suited me.

Q. And after you had picked out the horse that suited you, did you point it out to him?—A. I did.

Q. What did you say?—A. I told him that there was one there that suited me.

Q. What he do?—A. He wanted to know which one and I told him.

Q. Did he go into the stable with you?—A. Yes sir.

Q. Did you point out the horse?—A. I did.

Q. Then what did he say?—A. He wanted to know if I found the horse that suited me, and I told him I had information there was a little black horse there that I owned once, and he wanted to know why I wanted that one, and I told him because he had a cataract on his eye, and that is the reason I wanted him.

Q. He did not seem to know anything about it? Did he express surprise at the cataract being on the eye?—A. Some surprise.

Q. Why did you particularly want that horse because he had a cataract on his eye?—A. Well, I like something odd, different from other people.

[Kentville, Horses—Foster.]

Q. Tell me what the true reason was?—A. Well, one eye is enough for any horse.

Q. What was the true reason?—A. Well.

Q. Was it just for the oddity of it?—A. Well, I had owned that little horse once before and I took quite a liking to him.

Q. How many horses were in the stable?—A. I should think there were 25 or 30 and perhaps more.

Q. Why didn't your fancy light on one of the \$200 horses or one of the fine outstanding horses in that stable?—A. I thought it would be too hard on my pocket-book.

Q. What do you mean by that?—A. I had this large horse that I did not want if I could part with her, and I thought I would like to shift if I could not sell. I thought they might as well cheat me as some one else.

Q. Did McKay ask you to make that shift?—A. No, sir.

Q. Did Chipman ask you to make that shift?—A. What do you mean?

Q. I am asking you if you were asked to make that shift?—A. There was a big horse standing right at the fence there, and he said: "If I can get a horse that would mate that horse I would give a person a shift." He said: "The one that you have is a large horse."

Q. Did he ask you to take the little horse?—A. If I would take him?

Q. Yes?—A. Yes. He wanted to know if I wanted to shift for that little horse.

Q. Did he suggest that to you before you fetched the little horse down?—A. Yes, sir, he did.

Q. That is not the impression you gave me before; you told us you got that little horse because you had a fancy to him because you owned him before?—A. He told me to go to the stable and look the horses over.

Q. Did he tell you about the little horse?—A. No, sir, not about this little horse or any other horse.

Q. Did you pick on the little horse as the horse you wanted to trade, or did McKay or Chipman suggest the little horse to you?—A. He asked me if I found a horse to suit me.

Q. He did not suggest the little horse first?—A. No, sir.

Q. That was the horse, was it not, which Vinton Smith sold?—A. Yes, sir, I suppose it was, that is what I was told, I was not there the day of the sale, as I told you.

Q. But you recognized the horse?—A. Certainly.

Q. And you recognized it somewhat from his description?—A. Certainly.

Q. What did you pay for the horse you swopped for the little black horse with the cataract?—A. \$65.

Q. And nothing to boot?—A. No, sir.

Q. An even \$65?—A. Yes, sir.

Q. How long before did you buy her?—A. In the spring.

Q. How many years could that horse count up?—A. Which?

Q. The horse that you traded with Chipman or McKay for the black horse? Was he a little over twenty or a little below twenty?—A. Do you mean how old the horse was that I let go for this one?

Q. Yes?—A. I gave him to be fifteen years.

Q. Were you disappointed that he was so young?—A. I did not care.

Q. How much was sound about that horse?—A. The big horse?

Q. Yes?—A. He had a jack on him.

Q. What else?—A. I do not know if there was anything else wrong with the horse.

Q. How about the heaves?—A. No heaves.

Q. How about his being over in the front legs?—A. As good in the front legs as any horse.

Q. Could he eat his hay?—A. Yes, sir.

Q. Quite well?—A. As good as a colt.

Q. He had no difficulty about that?—A. No difficulty.

Q. Are you sure of that?—A. Sure.

Q. What did you use him for?—A. I used him for farming, hauling hay, and in the mowing machine, and so on.

Q. Why did you want a little horse with one blind eye and a jack or two?—A. I did not want to winter the big one.

Q. Did you think he would eat too much?—A. Yes, sir.

Q. Who suggested that you should go down and make a trade?—A. Well, I saw the fellows coming home that night, I just met them, and they wanted to know why I did not sell that horse of mine.

Q. Who suggested to you to make the trade?—A. A man named George Meister, I do not know that he suggested anything about a trade, only going down to sell.

Q. Did any one suggest about the trade?—A. No, sir, only me and the veterinary and this man.

Q. What did you give the veterinary by way of compensation?—A. I gave him a horse for a horse.

Q. Nothing else?—A. Nothing.

Q. Nothing to boot?—A. Nothing.

Q. No money?—A. No money.

Q. Were you paid anything in cash?—A. No money, not a cent either way.

Q. No money to anybody?—A. No money to anybody.

Q. Neither directly or indirectly?—A. Neither directly or indirectly.

Q. And no promise of any payment?—A. No, sir.

Q. Who spoke to you about what evidence you should give before the Commission to-day?—A. Nobody.

Q. Nobody whatever?—A. Nobody.

Q. Did Vinton Smith talk to you about what evidence you should give before the Commission?—A. Not a bit, we had dinner together to-day, and of course I asked him and he asked me what we were both doing there to-day, and I forget what remark we made to one another.

Q. There is one point I want to get straightened out—did Chipman want to make this trade for the little horse?—A. You mean the man that traded with me?

Q. Yes?—A. Yes, sir.

Q. He did want to?—A. He did want to.

Q. That is down where the horses were?—A. Yes at Kingston station.

Q. He was anxious to trade?—A. Certainly.

Q. Did he express his anxiety to trade with this little fellow in particular?—A. He wanted to mate up for the big horse that was hitched alongside the fence.

Q. He was going to get a big horse, you told us; did he show anxiety to get rid of the little black one?—A. Yes.

Q. Was there no other small horse that he had?—A. He said he would sooner have a large one for a small one.

Q. Did you speak to him about getting rid of the little one?—A. He wanted to know did I want a large horse or a small one, and I told him I wanted a small one.

Q. Did you speak to him about getting rid of the little black horse?—A. He was a brown horse.

Q. Well, let us call him the blind horse?—A. That is right.

Q. Did he say he wanted to get rid of the blind horse or did you tell him you wanted to get the blind horse?—A. There was nothing suggested about that.

Q. Who first suggested that the blind horse be swopped to you?—A. It was my uncle happened to be there, and when this fellow came in the barn where these horses were, I think he was the man that told me about this horse having this on his eye, and he did not know it until then.

Q. What is your uncle's name?—A. Zebina Foster.

Q. What was Zebina Foster doing there so early in the morning?—A. I suppose he was like all the rest, he liked to see what was going on.

Q. But there was nothing going on except that McKay and Chipman were asleep?—A. Well, the horses were there.

[Kentville, Horses—Foster.]

Q. Had Zebina Foster gone down in the rig with you?—A. No, sir.

Q. Was he there when you arrived?—A. Surely not.

Q. Did he arrive there by appointment with you?—A. No, sir.

Q. Why did Zebina Foster turn up?—A. I cannot tell you.

Q. What was your uncle doing there?—A. When I was there he was helping Mel Parrish, the blacksmith, to take off the hind shoes.

Q. Was he in the stable?—A. Yes, sir.

Q. Then when McKay or Chipman came in with you did you enter together?—A. He went in with this here McKay or whatever you call him.

Q. Were you in the stable?—A. No, sir, I was by the door.

Q. Did you all enter together?—A. I think they went in first.

Q. Did your uncle suggest about this horse?—A. Yes, he spoke about the horse having a blind eye.

Q. To whom?—A. To McKay, this big fat fellow, the fellow that traded horses with me.

Q. Did Chipman or McKay trade with you?—A. I had no business with the vet. at all.

Q. Then it was McKay?—A. It was the fat fellow.

Q. Apparently Chipman is a thin man?—A. Yes, sir, a slim fellow.

Q. Did the fat fellow enter the stable with your uncle?—A. Yes, sir.

Q. Did you follow behind?—A. I was at the door and did not go any further.

Q. You did not go any further?—A. No, sir.

Q. Did your uncle suggest to McKay that he should trade off the blind horse?—A. My uncle owned that little horse and he said: "Here is little Roy," the one that has the cataract on his eye.

Q. And what did he say to him?—A. He said: "Is that horse blind?" and he said: "Yes, he is," and then he said that he had a chance to trade that little horse this morning.

Q. Did you have the little horse in view when you drove down?—A. No, sir, I did not know he was there.

Q. You just went down to see what you could pick up?—A. I went down to sell the horse, not to see what I could pick up.

Q. Did you hitch up the blind horse and take him away?—A. They had the shoes taken off all the horses before I traded, ready to go, but they did not take it.

Q. Ready to go where?—A. Ready to go on board the train Saturday morning.

Q. Was there a ticket on him?—A. There was no ticket when I traded or got him.

Q. Were there tickets on the other horses?—A. No, sir, there were no tickets on any of them when I traded.

Q. Did you say that no other horses had tickets on?—A. No, sir, they commenced putting them on as soon as I traded, that is to make tickets to go aboard the train, they had a ticket on the headstalls.

Q. Was there a tag on the little blind fellow?—A. Only on his head-stall.

Q. There was a tag on his head-stall?—A. Yes, sir.

Q. Did you hitch him up and drive him away?—A. I drove him home.

Q. Have you got him still?—A. Yes.

Q. Is he going still?—A. Yes.

Q. Have you discovered since whether he has two good eyes or one bad eye and one good eye?—A. He has one good eye.

Q. What about the tall horse that you traded for the little blind horse, tell us again how unsound he was?—A. He had a jack.

Q. On both legs?—A. On one.

Q. And he was 17 or 18 years old?—A. I got him to be 15.

Q. Was there any other unsoundness about him?—A. Not that I know.

Q. How long had you had him?—A. I got him in May and traded him away in August.

Q. What did you pay for him?—A. This big horse? I told you that I bought this little horse and traded for this horse and traded this big horse back for the little one again.

Q. You said you paid \$65 for him?—A. I paid \$65 for the little fellow, the one that has the cataract.

Q. Then, did you trade even with the big one?—A. Yes, sir, traded even both times and made money.

The witness retired.

HENRY PIERCE, farmer, North Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. I did, sir.

Q. Where did you sell him?—A. At Kingston.

Q. How many did you sell?—A. One.

Q. Did you sell any other horses for any other people?—A. No, sir.

Q. Who was the buyer of your horse?—A. I cannot say, they were two strange men.

Q. Did you hear their names?—A. They called them McKay and Chipman.

Q. What price did you receive for your horse?—A. \$135.

Q. What was the age of your horse?—A. She was supposed to be 14, I bought her two years before that for twelve.

Q. What was the weight of the horse?—A. She weighed, the next day after I bought her, 1,130 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was your horse examined?—A. Some time in the evening, probably between six and seven o'clock.

Q. When were you paid?—A. I was paid the next morning.

Q. Why were you not paid that night?—A. They said they ran short of funds and wanted me to take the horse home and bring her back in the morning.

Q. What examination did the veterinary surgeon give of her?—A. He walked all around her and looked at her and opened her mouth.

Q. Did he make you move her up and down?—A. He seen my man drive her in.

Q. Did he make you move her up and down?—A. No, sir.

Q. Who bargained with you as to the price?—A. I suppose it was the buyer.

Q. What did you ask for that horse?—A. \$150.

Q. What did he offer you?—A. \$135.

Q. And you closed with him?—A. I did not at first.

Q. How long did you hesitate?—A. Some little time, I wanted more, I was selling her too cheap I thought.

Q. What did you pay for her?—A. \$140.

Q. You paid \$140 for her two years before?—A. Yes, sir.

Q. What was wrong with her?—A. Nothing that I knew of.

Q. Nothing whatever?—A. Nothing, I bought her for all right and she was.

Q. Quite all right?—A. Yes, sir.

Q. Were there any blemishes on her?—A. Sound as far as I know and I bought her to be sound.

Q. And the horse was sound when you sold her?—A. Sound, so far as I know.

Q. She was not lame at all?—A. Not a bit.

Q. Was she not a little stiff when starting?—A. I cannot say she was, although she might if she was standing in the barn several days, or a week or so.

Q. Had she any spavins?—A. No, sir.

Q. She had no sign of them?—A. No sign of them.

Q. Was she not a little over in the knees?—A. She seemed to stand straight on her legs, as I call it.

[Kentville, Horses—Pierce.]

Q. You do not think she was a little over in the knees?—A. I am afraid she was, still I ain't much of a judge of a horse.

Q. You think the legs were quite straight?—A. They seemed to be straight so far as I know, the same as other horses.

Q. Then why did you sell this horse so cheap?—A. I had one more than I wanted to winter.

Q. Did you give McKay anything for passing your horse, then or afterwards?—A. No.

Q. You gave none of them anything?—A. Not one of them.

Q. Did you give Chipman anything for passing your horse?—A. No, I did not.

Q. You did not give him any thing?—A. Not a cent.

Q. Or did you give any other person anything?—A. I gave nothing to no one.

Q. Neither directly nor indirectly?—A. No, sir.

Q. Or was there any promise of anything given?—A. No, sir.

Q. Or did you promise to give any article, if not money?—A. No sir.

The witness retired.

E. J. McKENNA, farmer, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse or horses for military purposes last August or September?

—A. One horse.

Q. Did you sell any horse for any other persons?—A. No.

Q. Where did you sell your horse?—A. At Kingston station.

Q. Who was the buyer?—A. Mr. McKay.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

Q. What price did you get for your horse?—A. I got \$190.

Q. What was the age of the horse?—A. Fourteen years, possibly fifteen.

Q. What was her weight?—A. 1,050 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What were you asking for the horse?—A. \$200.

Q. What did he offer you for the horse?—A. \$190.

Q. What time of the day was the horse examined?—A. Between four and five o'clock.

Q. And when were you paid for the horse?—A. I was paid the next morning.

Q. Why were you not paid that night?—A. Mr. McKay said the funds run out. He wanted to make the funds go as far as he could that night with people from a distance, and he said he would like me to wait until the morning, and I waited and was paid in the morning.

Q. Did you take the horse away that night?—A. No, I left the horse there.

Q. Did you sign a receipt?—A. I did when I got the money.

Q. Did you read the receipt?—A. I lookd over it, yes.

Q. Did you notice the things that were on it?—A. No, I do not recollect particularly.

Q. Do you recollect whether the things on it corresponded with your statement as to the age, weight, and height of the horse?—A. Yes, and the price, I recollect that.

Q. What examination did the veterinary surgeon give your horse?—A. He looked over the horse as he was standing there, the vet looked over him and Mr. McKay was there. My son was in the saddle on the horse's back. I considered the horse was a nice saddle horse and that was the way the horse was examined.

Q. What defects had he developed up to the age of fifteen years when you parted with him?—A. None.

Q. None whatever?—A. No, sir.

Q. Were there any signs of infirmities?—A. No.

Q. No unsoundness?—A. No unsoundness.

Q. None whatever?—A. No unsoundness whatever.

Q. Had he any spavins?—A. No sign of any.

Q. Had he any lameness?—A. No lameness at all.

Q. Was there anything wrong with his wind?—A. No, sir.

Q. Or was he tender in the feet?—A. No.

Q. Or over in the knees?—A. No.

Q. And there was nothing wrong with him so far as you know?—A. Nothing. I can positively say there was nothing.

Q. Did you pay McKay anything for passing that horse?—A. No.

Q. Did you give Chipman anything?—A. No, sir.

Q. Did you promise it to them?—A. I promised them nothing.

Q. And you gave them nothing?—A. I gave them nothing.

Q. You gave them no money or any consideration, or any other article?—A. No way at all.

Q. Neither directly or indirectly?—A. No, sir.

Q. Was Dr. Wiley Church there?—A. No.

Q. Do you know Dr. Church?—A. Yes.

Q. And you did not give anything to him directly or indirectly?—A. Nothing.

Sir CHARLES DAVIDSON: Did you tell them the age of the horse?

The WITNESS: Yes, I gave the age of the horse as fourteen, and possibly fifteen.

By Mr. Thompson, K.C.:

Q. Had you known the horse for some time?—A. Yes, for four or five years.

Q. How long had you had him?—A. That long.

Q. What did you pay for him?—A. I paid \$100.

Q. Did you pay in cash?—A. Yes.

Q. How did you get such a valuable horse, a good saddle horse, for \$100?—A.

Well there was a gentleman brought this animal from the States, bought her there or came into possession of her in some way, I do not know how, he did not explain to me how he got her, but he brought her home to his brother, who was a farmer, with the expectation of his brother taking her for him and keeping her as a breeding mare, and he brought her home to him and his brother said he did not want to have anything to do with it. In fact the mare had not been used on a farm up to that time, and his brother had a farm, and his brother, as near as I can understand, thought she was a little too flighty, or something like that, and he did not want to have anything to do with her. He told me, I had known him for a few years, that his brother came home, and he asked me if I would buy this mare, and I said first no, I had all the horses I needed, and he said: "I will sell her to you at a great bargain. I bought the mare for a certain purpose but I failed to carry out the purpose I had in mind." He said: "I have been offered \$150 for this mare by one of my neighbours, but since the mare is supposed to be quite well-bred," he said, "I would not see this mare abused. I would not sell her to a man unless I had confidence in him that he would use her right." I said: "Well, you may be mistaken in me." He said: "I will take chances." And so I bought her.

Q. She was a good driving horse?—A. A beautiful driving horse.

Q. And that being so, why could she not be sold for a good sum of money?—A. I do not know any reason why she could not have been.

Q. That is your explanation of it?—A. Yes.

Q. You took the horses to Valcartier?—A. No, sir, I did not take them. I had something to do with looking after them and the loading of them.

Q. Did you see many kickers in the horses you were loading on the cars?—A. I did not notice any.

Q. Did you notice one?—A. No, sir, I cannot say I noticed one. I had something to do with arranging the cars and having them loaded.

[Kentville, Horses—McKenna.]

Q. How did you load them?—A. We took them as they came along, we would call for them to be brought in, and we had the cars ready, and we loaded them as they were brought in.

Q. What did you think of the horses that went in the procession?—A. I think, with a very few exceptions, they were a good class of horses, I would say they were a good class of horses.

Q. How many horses were loaded?—A. Eighty-four horses were loaded at Kingston. There were eighty bought at Kingston, and four were brought from Middleton and loaded the same day, that would be on the 5th of September.

Q. Did you refuse to load any horses or suggest that some horses should not be loaded?—A. No, I never thought of such a thing.

Q. I suppose you considered that was not part of your duty; did you make any suggestion, for instance, that the horse with the two big hind legs should not be loaded?—A. No.

Q. Or did you suggest that any of those horses that started out stiff should not be loaded?—A. I will tell you, I did not notice these horses that seemed to move that way; they may have been there but I did not see them.

The witness retired.

THOMAS HILL, farmer, of North Kingston, sworn:

Examined by Mr. Thompson:

Q. Did you sell a horse or horses for military purposes to the Government last August or September?—A. I did.

Q. How many horses did you sell?—A. A pair.

Q. Did you sell any for any other person?—A. No, sir.

Q. Where was the sale?—A. At Kingston station.

Q. Who were the buyers?—A. The men I do not know.

Q. Did they tell you who the buyer was?—A. No, I do not know as anybody did, only that I heard.

Q. Do you know who the veterinary surgeon was?—A. I would not know him if I seen him here to-day, I did not know him.

Q. What price was paid you for the pair of horses?—A. \$325.

Q. What was the age of your horses?—A. One was eight and the other was twelve years.

Q. What was the weight of the eight-year old?—A. 1,225 pounds.

Q. What was the weight of the twelve-year old?—A. 1,200 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. When were your horses examined?—A. Between three and four o'clock in the afternoon.

Q. When were you paid?—A. Right away.

Q. Who bargained with you as to the price, was it the fat man or the thin man?—A. The fat man.

Q. What did you ask for your pair of horses?—A. \$350.

Q. What did he offer you?—A. Three hundred and a quarter.

Q. And you closed with him at that?—A. Yes.

Q. What examination did the veterinary surgeon give your horses?—A. Not very thorough, he looked over them.

Q. Did he make them move around?—A. He straightened them up, I had them in a team wagon.

Q. Did he make you drive them?—A. He just started them up in the wagon.

Q. How far did you drive them?—A. Probably the length of the floor here.

Q. Did he look at their legs?—A. He did.

Q. Did he feel them?—A. I do not know that he did.

Q. Did he look at their teeth?—A. He did.

Q. Did he ask you as to whether they were sound or not?—A. He did.

Q. What did you tell him?—A. I told him just as they were: that the mare was not all right in her forward feet and had to wear bar shoes to keep her right, and then she went all right—that was the eight-year old.

Q. What did he say to that?—A. He took the foot up and examined the foot, and asked how long I had her, and I told him and he asked was she ever laid up and I told him she was not, which was the truth.

Q. What was that tenderness due to?—A. To what you call flat-footed, if you know anything about a horse.

Q. Was it due to anything else than flatfootedness?—A. No.

Q. Was it considered a serious defect?—A. It is on pavements, but in a country place it does not amount to anything.

Q. The horse was always obliged to wear these bar-shoes?—A. Generally.

Q. Did she have anything else wrong with her?—A. No, sir.

Q. Nothing at all?—A. No, sir, nothing.

Q. Now, what about the twelve-year old horse?—A. The twelve-year old horse was a sound horse.

Q. Quite sound?—A. Quite sound.

Q. Had he no defects?—A. No defects and a good horse.

Q. How long had you owned her?—A. One for a year and the other six months.

Q. Which one had you owned for six months?—A. The one with the tender feet.

Q. What did you pay for her?—A. She cost me just what I got for her, \$175.

Q. What did the other one cost you?—A. The other cost \$115.

Q. That is the twelve-year old one?—A. Yes.

Q. Was that cash?—A. No, I trade horses.

Q. How do you say then that it cost you \$115?—A. That was what the horse cost me, on the difference I paid, I know what a horse costs me.

Q. Your horse was a good one that you traded?—A. Yes, it was a good horse, and I had refused \$175 for it just before trading.

Q. You got this horse and some boot, as they call it in this country, did you?—A. Yes, I did so.

Q. How much boot did you get?—A. When I really got that one I got no boot, but I traded a colt for her.

Sir CHARLES DAVIDSON: Are you a horse trader?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Then, Mr. Thompson, you had better drop the examination on that point, you will never get to the end of these horse trades.

By Mr. Thompson:

Q. Apparently, all you horse traders around here are sharper than the veterinary surgeon was?—A. That is what I thought about him the day I saw him there, although I did not know the man.

Q. Did you pay McKay anything?—A. I did not.

Q. Did you pay Chipman anything?—A. I did not.

Q. Did you promise him anything?—A. No, sir.

Q. Did you promise him money or anything else in consideration of his buying your horses?—A. No, sir.

Q. Did you promise directly or indirectly anything?—A. No, sir.

The witness retired.

REUBEN SMILLIE, inspector of canned goods, Greenwood, sworn:

Examined by Mr. Thompson:

Q. Did you sell a horse to the government for military purposes last August?—A. Yes, sir.

Q. How many did you sell?—A. I sold one.

Q. Did you sell any for any other person?—A. No, sir.

Q. Where did the sale take place?—A. At Kingston station.

Q. Who was the buyer?—A. There were two gentlemen there buying for the Dominion government, I did not know their names at the time, but I learned it was Mr. McKay and Mr. Chipman, later on.

Q. What price were you paid?—A. \$155.

Q. What was the age of your horse?—A. As far as I knew he was twelve years old.

Q. What was his weight?—A. Between ten and a half and eleven hundred pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. Probably about half-past two or three o'clock.

Q. When were you paid?—A. About an hour later probably.

Q. By whom were you paid?—A. I was paid by the short stout man, I presume it was Mr. McKay.

Q. Did you sign a receipt?—A. I suppose it was a receipt, it was a piece of paste-board, I would call it.

Q. Was Mr. Foster there that day?—A. Mr. Foster, I do not know that I know the gentleman.

Q. Do you know Mr. Oakes?—A. Yes, sir.

Q. Was he there?—A. I did not see him.

Q. Who negotiated with you as to the price they would pay for the horse?—A. The two gentlemen that bought him.

Q. Both of them?—A. No, just the one.

Q. Which one?—A. Mr. McKay, I presume.

Q. What did you ask him for your horse?—A. \$175.

Q. What did he offer you?—A. He said: "Twenty dollars off."

Q. Did you take twenty dollars off?—A. I said: "No."

Q. What did he say?—A. He said he would give me about twenty minutes and for me to come back and let him know.

Q. And what did you do?—A. In twenty minutes I went back and said I thought I would take \$155.

Q. What examination did the veterinary surgeon give your horse?—A. I told him to go over him, and he looked over him.

Q. Did he feel his legs?—A. I do not know as he did.

Q. Did he make you drive him about?—A. No, sir, the horse was standing around there.

Q. Did he ask you if the horse was sound?—A. I do not know whether he did or not.

Q. Will you say he did not?—A. I say I do not know.

Q. Would you say that he did not ask you?—A. I say that I do not know, I would not say that he did not, he may have asked me but I have no recollection about it.

Q. How long did you have that horse?—A. Somewhere in the vicinity of two years.

Q. What did you pay for him?—A. He stood me somewhere around \$140 in a trade.

Q. What was the trade?—A. I traded another horse that cost me quite a bit; I wanted a fast horse and this horse was very speedy.

Q. The one which the Government bought was a very speedy horse?—A. Yes, sir.

Q. Was the horse you traded a slow horse?—A. Just a bit slower.

Q. What did you think that horse was worth?—A. He stood me \$125.

- Q. And what was the boot?—A. It was \$30 or \$35, I do not know exactly.
- Q. That is, you gave the boot?—A. I gave the boot.
- Q. So this horse would stand you then what?—A. \$135 or \$140.
- Q. How sound or how unsound was the horse that you sold to the military people?
- A. He was sound in every way so far as I know.
- Q. In every way?—A. In every way so far as I know and he was a horse that suited me every way, only he was too light for my work.
- Q. There were no spavins on him?—A. No, sir.
- Q. And he was not sore in the front feet?—A. No, sir.
- Q. And not over in the knees?—A. No, sir.
- Q. And not tender in the feet?—A. No, sir.
- Q. Was his wind sound?—A. His wind was sound.
- Q. Did you give any money to any person in connection with that transaction?—
- A. No, sir.
- Q. Did you give any money to McKay?—A. No, sir.
- Q. Did you give any money to Chipman?—A. No, sir.
- Q. Did you give any promise of any money to them?—A. No, sir.
- Q. Or did you give any article to them?—A. No, sir.
- Q. Did you give any money to any person to give to them?—A. No, sir.
- Q. Neither directly nor indirectly?—A. No, sir.
- Q. Did you give anything to Dr. Church?—A. No, sir, I do not know the man.
- The witness retired.

BURPEE WOOD, of Kingston Station, farmer, sworn:

Examined by Mr. Thompson:

- Q. How many horses did you sell for military purposes last August or September?
- A. Two sir.
- Q. Were they both your own horses?—A. Yes, sir.
- Q. Did you sell any horse for any other person?—A. No, sir.
- Q. Who was the buyer?—A. I did not know, I cannot tell you.
- Q. Did you hear what his name was?—A. Yes, Mr. McKay.
- Q. Who was the veterinary surgeon?—A. I do not know.
- Q. Where was the sale?—A. At Kingston.
- Q. What price did you receive?—A. \$260.
- Q. For the two?—A. Yes.
- Q. What were the ages of your horses?—A. One was five and one was nine or ten, I am not sure which.
- Q. What was the weight of the five year-old horse?—A. One thousand pounds, and better.
- Q. What was the weight of the nine year old or ten year old horse?—A. About, I should think, handy, 1,050 pounds.
- Q. Were you paid by cheque or by cash?—A. By cash.
- Q. What time of the day was your horse examined?—A. Between ten and eleven o'clock.
- Q. When were you paid?—A. In the course of half an hour or an hour later.
- Q. Were you paid by McKay?—A. Yes.
- Q. What did you ask for your horses?—A. I asked \$100 for one and \$160 for the other.
- Q. Which did you ask the \$160 for?—A. The colt, the five-year old.
- Q. And you asked \$100 for the other?—A. Yes.
- Q. And that is what they gave you?—A. Yes.
- Q. What examination did the veterinary surgeon make of your horses?—A. Well, he looked the colt over and pronounced it sound.
- Q. Was it sound?—A. Yes, sir.

[Kentville, Horses—Wood.]

Q. Quite sound?—A. Perfectly.

Q. Do they call a five year old horse a colt in this country?—A. I suppose so, we call them that here, we sometimes call them colts when they are older.

Q. What age must a horse attain down here, before you would say that he was no longer a young horse?—A. I should say that if a horse is ten or twelve years old he would not be called a young horse.

Q. Would you say that a horse twelve years old was a young horse?—A. No, I would not.

Q. Would you say that a horse ten years old was a young horse?—A. Yes, I do not know that I would, you might call him a young horse; he would not be an old horse.

Q. If he was an ambitious horse at ten years old would he be a young horse?—A. I do not know about that. There is lots of horses at ten years old is better than horses at five years old.

Q. That is true, but that does not make them a young horse, does it?—A. No, it does not make them a young horse.

Q. Did he ask you if these horses were sound?—A. Yes, sir.

Q. What did you tell him?—A. I told him the colt was sound.

Q. What did you tell him about the ten-year old horse?—A. I told him it was not sound.

Q. You are sure you told him that?—A. Yes, sir.

Q. Did you point out the defects?—A. Yes, sir.

Q. Now tell the Commissioner what the defects were, please?—A. Well, it was sound, so far as you could see, it was a little contracted, but that did not show.

Q. Contracted where?—A. In his fore-feet, it did not show.

Q. It did not show?—A. And in dry weather he would be a little lame and in wet weather he would be all right.

Q. In the winter he would be a little lame when the snow was here and it was dry?—A. No, he was perfect in every way, except in the heat of the summer.

Q. When he was a little lame, did you poultice him a little to get him over it?—A. Nothing at all.

Q. How long had you had him?—A. About three months.

Q. What did you pay for him?—A. I traded and got him.

Q. What did you trade?—A. I traded a good big junk of horse that was slow, and I wanted something that was ambitious and that would keep up with my colt, and that is why I traded.

Q. Did you give anything to boot?—A. No, sir.

Q. Did you get anything to boot?—A. No, sir.

Q. What sort of horse was it that you traded for this \$100 horse?—A. A good horse, a good working horse, all right forward and worth \$100.

Q. How long had you had him?—A. About six months.

Q. What did you pay for him?—A. The horse cost me \$100.

Q. In cash?—A. Yes, and the colt cost me \$100 when it was two years old.

Q. Apart from the contracted fore-feet what was wrong with the \$100 horse?—A. Nothing.

Q. Nothing whatever?—A. Nothing whatever, perfect in every way.

Q. Was it not sore apart from that?—A. No, sir.

Q. Was the wind all right?—A. The wind was all right, all right in every way.

Q. And not over in the knees?—A. No, a good driver and a good worker.

Q. You describe her as ambitious?—A. Ambitious and pretty.

Q. A beauty?—A. A beauty in every way.

Q. What other term of endearment could you apply to her?

A. Nothing, she was as perfect as she could be.

Q. Did you pay anything to Chipman?—A. No, sir.

Q. Did you pay anything to McKay?—A. No, sir.

Q. Did you pay anything to any other person in connection with the sale of the horse?—A. No, sir.

Q. Did you promise to give them anything in money or any article?—A. No, sir.

Q. You say you gave nothing to any person, either directly or indirectly in respect to these horses before they were passed or after they were passed?—A. No, sir. About that young horse, after I sold it, the wife wanted it back and offered five dollars more than I gave for it and we could not get it back.

Q. Did your wife want the ambitious horse back?—A. She was against either one of them going.

Q. She wanted to keep them both?—A. Yes.

Q. And she wanted them back?—A. Yes.

Q. And why did you not buy them back?—A. I did not want them.

Q. But she wanted them?—A. If I wanted them I would not sell them.

Sir CHARLES DAVIDSON: You are a brave man.

The witness retired.

ROBERT FITCH, farmer, of North Kingston, sworn:

Examined by Mr. Thompson:

Q. You sold a horse for military purposes to the Government last August or September?—A. I did, sir.

Q. You sold only one?—A. Only one, sir.

Q. Did you sell any other horse for any other person?—A. No.

Q. Where was the sale of your horse?—A. At Kingston station.

Q. Who was the buyer?—A. I was not acquainted with the buyer; the other one I have seen on the show grounds and his name was Chipman, I heard to-day that the other man was McKay.

Q. What price did you receive for the horse?—A. \$135.

Q. What was the age of your horse?—A. Twenty-three years.

Q. Had you read the posters calling for horses for military service?—A. Yes, sir.

Q. What was the weight of your horse?—A. 1,060 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. By whom were you paid?—A. By Mr. McKay.

Q. That was the stout man?—A. Yes.

Q. Who negotiated with you as to the price?—A. Nobody, sir.

Q. How much were you asking?—A. \$140.

Q. What did they offer you?—A. \$135.

Q. Well, somebody must have negotiated with you as to the price, excuse me, I think you call it dickered, down here?—A. Well, Mr. McKay is the one that talked to me.

Q. In this part of the country do you say: you dickered with a man or you bargained with a man?—A. I dickered with him.

Q. Is that the technical expression, because we are going to have a lot of evidence here and I would like to use the local phrase?—A. Every one does not use the same words.

Q. At all events, they paid you \$135?—A. Yes, sir.

Q. What examination did they make of your horse?—A. They just looked at the horse and asked me if he was perfectly sound, and I said he was. They asked me how old he was and I told them I did not know, and I asked them to look in his mouth. He looked in his mouth and he said: "He is not an old horse," and I was not going to tell him that he lied, and I did not say anything more.

Q. He said he was not an old horse?—A. Yes.

Q. Who looked in his mouth?—A. The vet.

Q. Did he ask you if he was sound?—A. He did.

Q. What did you tell him?—A. I told him that he was perfectly sound.

Q. At twenty-three years of age?—A. Yes, sir. I had him in camp four years, at least I did not, but Colonel Mowbray had him in camp from Halifax.

[Kentville, Horses—Fitch.]

Q. Was he in the camp at Aldershot?—A. Yes.

Q. And he had him three years?—A. No, I had him three years and he had him one.

Q. You might call him an old charger, was he not more likely twenty-one years than twenty-three years?—A. He was 23 years old.

Q. How do you figure him up at twenty-three years?—A. Because I could prove it.

Q. You know the history of the horse?—A. I do. I know the man that raised him, he never changed hands but twice, the man that I got him from bought him when he was two years old.

Q. How long did you have him?—A. Five years.

Q. You bought him from H. J. Neilly?—A. Yes, sir.

Q. And you bought him for \$90?—A. Yes, sir.

Q. And a couple of days before this you tried to sell him on credit, did you not?—A. No, sir.

Q. What was wrong with him?—A. Nothing.

Q. There was nothing wrong with him, you say?—A. Nothing.

Q. Would he eat his hay?—A. He eat his hay just as good as any horse I ever owned.

Q. He was quite sound you say?—A. Perfectly sound.

Q. Perfectly sound?—A. He was perfectly sound.

Q. And nothing wrong with him?—A. Nothing but his age. He was a little scared of autos, but I did not consider that hurt him for what he was going for.

Q. Did you say you did not try to sell him a few days before the sale?—A. I did not.

Q. At Kingston?—A. I did not.

Q. You say you did not try to sell him to Leonard Tupper, do you know Leonard Tupper?—A. I know Leonard Tupper perfectly well.

Q. And you did not try to sell him to Leonard Tupper?—A. No, sir, I did not, I have not seen Leonard Tupper for a good while. The last time I saw Leonard Tupper was last May, I went to camp and I talked with him at the armoury.

Q. You say you did not try to sell this horse to Frank Miller for \$75?—A. I did not. Frank Miller came to my place and tried to buy.

Q. Then why would you not sell?—A. Because I did not want to sell, I did not want to give him away. He knew I had bought a horse and had run in debt for it and he thought I had to have the money to pay for the horse, and he thought he was going to get her for nothing, and he came to my place and offered me \$70 or \$75.

Q. And you refused that?—A. I refused it. I said when I was ready to give her away I would take that for her.

Q. You refused to sell for \$75?—A. Yes.

Q. Did you not offer that horse for sale a couple of days before that?—A. I offered to a man who sits right down in the court there for \$100, a little while before.

Q. A little while before?—A. No, it was in the spring.

Q. Did you not offer him for \$60 on credit a little before the sale?—A. I did not, I never offered him for \$60.

Q. Did you offer him for \$100?—A. I did, I offered him to a man right there in the court.

Q. When was that?—A. In the springtime.

Q. Did you give McKay anything for buying this horse?—A. No.

Q. You gave him no money whatever?—A. No, sir.

Q. Did you give Chipman anything?—A. No, sir.

Q. You gave neither of these anything directly or indirectly?—A. No, sir.

Q. Did you give anything to Church?—A. No, sir, I do not know the gentleman.

Q. Did you give any commission to anybody for the sale of that horse?—A. No, sir.

Q. Did you sign a ticket?—A. I do not know that I ever signed a ticket.

Q. Did you read the posters calling for horses for military purposes?—A. Yes, sir. When I went that day I did not go with the intention of selling my horse at all.

[Kentville, Horses—Fitch.]

Q. And when you saw that the posters called for horses between five years and eight years old, you offered this charger of twenty-one years?—A. I had no intention of selling my horse at all.

Sir CHARLES DAVIDSON: What did you say when he asked you about his age?

The WITNESS: I told him I did not know.

Sir CHARLES DAVIDSON: When did you learn about his age?

The WITNESS: I learned since I have sold him.

Sir CHARLES DAVIDSON: And you did not know before?

The WITNESS: No, I did not.

Sir CHARLES DAVIDSON: How old did you think that horse was?

The WITNESS: I did not think anything about it, for I never inquired, for the simple reason that I did not want to know.

Sir CHARLES DAVIDSON: But you have told us that you knew all about this horse, you knew the man that raised it, and everything.

The WITNESS: I did know the man that raised him and I knew the man that bought him from him.

Sir CHARLES DAVIDSON: Then you must have known the exact age of the horse?

The WITNESS: I do now, but I did not then. I knew the man that raised it but I never asked.

Sir CHARLES DAVIDSON: How long have you known this horse?

The WITNESS: For the last eight years.

Sir CHARLES DAVIDSON: Not longer?

The WITNESS: No, I went to work to live with that man eight years ago.

Sir CHARLES DAVIDSON: And you had this horse in camp three times yourself?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Do you mean to say that each year that you went to get the horse from the owner to take him to camp—

The WITNESS: I owned him myself.

Sir CHARLES DAVIDSON: When you bought him did not you make any inquiry as to his age?

The WITNESS: I did not.

Sir CHARLES DAVIDSON: Were you anxious not to know his age when you bought him?

The WITNESS: I was, I did not want to know.

Sir CHARLES DAVIDSON: Why?

The WITNESS: Because when I wanted to sell him I did not want to tell how old he was.

Sir CHARLES DAVIDSON: When the vet. thought he was not an old horse, why did not you tell him it was an old horse?

The WITNESS: I thought that was his business, not mine, he knew more about horses than I did.

By Mr. Thompson, K.C.:

Q. Are you an officer in one of the militia corps?—A. Not a very high officer.

Q. Are you a non-commissioned officer?—A. Yes, sir.

Q. How many years have you been in the militia?—A. I drilled for three years.

Q. What are you, a sergeant?—A. Yes, sir.

Q. How long have you had that rank?—A. Just one camp.

Q. Is it a mounted corps you are in?—A. Yes, sir.

[Kentville, Horses—Fitch.]

Q. All the time that you have been in the militia have you been with a mounted corps?—A. Every year.

Q. And you sold this horse for military purposes to go with the troops?—A. Yes, because he was just fit for that business.

MR. THOMPSON: He was very fit.

SIR CHARLES DAVIDSON: Do you still wear the uniform?

THE WITNESS: I do not know, I have not since the last year I drilled.

SIR CHARLES DAVIDSON: Do you still belong to the corps?

THE WITNESS: Yes, sir, and if I was going to the front today I would take him before I would take any horse they took.

SIR CHARLES DAVIDSON: You ought to be ashamed of yourself.

The witness retired.

WILEY SPINNEY, farmer, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. You sold a horse for military purposes to the Government last August or September?—A. Yes sir.

Q. Where did you sell your horse?—A. At Kingston Station.

Q. Did you sell two horses?—A. Yes, sir.

Q. Were they both your own horses?—A. Yes, sir.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Who was the buyer?—A. I did not know right at the time, it was a big fleshy fellow.

Q. Did you hear what his name was afterwards?—A. Yes, I think I heard it today.

Q. What was it?—A. I cannot just tell you right now, I cannot think of it.

Q. Who was the veterinary surgeon?—A. Chipman, I think.

Q. How much were you paid for your two horses?—A. \$300.

Q. How was that divided as between the horses?—A. Well, it was divided between the two.

Q. How much were you paid for each horse?—A. I suppose \$125 and \$175 or \$140 and \$160.

Q. Which was it, I want to know?—A. I never bothered about it, I think it was \$125 and \$175.

Q. What was the weight of these horses?—A. I suppose about 900 pounds and 1,100 pounds.

Q. What was the age of the \$175 horse?—A. Five years old.

Q. What was the age of the \$125 horse?

(The witness paused.)

Q. Don't be ashamed of his age now?—A. I got him to be twelve years old.

Q. Was he twelve years old?—A. Yes, sir.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day were your horses examined?—A. I did not notice, but it was around three o'clock.

Q. When were you paid?—A. As soon as I put the horses in the stable and came back to the hotel.

Q. Were you paid by McKay?—A. That is the fleshy man.

Q. Did you sign a receipt?—A. I half think I did.

Q. Who bargained with you as to the price of your horses?—A. Mr. Chipman asked me what price I would take, what price I was asking for them.

Q. And what did you ask?—A. I asked \$325.

Q. And they offered you how much?—A. \$300.

Q. And you took it?—A. Yes.

[Kentville, Horses—Spinney.]

Q. What examination did the veterinary surgeon give your horses?—A. He came around and looked at the one I was holding and asked me how old it was.

Q. Which one was that?—A. The five year old. I told him and he gave me a look and he opened the horse's mouth quick and looked into it and never said a word and he passed on right around.

Q. Did he make you move the horse around?—A. No, I do not think they did. He was standing right there when I fetched the horse in.

Q. Was the horse unsound?—A. No, sir.

Q. Was he quite sound?—A. Quite sound.

Q. How long had you had the \$175 horse?—A. It was raised on the place.

Q. And you think he was quite sound?—A. Yes, sir.

Q. He was not tender on the feet?—A. No, sir.

Q. Nor pricked in the wind?—A. No, sir.

Q. And he had no spavins?—A. No spavins.

Q. Now let us come to the older horse—you did not raise that horse?—A. No, sir.

Q. That horse was older than you, was he not?—A. I got him for twelve years.

Q. That does not make out that he was twelve years?—A. No.

Q. How long had you had him?—A. I got him about Christmas time and kept him until the next fall.

Q. What did you pay for him?—A. I traded and got him.

Q. What did you give in trade?—A. Another horse that weighed about 1,300 pounds.

Q. Anything else?—A. Yes, and ten dollars.

Q. What was the matter with the horse which you gave away when you got this one in trade?—A. She had an enlarged leg.

Q. You gave away a horse with an enlarged leg and ten dollars and you got this horse, what was wrong with this horse?—A. Nothing that I know of.

Q. Nothing at all?—A. He always done anything I wanted him.

Q. You wanted him to eat his hay and he did not eat it?—A. Yes, sir, all I could give him and more too.

Q. He had no difficulty about that?—A. Not that I know of, he always cleaned his manger every time I know of.

Q. Did the vet ask you if he was sound?—A. He asked me if they were sound.

Q. What did you tell him?—A. I told him they were as far as I know.

Q. And they were as far as you know?—A. Yes, sir.

Q. Are you sure that horse was not twenty years of age, just think it over?—A. I do not think he was twenty years old, although he might be. I did not have any idea that he was. I got him for twelve years and I chased up his pedigree and I felt satisfied in my mind that he was fourteen.

Q. You were quite satisfied he was fourteen years?—A. Yes, sir.

Q. Did you trace him down to the man who owned him while he was a colt?—A. Why yes. I did not go right to the man but I inquired around. I did not go right to the man that owned him.

Q. He was about fourteen years old, you think?—A. Yes, sir.

Q. Did you find he was fourteen years old when you bought him?—A. No, I did not.

Q. You bought him for twelve years?—A. I got him for twelve years.

Q. And you found out afterwards that they had deceived you to the extent of two years?—A. Well yes, I did not pay much attention to it. A horse running from fourteen years to sixteen years, I do not think it made any difference.

Q. And you think the mistake did not extend beyond two years?—A. Not the way I traced it, it did not.

Q. Did you make a careful tracing?—A. I traced it out carefully enough that I was satisfied that I thought the horse was that age.

Q. Were you afraid to trace his genealogy back any further?—A. No, sir.

Q. When did you start tracing his age?—A. A few days after I got him.

[Kentville, Horses—Spinney.]

Q. Did you give any part of the purchase money to McKay or to Chipman?—A. No, sir.

Q. Did you give any of it to any other person?—A. No, sir.

Q. Did you pay any person whomsoever any thing or any consideration whatever to get the sale through?—A. Nothing during the sale.

Q. Nothing during the sale, is that what you mean?—A. To nobody.

Q. Did you give anything before the sale?—A. No.

Q. Did you give anything during the sale?—A. No.

Q. Did you give anything after the sale?—A. No.

Q. Did you give anything to any person either directly or indirectly?—A. No.

Sir CHARLES DAVIDSON: What are you holding back?

Mr. THOMPSON: What is it you have not told us?

The WITNESS: I am not holding back anything that I know of. The only thing I am holding back is this: that my father and I runs the place together and I sold the horse. After the sale that night, when I got home, I gave him his personal money, that is all I held back.

Q. Was he at the sale?—A. He was around there.

Q. Did he pay McKay anything?—A. No, sir, not that I know of, I know that he did not.

Q. Did he pay Chipman anything?—A. No, sir.

Q. Neither directly nor indirectly?—A. No, sir.

Q. Or give him any part of the money?—A. No, sir.

Q. Did either of you, so far as you know, part with anything on getting that sale?—A. No, sir.

Q. You say there was no unsoundness in the horse?—A. Not that I know of.

Q. And you did not give any consideration whatever for passing them?—A. No, sir.

Q. Or for buying them?—A. No, sir.

Q. You did not give anybody any of the money?—A. No, sir, none whatever.

Q. Do you know whether or not your father did?—A. No, sir, I know he did not.

Q. Did the veterinary surgeon ask you the age of the older horse?—A. No, sir.

Q. Did you tell him the age of that horse?—A. No, sir.

Q. Did he only ask you the age of the younger horse?—A. Yes, sir.

Q. Did you sign a ticket for the horses?—A. Well, I don't know for certain whether I did or not. Since I heard you asking questions here, I have some faint recollection of doing it, but I do not know positive whether I did or not.

Q. Do you say positively that that horse had no difficulty in eating his hay?—A. Yes, sir, he always cleaned his manger.

Q. He could clean it by spilling it on the floor of the stall, but did he eat his hay?—A. Yes, sir, and stood up to his work well.

Q. You say that when you were tracing the age of that horse, you did not discover that he was about twenty years old?—A. No, sir, I did not, not all I traced him up anyway.

Q. Did you discover afterwards he was twenty years old?—A. I have heard since that he was twenty years old.

Q. You heard that after he was sold?—A. Yes, sir.

Q. Did you discover before he was sold that he was twenty years old?—A. No, sir.

The witness retired.

The Commission adjourned until to-morrow morning, Saturday, August 14, at ten-thirty o'clock.

KENTVILLE, N.S., Saturday, August 14, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,
As Counsel, to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,
Clerk of the Commission.

At the sitting of the Commission.

RETURN OF \$155 BY HENRY J. CHUTE.

Mr. THOMPSON, K.C.: Before I call witnesses this morning, Mr. Commissioner, I would like to state that last evening I received a cheque from Henry J. Chute for \$155, payable to the Honourable, the Minister of Finance. This money is returned by him in respect to the horse sold by his son Roy Chute. That horse, you will recollect, sir, was some twenty-three years or twenty-five years old. I shall send this cheque to the Minister of Finance. The cheque is certified to by the Royal Bank of Canada.

GEORGE J. McNALLY, M.D., Berwick, Kings' County, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes last August or September?—A. I did.
Q. Where was the sale?—A. At Berwick.
Q. How many horses did you sell?—A. One.
Q. Did you sell any other horse for any other person?—A. No.
Q. Was it your own horse that you sold?—A. It was.
Q. Who was the buyer?—A. I do not know; I don't know the man personally; they told me it was McKay.
Q. Who was the veterinary surgeon?—A. Dr. Chipman.
Q. What price were you paid?—A. \$170.
Q. What was the age of the horse?—A. Ten years, as near as I knew. I did not raise the horse, but as near as I knew, he was ten years old.
Q. What was his weight?—A. About 1,000 pounds, or maybe a few pounds more.
Q. Were you paid by cheque or by cash?—A. By cash.
Q. And you were told that the buyer was McKay?—A. Yes.
Q. What time of the day was your horse examined?—A. Shortly after dinner; I think it was the first horse bought after dinner.
Q. When were you paid?—A. About five o'clock, I should think, when I left to go down home.
Q. About five o'clock in the afternoon?—A. Yes.
Q. What were you asking for your horse?—A. I asked \$175.
Q. What did they offer you?—A. \$170.
Q. You closed at that price?—A. Well not at that time. I told him I was not very anxious to sell. He said: "Leave it open, and if you decide you will take it, let me know before I leave." I said that I would think it over. However, I concluded then that I would take it and told him so, and he paid me.

[Kentville, Horses—McNally, M.D.]

Q. What examination did Chipman make of your horse?—A. He looked in his mouth, and looked around him, and felt his legs.

Q. Did he make you drive him up and down?—A. My man took him up; he was on horseback and had a saddle on him and he stepped him around there.

Q. Did he examine his teeth?—A. I think he looked into his mouth, but I would not be sure.

Q. Was your horse sound?—A. He was.

Q. Quite sound?—A. He was.

Q. Not lame?—A. No, sir.

Q. No spavins?—A. No, sir.

Q. Not gone in the wind?—A. No, sir.

Q. How long did you have that horse?—A. I think about four years.

Q. What did you pay for him?—A. I got him in exchange for another horse.

Q. What did you pay for the other horse?—A. \$200 cash.

Q. Was it an even exchange?—A. An even exchange.

Q. Your horse had gone down a little in value during the time you had him?—A. Well, perhaps he did, the other horse I exchanged for him was a much larger horse, and was only five years old, but it was rather heavy for me, almost 1,200 pounds and I did not think he would stand heavy driving, and so I gave him in exchange for this light driving horse.

Q. Before you made the exchange, did you have the horse that you sold to the Government examined?—A. How do you mean?

Q. You made the trade four years ago; before you made the trade did you have the horse examined that you traded for the \$200 horse?—A. Which one do you mean?

Q. The one that you sold to the government did you have him examined before you took him in trade?—A. I do not know.

Q. Was not the age of your horse somewhere around fourteen years, as a matter of fact?—A. Not that I know of.

Q. Are you satisfied he was not more than ten years?—A. That is my idea of it. I am not an expert horseman, but I should judge that from looking at his mouth, although I do not pretend to be able to tell the age of a horse.

Q. You think he would be a six-year old horse when you got him in trade?—A. Yes.

Q. That is what you thought that you were getting at the time?—A. Yes, sir.

Q. That is correct?—A. Quite correct.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt?—A. Yes.

Q. Did you read the receipt before you signed it?—A. I think I signed on the back of it and the price was on the other side. I would not be absolutely sure, but I think the amount \$170 was on it.

Q. Did you pay McKay anything?—A. I did not.

Q. Did you pay Chipman anything?—A. I did not.

Q. Did you give them anything?—A. I did not.

Q. Neither directly nor indirectly?—A. Neither directly nor indirectly.

Q. Nor any other person?—A. Nor any other person.

Q. Was Dr. Wiley Church there, did you see him there the day of the sale?—A. I did not see him, I do not think I would know him if I did see him.

Q. Did you see Mr. Oakes there the day of the sale?—A. I did.

Q. Did you see Mr. Foster there?—A. I did not.

The witness was not further examined.

J. J. PEARSON, of Kingston, farmer, sworn :

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. Where?—A. At Kingston.

Q. Did you sell more than one horse?—A. No, sir.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Who was the buyer for the Government?—A. I cannot tell you his name, sir.

Q. Did you hear his name?—A. They called him McKay.

Q. Who was the veterinary surgeon?—A. They said his name was Wood. I do not know the man's name.

Q. Did you hear his name?—A. I have heard it since.

Q. What did they tell you since?—A. I cannot recollect what his name was.

Q. What price did you receive for your horse?—A. \$185.

Q. What was the age of your horse?—A. Eleven years old.

Q. What was his weight?—A. 1,100 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by an envelope the next morning.

Q. In cash?—A. Yes, sir.

Q. What time of the day was your horse examined?—A. Somewhere about five or six o'clock; I cannot just say whether it was five or six o'clock.

Q. Was the sale at Kingston?—A. Yes, sir.

Q. Why were you not paid that night?—A. I wanted to take the horse home.

Q. Did you take him home?—A. Yes, sir.

Q. Did you take the horse back the next morning?—A. I certainly did.

Q. And you were paid the next morning?—A. Yes.

Q. Who paid you the next morning?—A. Mr. Eddie McKenna.

Q. Is that E. J. McKenna?—A. Yes, sir.

Q. Was there a ticket put on your horse?—A. Yes.

Q. Did you take him home with the ticket on?—A. Yes, sir.

Q. And you kept him over night with the ticket on?—A. Yes.

Q. And you brought him back the next morning with the ticket on?—A. Yes, sir.

Q. And you signed a receipt for your money?—A. No, sir.

Q. You signed no card?—A. No, sir.

Q. What examination did the veterinary surgeon give your horse?—A. Well, he looked the horse over and examined his mouth. I told him the horse was ten or eleven and that is what I sold him for. I asked him how old she was and he looked at her and said: the mare is eleven years old, and I said: "You are right, the mare was just eleven years old when I come to reckon it up."

Q. Did he move the mare about at all, or did he make you move her about?—A. Well, I led her around a little.

Q. Did he feel her legs?—A. Yes, sir.

Q. Did he ask if she was sound?—A. I cannot remember whether he did or not.

Q. How sound was she?—A. She was sound as any of them, she did not have a blemish on her, not in any shape or form.

Q. She might be as sound as any of them and still be very unsound?—A. I am talking about the sound horses now.

Q. She was sound, was she?—A. I said there was not a blemish on her.

Q. I know you said that, but was she sound?—A. Yes, sir.

Q. Perfectly sound?—A. I said she was sound, quite sound.

Q. What do you mean by saying she was "quite sound"?—A. She was perfectly sound, if that will satisfy you.

Q. Who bargained with you as to the price?—A. This man, McKay.

Q. What did you ask for the horse?—A. I asked \$225.

[Kentville, Horses—Pearson.]

Q. What did he offer you?—A. He would not offer me anything then. He went away and left her and when I brought her back again he offered me \$185 for her, and I asked \$200 the next time, and I took her back.

Q. Did you take your horse away after he refused to give you your price the first time?—A. I left her there in the yard, but I put her up for sale the second time.

Q. On the same day?—A. Yes.

Q. And you were still a bit apart on the price?—A. Yes, I asked \$200 the second time for her and he offered me \$185, he said they were not paying \$200 for any horse there.

Q. You eventually sold her at what price?—A. \$185.

Q. How was it that you were willing to abate so much in your price?—A. I do not know now that I am obliged to tell you that, am I, judge, am I obliged to answer that question?

Sir CHARLES DAVIDSON: That is a proper question.

The WITNESS: Well, a man gets down in a hard place and he wants money.

Sir CHARLES DAVIDSON: It is enough to say that you needed the money.

The WITNESS: Well, I will say that.

Sir CHARLES DAVIDSON: We all need money sometimes.

The WITNESS: Yes, sir, that is just the idea I had in making this sacrifice.

By Mr. Thompson, K.C.:

Q. That answer is quite satisfactory; did you pay any part of the money that you got for this mare to Chipman or to anybody else?—A. No, sir, that was all my money.

Q. Did you pay anything directly or indirectly to either Chipman or McKay?—A. No, sir.

Q. Or to any other person?—A. No, sir, I paid some bills that I owed with the money, and that is what I got it for.

Q. What was the weight of the horse?—A. 1,100 pounds.

Q. Did you see Mr. Foster there on the day of the sale?—A. No, sir.

Q. Did you see Mr. Oakes there?—A. I do not remember that I did.

Q. Did you see Dr. Wiley Church there?—A. I do not know him.

The witness retired.

AVARD BANKS, farmer, Kingston Village, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. My boy sold one.

Q. Was it your horse?—A. Yes, sir.

Q. Was the sale at Kingston?—A. Yes, sir.

Q. Do you know who the buyer was?—A. Mr. McKay, I think.

Q. Did he tell you who the veterinary surgeon was?—A. I heard his name, but it is gone from me now. I heard it here twice this morning, but I am little hard of hearing. My boy told me there was a vet. there.

Q. You were not there yourself?—A. No, I was not there when the horse was bargained for.

Q. Were you there the day of the sale?—A. Yes.

Q. Would the veterinary surgeon either be Wood or Chipman?—A. I do not know the vet's name; I never remembered the man before and I saw him only two or three minutes in the afternoon.

Q. What price did you receive for your horse?—A. \$180.

Q. What was the age of the horse?—A. Eleven years old.

Q. What was his weight?—A. About 1,200 pounds.

[Kentville, Horses—Banks.]

Q. Did you get payment by cash or by cheque?—A. By cash.

Q. Do you know what time of the day the horse was examined?—A. My memory is that the horse was examined soon after twelve o'clock.

Q. Did you see a ticket put on the horses?—A. The boy had the tickets. We had a pair and he had tickets for the pair. He would not sell them then, he brought the tickets here with them and we took the horses back afterwards and just sold one.

Q. Did you go back on the second day?—A. No, we took them back the second day in the evening, along towards night.

Q. That was when you were paid?—A. I did not get paid until the evening. I went home and the boy stopped and got the pay.

Q. Was your horse sound?—A. Yes, sir.

Q. Quite sound?—A. Yes, sir.

Q. No defects?—A. No defects.

Q. How long had you had the horse?—A. Four years.

Q. What did you pay for him?—A. I do not know exactly what I paid, I got him in the way of a trade.

Q. Why didn't you sell the other horse to the Government?—A. I could not spare the pair very well, we had a pair together.

Q. Did they want to buy the other horse?—A. Yes.

Q. Were they a good pair of horses?—A. Yes, they were a nice pair.

Q. Rather a particularly good pair?—A. Yes, quite nice-looking.

Q. Did you keep all that purchase money that you got for your horse for your own use?—A. Yes, sir.

Q. You did not pay anything to the buyer or to the veterinary surgeon?—A. No, sir, the boy got the money and he brought it home in the evening and he gave me the \$180.

Q. When you were down at the sale, did you see Mr. Foster there?—A. No, sir, I do not know the man.

Q. Nor Mr. Oakes?—A. No, I do not think I saw Mr. Oakes there.

Q. Did you see Dr. Wiley Church there?—A. I do not know that I did, I do not know the man.

The witness retired.

E. R. McMASTER, farmer and miller, Kingston Station, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. I merely took him down for my uncle.

Q. Did you take a horse down to the sale?—A. My uncle drove him down.

Q. You sold at Kingston?—A. Yes, sir.

Q. How many horses did you take down to Kingston to sell?—A. Just the one.

Q. Did you sell any other horse for any other person?—A. No.

Q. Do you know who the buyer was?—A. I do not.

Q. Did you hear who he was?—A. I heard different names, but I was not acquainted with him.

Q. What names did you hear?—A. I heard Church, McKay, and a lot of other names, but I was not acquainted with the man and I do not know him.

Q. What did the man look like who bought the horse?—A. A big stout man, dark-complexioned, and the vet. was a sandy, smaller man.

Q. That would correspond with Chipman's description—what is the price you received?—A. \$160.

Q. What was the age of the horse?—A. They called him nine years old.

Q. And what did you think as to that?—A. I had no reason to believe he was any older. These men were acquainted with him all around there.

[Kentville, Horses—McMaster.]

Q. What was his weight?—A. About 1,100, I never had him weighed.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was the horse examined?—A. I should judge somewhere about two o'clock.

Q. When were you paid?—A. Maybe an hour afterwards.

Q. Was a ticket put on the horse?—A. Yes, sir.

Q. Did you sign a receipt?—A. I do not remember signing anything, I ain't certain.

Q. What did you ask for the horse?—A. \$175.

Q. What did they offer you?—A. \$160.

Q. Did you close at that?—A. I told them then the horse was not mine but that I would speak to the old gentleman and see what he said about it, and I spoke to him and he said: "I don't want him, you had better let him go."

Q. What examination did the veterinary surgeon give your horse?—A. He just looked at his mouth and looked at the wrinkles in his eyes, and asked his age, and he said he was old enough to vote. I said: "How old do you think he is," and the vet. said: "Nineteen." And the old gentleman made the remark that he did not think very much of his judgment about a horse's age, because he was well acquainted with the horse, and knew how old he was, and he said he was nine years old.

Q. How long did your uncle have him?—A. About four years, as near as I remember.

Q. What did he pay for him?—A. He paid \$160.

Q. Was he as good a horse when you sold him to the Government as when your uncle bought him?—A. Just as good, any more than the age, of course, he was four years older.

Q. Was there anything wrong with the horse?—A. No, sir, not that I know of.

Q. Was there any sign of unsoundness about him?—A. Not any more than that he was a little tipped in the knees, he was always that way.

Q. Is there a difference between tipped in the knees and sprung in the knees?—A. I ain't any professional; all that I know was that he was not perfectly straight.

Q. Was he a little tender in the feet?—A. No, sir.

Q. Did he go a little lame?—A. No, sir.

Q. Had he any spavins?—A. No, sir.

Q. How was his wind?—A. Good.

Q. Were his legs swollen at all?—A. No, sir.

Q. Did he kick?—A. No, sir, perfectly quiet and kind.

Q. Was the money paid to you or to your uncle?—A. It was paid to me.

Q. Did you give any of it to Chipman?—A. No, sir.

Q. Or to any of them?—A. No, sir.

Q. Did you give any other money to any of them?—A. No, sir, I gave no money to nobody.

Q. You did not pay any commission to get the sale through?—A. No, sir.

Q. Neither directly nor indirectly?—A. No, sir.

Q. Nor did you pay any money to anybody after the sale was through?—A. No, sir, I paid no money to nobody.

The witness retired.

GEORGE WOODBURY, farmer, Kingston Station, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. How many did you sell?—A. One.

Q. Did you sell any other horse for any other person?—A. No, sir.

Q. Where was the sale of your horse?—A. Kingston Station.

Q. Who was the buyer?—A. McKay, I believe.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price did you receive for your horse?—A. \$170.

Q. What was the age of your horse?—A. I think he was either fifteen or sixteen years of age.

Q. What was his weight?—A. 1,100 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. Between six and seven o'clock at night.

Q. When were you paid?—A. I was paid about half-past nine o'clock in the evening.

Q. On the same day?—A. On the same day, yes.

Q. Who bargained with you as to the price of your horse?—A. McKay.

Q. What did you ask for your horse?—A. \$175.

Q. What did he offer you for your horse?—A. \$170, no, he first offered me \$160.

Q. And you closed at \$170?—A. Yes.

Q. What examination did the veterinary surgeon make of your horse?—A. He run his hand over his legs and looked at his mouth.

Q. Did he make you drive him around?—A. No, the horse had been moving around in the carriage, all the afternoon, from one place to another.

Q. During the examination, did he make you move him around?—A. No, sir.

Q. Did he ask you whether the horse was sound or not?—A. No.

Q. What did you tell him?—A. I told him he was.

Q. Quite sound?—A. Quite sound.

Q. Nothing wrong with him?—A. Nothing wrong with him.

Q. Was he not a little over in the knees?—A. No.

Q. And he had no spavins?—A. He had no spavins.

Q. What about his wind?—A. His wind was good, all right.

Q. Was he a little tender on the feet?—A. No, he was not.

Q. Did he eat his hay?—A. He could; he could eat his hay just as good as any horse.

Q. There was nothing wrong with him at all?—A. There was nothing wrong with him.

Q. What did you pay for him?—A. I raised him.

Q. And he was between fifteen and sixteen years of age?—A. Yes.

Q. Had your horse ever been lame?—A. No, nothing to speak of, any more than a horse would strain a cord, or something like that, and be lame for a few days.

Q. Was he lame at all when you sold him?—A. No, sir.

Q. How long before you sold him had he been lame?—A. I do not know of him being lame inside of three or four years.

Q. Did he ask you what the age of the horse was?—A. Yes.

Q. What did you tell him?—A. I told him he was past the limit that was called for.

Q. What did he say when he looked at his mouth?—A. He said he thought he was about twelve years old.

Q. And what did you say?—A. I did not say anything more.

Q. You remained silent—did you pay any part of that money to Chipman?—A. No, sir.

Q. Or did you pay any part of the money you got for the horse to McKay?—A. No, sir.

Q. Or did you pay any part of that money to anybody at all?—A. No, sir.

Q. Did you pay any part of that money to any person whomsoever for getting the sale through?—A. No, sir.

Q. Or did you pay any part of it after the sale was through?—A. No, sir.

Q. Did you give any gift to any person either before or after the sale?—A. No, sir.

[Kentville, Horses—Woodbury.]

Q. Neither directly nor indirectly?—A. No.

Q. Did you see Mr. Oakes there the day of the sale?—A. I did.

Q. Did you see Mr. Foster there?—A. No, sir.

Q. Did you see Dr. Wiley Church there?—A. I seen him get off the train and I think I saw him travelling around there.

Q. Did you have any conversation with him?—A. None whatever.

Q. Did you sign a receipt for the price of your horse?—A. Yes, I suppose it was; there was the price on it.

Q. When was that signed?—A. At the time of paying the money; between nine and ten o'clock.

Q. Did you notice the price on the ticket?—A. Yes.

Q. Was it the same price that you received?—A. Yes, the same price, \$170, and it was also marked on the ticket on the horse.

Q. Was the age of the horse on the ticket?—A. No, there was no age on the ticket.

Sir CHARLES DAVIDSON: I would like to find out how, this horse being sixteen years of age, and the veterinary surgeon expressed the opinion that it was only twelve, why did not you tell him the correct age?

The WITNESS: I did not know that it was my business, he was examining the horse. And I will tell you another reason: The horse, in my judgment, was as good as any horse; he could eat his hay, and he was as supple as any horse could be. He was all right in every form and shape, and I do not consider that his age hurt him a particle, for either their use or mine.

Sir CHARLES DAVIDSON: You knew that the vet. was under a misapprehension as to his age?

The WITNESS: I suppose he missed in his judgment a little on the horse.

Sir CHARLES DAVIDSON: Quite a bit.

The WITNESS: Yes, but there was nothing the matter with the horse.

Sir CHARLES DAVIDSON: He was quite a bit out in his estimate of the age?

The WITNESS: Yes, he was three or four years out.

Sir CHARLES DAVIDSON: And you knew that he was out?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: When he asked you the age of the horse, why didn't you tell him?

The WITNESS: I thought the horse was all right.

Sir CHARLES DAVIDSON: But that is not an answer to my question.

The WITNESS: That was my reason.

Sir CHARLES DAVIDSON: When he asked you the age of the horse, why didn't you tell him?

The WITNESS: That was my reason, that the horse was all right.

Sir CHARLES DAVIDSON: That is no reason.

The WITNESS: That is the only reason I can give.

By Mr. Thompson, K.C.:

Q. Did you ever try to sell that horse before?—A. Yes, I had refused to sell him for \$200.

Q. That is when he was a colt?—A. No, I could have taken \$175 in the spring for him; a man told me he would give it to me for him. I did not wish to sell him in the spring, as I had use for him.

Q. Was that in the spring before you sold him?—A. Yes.

The Witness was not further examined.

FRANK SAUNDERS, farmer, of Kingston, sworn :

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes.

Q. Did you only sell one?—A. Only one.

Q. Who was the buyer?—A. McKay, I think.

Q. Who was the veterinary surgeon?—A. Chipman.

Q. What price did you receive for your horse?—A. \$165.

Q. What was the age of your horse?—A. Well, he was between three and four years old.

Q. What was his weight?—A. About 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. Eddie McKenna got it for me and gave it to me in an envelope the next morning.

Q. What time of the day was your horse sold?—A. Six o'clock or seven o'clock at night.

Q. Why did they not give you a cheque or cash then?—A. They were short of funds, I believe.

Q. Who told you that?—A. McKay said they had to send to Middleton and it would not be back until the evening. I took the horse home and brought him back in the morning.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you drive him home with the ticket on?—A. Yes.

Q. Did you bring him back in the morning with the ticket on?—A. Yes.

Q. He still had the ticket on him?—A. Yes.

Q. What did McKay offer you for the horse?—A. He offered me \$165.

Q. What were you asking?—A. \$175.

Q. And you closed with him at \$165?—A. Yes, sir.

Q. What examination did the veterinary surgeon make of your horse?—A. He looked him over, felt his legs and looked at his mouth.

Q. Did he make you drive him around at all?—A. No, sir.

Q. Did he ask you if your horse was sound?—A. Yes, sir.

Q. He asked you if your horse was sound?—A. No, I do not know that he did.

Q. Did you tell him it was sound?—A. No, sir.

Q. Did he ask you the horse's age?—A. Yes, sir.

Q. What did you tell him?—A. I told him the horse was a little short of five.

Q. And the actual age was what?—A. Between three and four years.

Q. As a matter of fact, he was a little short of four years, was he not?—A. I guess he was.

Sir CHARLES DAVIDSON: Why did you do that.

The WITNESS: I do not know why I done it.

Sir CHARLES DAVIDSON: Yes, you do know; tell us why you said that because you knew it was a falsehood.

The WITNESS: No, it was not.

Sir CHARLES DAVIDSON: Why?

The WITNESS: I said the horse was short of five years, and he was.

Sir CHARLES DAVIDSON: How do you reason that out?

The WITNESS: He was not five years.

Sir CHARLES DAVIDSON: Certainly he was not, but neither was he ten years.

The WITNESS: I could not swear how old he was because I did not raise the horse.

Sir CHARLES DAVIDSON: So far as you know, truthfully, he was short of four years?

The WITNESS: Yes, I think he was.

[Kentville, Horses—Saunders.]

By Mr. Thompson, K.C.:

Q. Why didn't you say he was short of four years?—A. I did not, I said he was short of five.

Q. Why didn't you say he was short of four?—A. I do not know why.

Sir CHARLES DAVIDSON: He wanted to deceive the veterinary surgeon.

By Mr. Thompson, K.C.:

Q. Had you read the military posters?—A. No.

Q. Do you know what age limit was required in a horse?—A. No, I did not.

Q. Did you hear that talked about in the neighbourhood?—A. I heard some talk about it, yes.

Q. You at that time had a knowledge of what the age limits were?—A. I heard them say they were buying them from five years to eight years, I think.

Q. Where did you get that horse?—A. I bought it at Kingston village.

Q. Did you pay cash?—A. Cash, yes, sir.

Q. What did you pay for him?—A. I paid \$125.

Q. How long before you sold him was it that you bought him?—A. About eight months, I should think.

Q. Did you examine the horse before you bought him?—A. Yes.

Q. Was he sound?—A. Yes, sir.

Q. Quite sound?—A. Quite sound.

Q. In every respect?—A. In every respect.

Q. Was he tipped in the knees?—A. No.

Q. Had he any spavins?—A. He had no spavins.

Q. Why did you want to sell him?—A. I wanted to get rid of one horse, that is why.

Q. Why did you want to get rid of that particular horse and not one of your other horses?—A. I had a big horse, and a big horse would do me for my work where he would not.

Q. Well, that was a fairly good-sized horse, he was 1,000 pounds?—A. Yes.

Q. And you say that was a little light for your purpose?—A. Yes, sir.

Q. Was that horse balky?—A. No, sir.

Q. Did he kick?—A. No, sir.

Q. Did he bite?—A. No, sir.

Q. Was there any objection to the horse, so far as you knew?—A. No, sir.

Q. The only reason you sold him was that he was a little too light for you?—A. Yes, sir.

Q. Is that the only reason?—A. That is all, I wanted to get rid of one horse, I wanted to winter only one.

Q. Was the other horse that you retained a heavier horse than this one?—A. Yes, sir.

Q. Had this horse developed any weakness after you bought him?—A. No, sir.

Q. None at all of any sort?—A. No, sir.

Q. Did you pay anything to McKay?—A. No, sir.

Q. Or did you pay anything to Chipman?—A. No, sir.

Q. At no time did you pay them anything?—A. Not at any time.

Q. Or did you give them anything?—A. No, sir.

Q. Or did you give any money or any other consideration to any person or persons to get the sale through?—A. Not to any other person.

Q. Neither directly nor indirectly?—A. No, sir.

Q. Did you sign a receipt for the money?—A. No, sir, I supposed McKenna signed for it.

The witness retired.

JOHN E. DOLLIVER, farmer, Lacey Road, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.
- Q. Where did you sell him?—A. Kingston station.
- Q. Who was the buyer?—A. McKay.
- Q. Who was the veterinary surgeon?—A. Chipman.
- Q. What price did you receive for your horse?—A. \$165.
- Q. What was the age of the horse?—A. The horse was six years old.
- Q. What was his weight?—A. About 1,000 pounds.
- Q. Were you paid by cheque or by cash?—A. By cash.
- Q. What time of the day was the horse examined?—A. I think about two o'clock in the afternoon.
- Q. When were you paid?—A. About half an hour after he was examined.
- Q. Who bargained with you as to the price of the horse?—A. Mr. McKay.
- Q. What were you asking for the horse?—A. \$175.
- Q. What did he offer you for him?—A. He offered me \$165.
- Q. And you closed with him?—A. I did.
- Q. Did you sign a receipt for your money?—A. I did.
- Q. Did you notice what was on the receipt?—A. The price was on it.
- Q. Was that the correct price was on it?—A. Yes, sir, the price he paid me.
- Q. What examination did the veterinary surgeon make of your horse?—A. He looked at his limbs, looked at his mouth, and I rode him around for some time.
- Q. Did he feel his legs?—A. Yes, sir.
- Q. Did he ask you if the horse was sound?—A. No, sir.
- Q. Did you tell him whether the horse was sound or not?—A. I did not.
- Q. How long did you have the horse?—A. Three years.
- Q. What did you pay for him?—A. I paid \$175.
- Q. Did the horse deteriorate during the time you had him?—A. No, sir.
- Q. Was there anything wrong with him?—A. No, sir.
- Q. Was he quite sound?—A. Quite sound, yes, sir.
- Q. Perfectly sound?—A. Yes, as far as I know he was.
- Q. Was he over in the knees a bit?—A. He was not perfectly straight.
- Q. He was tipped in the knees a little?—A. Yes.
- Q. And he was a little tender in the feet forward?—A. No, sir.
- Q. Had he any spavins?—A. Not that I know of.
- Q. Was he a little stiff when he started out in the morning?—A. No, sir.
- Q. What about his wind?—A. His wind was good.
- Q. Did you pay anything to McKay for passing the horse?—A. No.
- Q. Or did you pay anything to Chipman?—A. No, sir.
- Q. Did you give either of them anything?—A. No, sir.
- Q. Did you give anything to any person in consideration of passing that horse?—A. No, sir.
- Q. Did you give any allowance to either of them or to anybody?—A. No, sir.
- The witness was not further examined.

JAMES MOODY, Grafton, King's County, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.
- Q. Where did you sell the horse?—A. At Kentville.
- Q. Who was the buyer?—A. I do not know.
- Q. Did you hear his name?—A. Well, I have heard his name, yes, it was a sandy-complexioned man but I just have forgotten his name.
- [Kentville, Horses—Moody.]

Q. Where did you sell the horse?—A. Right here in the yard.

Q. You sold from a stable here?—A. No, sir, I sold in Kentville.

Q. Did you sell at Berwick?—A. No sir, I was not there at all.

Q. Did you have that horse at Berwick?—A. No, sir, I was not there, I was not to Berwick the day of the sale.

Q. Did you offer your horse at any time for sale at Berwick?—A. No, sir, not at any time.

Q. Who was the veterinary surgeon?—A. Well, it was Mr. Chipman and Mr. Wood.

Q. You think they were both at the purchase?—A. They both looked at the horse, both of them examined him.

Q. What price did you receive?—A. \$150.

Q. What was the age of your horse?—A. I did not raise him, and I cannot just say.

Q. Did they ask you the age of the horse?—A. Yes, sir.

Q. What did you tell them?—A. I told them about eleven years old, I thought.

Q. About how much?—A. About eleven years.

Q. About eleven years?—A. Yes, sir.

Q. We will come to that later. What was the weight of the horse?—A. 1,100 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. By whom were you paid?—A. I do not know, sir.

Q. What time of the day was your horse examined?—A. I should think about eleven o'clock.

Q. When were you paid?—A. I was paid about five o'clock in the evening.

Q. What did you ask for the horse?—A. I asked \$170 or \$160, I would not say which.

Q. What did they offer you?—A. They offered me \$150.

Q. And you closed at that?—A. Yes, sir.

Q. What examination did these two veterinary surgeons give to your horse?—A. Well, they disputed what I said about the weight; they allowed she was heavier than I thought, I thought her weight was about 1,100 pounds.

Q. Did they ask you her age?—A. Yes, sir.

Q. Did they have any dispute about that when you told them?—A. No, I think they did not.

Q. And you told them the horse was about eleven years?—A. About eleven; I did not raise the mare, I won't swear to her age.

Q. What was the colour of the horse?—A. She was brown, or black when she was heated up with the sweat, I suppose.

Q. Are you sure she was not black when you sold her?—A. You might call her black, but I would not, she was not exactly black.

Q. Had she any gray in her?—A. No, sir.

Q. How long had you had that horse?—A. About three months.

Q. What did you pay for her?—A. I exchanged another horse for her, a good working horse.

Q. What did you pay for the horse which you exchanged for this one? You paid fifty dollars in cash for this horse in addition to the horse which you received?—A. Yes, sir, I paid fifty dollars in cash.

Q. And you gave your other horse and fifty dollars in cash?—A. Yes, sir.

Q. What did you value your horse at?—A. I do not know, this was a fine-looking mare I sold, in nice condition.

Q. Did you examine her before you bought her?—A. Yes, sir.

Q. Did you look at her teeth?—A. Yes, sir.

Q. Were you satisfied she was not over eleven years?—A. I was satisfied her age did not hurt her for me, she was a fine feeding mare.

Q. Are you satisfied she was not over eleven years of age?—A. I could not say to the year.

Q. Was not that horse twenty-seven years of age?—A. No, sir.

Q. Will you swear she was not?—A. Yes, sir, I will swear she was not, I know enough about a horse to know that.

Q. Was she not grey when you got her?—A. No, sir.

Q. Didn't you buy her before you sold her?—A. No, sir, I didn't one bit of her.

Q. Did you have any one else buy her for you?—A. No, sir, I did not.

Q. Was she not dyed black before you did sell her?—A. Not that I know of.

Q. You sold her?—A. Yes, sir.

Q. Was she the same colour the day you sold her as she was the week before?—

A. Yes, sir, well she might have faded a little.

Q. During the week?—A. No, sir, in the spring.

Q. Was she the same colour the day you sold her as she was a week or ten days before?—A. Yes, sir.

Q. Will you swear that positively?—A. I will swear that absolutely.

Q. Was she sound?—A. Yes, she was sound. She had a small wind-gall or two on her. I told the vet. and he felt it. It was about the size of your thumb on her leg. With the exception of that she was sound, so far as I know.

Q. You say she had two wind-galls?—A. I would not say whether there was two or one. There was one.

Q. What about her knees?—A. All right.

Q. Were they straight?—A. They were straight.

Q. No spavins?—A. No.

Q. What about her wind?—A. Her wind was good.

Q. But she was a little sore on the feet?—A. No, sir.

Q. Did you sign a ticket for your money?—A. I would not say.

Q. You do not recollect?—A. I do not recollect.

Q. Did you pay anybody to get that horse through?—A. No, sir, I did not.

Q. Did you make a present to anybody?—A. No, sir.

Q. You did not give anything to either McKay, Chipman, or Wood?—A. To nobody, I never paid anybody.

Q. Neither directly nor indirectly?—A. No, sir, I took my money home.

Sir CHARLES DAVIDSON: Have you any further evidence as to the colour of this horse, Mr. Thompson?

Mr. THOMPSON: No, sir, not at the present moment. The witness will remain here until the end of the Court.

The witness retired for the present.

FRANK TUPPER, farmer, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. Where?—A. Kingston.

Q. How many did you sell?—A. I sold one.

Q. Did you sell any other horse for any other person?—A. No.

Q. Who was the buyer of your horse?—A. McKay.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

Q. What price did you receive?—A. I received \$200.

Q. What was the age of your horse?—A. Eight years old.

Q. What was his weight?—A. He weight 1,100 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was your horse examined?—A. About five o'clock in the afternoon, I guess.

Q. When were you paid?—A. I was paid shortly after.

[Kentville, Horses—Tupper.]

Q. Did you sign a receipt for your money?—A. Well, I am not sure, there were several in then and I am not sure whether I did or not.

Q. You do not recollect signing a ticket?—A. I do not recollect.

Q. Did they put a ticket on your horse?—A. Yes, sir.

Q. What did you ask for your horse?—A. I asked \$225.

Q. What did they offer you?—A. They offered me \$200.

Q. And you closed with them at that?—A. Yes, sir.

Q. Was your horse sound?—A. He had a little jack spavin on him.

Q. Was there anything else wrong with him?—A. No, sir, nothing else.

Q. Did that little jack spavin make him start out a little stiff in the morning?—A. No, sir.

Q. Not at any time?—A. No, sir, I always heard them say, the horse-doctors that looked at him, that the vein was running over the spavin, and they called him perfectly sound, as far as that goes.

Q. Was that an evidence of soundness, that the vein ran over the spavin?—A. Yes, sir.

Q. Is that what you call a dead spavin?—A. I suppose so.

Q. What about his feet?—A. His feet were good.

Q. How long had you had him?—A. I had him over a year and a half, nearly two years.

Q. What did you pay for him?—A. I got him in trade.

Q. What was the trade?—A. I paid \$185 for the colt and I gave \$70 boot for this horse.

Q. That would make your horse worth \$255?—A. Yes.

Q. And you were making a sacrifice of \$55 were you not?—A. Yes, sir.

Q. And did you sell him because he had this spavin?—A. No, sir, I had a colt to take his place, and I needed the money.

Q. What examination did the veterinary surgeon give to your horse?—A. He looked over him.

Q. Did he ask you the age?—A. Yes, sir.

Q. Did he look in his mouth?—A. Well yes, he did look around him and all over him; I do not know whether he looked in his mouth or not.

Q. Did he notice this spavin?—A. Yes, sir.

Q. Did he feel it?—A. Yes, sir.

Q. Did he say anything about it?—A. He asked me whether he was lame or not, and I told him that he was perfectly sound, that he never took a lame step with me. Well, he was lame one time that he tore a shoe off, but from the spavin he never was lame.

Q. It was a little wrench of a tendon perhaps?—A. Yes, that was it.

Q. Had he ever been lame with you?—A. No, sir.

Q. And his wind was all right?—A. His wind was fine, he was the finest horse there was in this locality.

Q. Did you give anything to McKay for passing him?—A. No, sir.

Q. Or to Chipman?—A. No, sir.

Q. Or to any other person?—A. No, sir.

Q. You never paid anybody directly or indirectly in connection with passing that horse?—A. No, sir, I would not take one dollar less than I got for him.

The witness retired.

Dr. GEORGE J. McNALLY, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. On the day that you sold your horse at Berwick, did you have any conversation with McKay?—A. Yes, when I went in he was in the little room at the end of the packing-house, where they had the office, and I went in and told him I would accept

[Kentville, McNally, M.D.]

his offer of \$175. I was talking with him a few minutes after he paid me, and when I signed the receipt he remarked: "Well, there has been a great many horses offered here to-day, more than I thought." And I remarked, "Yes, and there would be a good many more offered if they had known you were going to take the class of horses you have bought." He said: "Do you think we have not a good class of horses," and I said: "Well, as to the majority of horses, or most of them, you have a good lot of serviceable horses, and you bought them very reasonable, but you have bought a lot of old skates that you ought to be ashamed to take out of the country." He said, "Well, we expect to get stuck every once in a while and get a few bad ones." That ended the conversation, and I went out.

Q. Did you have any further conversation with reference to the quality of the horses?—A. No.

Q. Did you have any conversation with Chipman as to the quality of the horses?—A. No.

The witness retired.

JOHN BURNS, farmer, of Berwick, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. Where did you sell your horse?—A. At Berwick.

Q. How many horses did you sell?—A. One.

Q. Did you sell any other horse for any other person?—A. No.

Q. Who was the buyer?—A. I do not know the man's name.

Q. Did you hear his name?—A. I may have heard his name at the time, but I do not recollect it.

Q. Who was the veterinary surgeon?—A. I do not know that either, I never asked his name.

Q. What price did you receive for your horse?—A. \$150.

Q. What was the age of your horse?—A. Thirteen years old I bought him for.

Q. What was his weight?—A. Between 1,200 and 1,300.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was your horse examined?—A. I cannot rightly say.

Q. You cannot say?—A. No, except that it was some time in the afternoon.

Q. When were you paid?—A. I was paid the same time.

Q. Did you sign a receipt?—A. No, I do not think I did.

Q. How long did you have that horse?—A. Well, as near as I can guess, about three or four weeks.

Q. What did you pay for him?—A. \$125.

Q. What examination did the veterinary surgeon make of your horse?—A. He went all over the horse and looked in his mouth and asked me what I wanted for him and I told him, and that is all he said.

Q. What did the buyer offer you for your horse?—A. \$150.

Q. And what did you ask?—A. I asked \$175.

Q. Did the veterinary surgeon ask you if the horse was sound?—A. No, sir, he asked me nothing.

Q. Did he ask you what the age of the horse was?—A. He did not, but the man who bought him did, the man who paid me the money did.

Q. What did you tell him as to the age?—A. I told him that I bought him for thirteen years old.

Q. Why did you not tell him the correct age?—A. I could not.

Q. You could not?—A. No, because that is what I bought him for.

Q. Didn't you know that the horse was very much older than that?—A. No.

Q. Didn't you know that the horse was a great deal older?—A. No.

Q. Didn't you know that the horse was about twenty-five years old?—A. No.

Q. Was he not twenty-five years of age?—A. No, I do not think so. If he was, it was more than I knew; I do not know much about a horse's age.

Q. He had a spavin on his hind leg, hadn't he?—A. No, sir, neither on the hind leg or the forward legs either; his legs was good.

Q. Are you sure?—A. Yes, I am sure.

Q. What about the running at the mouth?—A. I do not know anything about that, he had no running at the mouth when I had him.

Q. He had not?—A. No.

Q. At any time?—A. No.

Q. What was the matter with him?—A. There was nothing the matter with him except that he was broken in the wind.

Q. That is, he had the heaves?—A. You can call it that if you like; I bought him that way.

Q. You bought him that way?—A. Yes.

Q. And you sold him that way?—A. I was not asked about it.

Q. He had the heaves?—A. I do not know as it was the heaves.

Q. What do you say it was?—A. He was pricked in the wind.

Q. What do you mean by "pricked in the wind"?—A. Heavy breathing when running.

Q. That is what they call a "roarer" in some parts of the country?—A. I do not know what you call it.

Q. He was broken in the wind, in other words?—A. Probably.

Q. Did you pay any of the money you got for that horse to McKay, the buyer?—A. No, sir.

Q. Did you pay anything to Chipman, the veterinary surgeon?—A. No, sir, I paid to no one.

Q. Did you give anything to anybody to get your horse passed?—A. No.

Q. Do you swear you did not?—A. Yes.

Q. Did you give anything after the horse was passed?—A. No.

Q. Do you swear you did not?—A. Yes, sir, I swear that.

Q. Did you make any promise to anybody of anything to get the horse passed?—A. No.

Q. Or after he was passed?—A. No.

Q. Did you pay any commission?—A. No, sir, I paid nothing.

Q. You paid nothing?—A. No, sir, and no one ever asked me for anything.

Q. Can you be reached by telephone?—A. Yes, sir.

Q. What is your telephone?—A. I have not got any myself, you can phone to Savage, or the Club, Mr. Isaac Ilsley, Berwick.

Q. Do you know the telephone number?—A. I do not; that is the nearest phone I have given you, it is about a quarter of a mile from me.

Q. If I telephone there will they send for you?—A. Probably.

Q. If I want you here, I will let you know by Tuesday?—A. If you want me before Tuesday you will want to send sharp because I am going.

Q. If I want you on Tuesday you will be present, or you will stay here during the rest of the sittings of the Commission.

Sir CHARLES DAVIDSON: Did you trot your horse up and down for the inspection of the veterinary surgeon.

The WITNESS: I was not asked to trot him.

Sir CHARLES DAVIDSON: Why did you not tell the veterinary surgeon that horse was pricked in the wind, you knew he was for the use of the soldiers?

The WITNESS: I did not know there was any need of it when he was the veterinarian examining him.

Mr. THOMPSON: You say you want to go west on Monday; you will come back on Tuesday, please.

The WITNESS: Yes, sir.

By Mr. Sangster:

Q. When the vet. examined the horse he put a ticket on him?—A. Yes, sir, afterwards.

Q. And on that tag which he put on the horse, he wrote something?—A. I cannot tell you, I did not examine the tag, I did not examine anything about it.

Q. Where did you get your pay?—A. In the warehouse.

Q. In the office of the warehouse?—A. Yes.

Q. And there you saw a lot of these tags on the desk?—A. Yes.

Q. Which the veterinary surgeon had handed to McKay and which McKay put on the desk?—A. I do not know who handed them, I know they were there and that is all I know about it.

Q. These tags which you saw, look at this now in my hand and say if it is not one of them?—A. I do not know but it may be.

Q. Would you know your own name if you saw it?—A. Yes, sir.

Q. Will you swear you did not sign one of these tags?—A. I will not swear I did not sign one of them, I may have signed it.

Q. When you got your money, you signed your name on a receipt, didn't you?—A. I do not recollect that.

Q. Will you swear you did not?—A. I will not swear I did not, but if you will show me the writing I would know.

The witness retired.

J. H. BARTEAUX, Morristown, Kings county, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Where did you sell your horse?—A. At Berwick.

Q. How many horses did you sell?—A. One.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Who was the buyer of your horse?—A. I do not know.

Q. Did you hear his name mentioned?—A. I daresay I did, but I did not hear it enough to know.

Q. Who was the veterinary surgeon?—A. I cannot tell you that either, he was a younger, smallish man.

Q. He stout or thin?—A. A thin little man, I suppose he was Mr. Chipman but I do not know, I did not hear anybody say who he was.

Q. What price did you receive for your horse?—A. \$160.

Q. What was the age of your horse?—A. He was five years old.

Q. What was his weight?—A. I suppose it would be about 900 pounds.

Q. Was he a little over or a little under 900 pounds?—A. I do not know, he would not be very much over it, and I do not know that he would be very much under it.

Q. What was his height?—A. I cannot tell you exactly but he was a fair height, about fifteen hands.

Q. How were you paid, were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. Along in the afternoon, two or three o'clock, outside the warehouse.

Q. When were you paid?—A. I was paid shortly after I sold him.

Q. In the afternoon?—A. Yes sir.

Q. What did you ask for your horse?—A. I asked \$165 for him.

Q. What did they offer you?—A. They offered me \$150 first, and I told them I would not do it, and they said they would give \$160, and then I told him I would not do that either, and I took it later. I did not sell the horse because there was anything

[Kentville, Horses—Bartaux.]

the matter with him, but I was just keeping the horse for my driving, and was paying his board, and I thought the winter was going to be hard, and everything high, and I would not winter the horse, and the horse suited me all right, but I concluded to sell him, and this gentleman offered me within five dollars of what I asked for him, and I let him go.

Q. What examination did they make of your horse?—A. The man that bought him looked at him and asked me how old he was, and I referred him to his mouth as his teeth were not full grown and that he would know. He was not more than five years old. He asked me a few questions and by the time he got through the other man came around and he looked at him and he spoke about his age and he said: that is all right, and so on. That is about all there was about it.

Q. Did they ask you if the horse was sound?—A. I think he did.

Q. Did you tell him that the horse was sound?—A. I told him that there was not a pimple on him.

Q. You say that the horse was quite sound in every way?—A. Yes.

Q. How long had you had him?—A. About a year.

Q. What did you pay for him?—A. \$150.

Q. Was he as good a horse when you got him as when you sold him?—A. I think he was worth five dollars more anyway.

Q. Did you pay anything to the man to put the sale through for you?—A. Oh, no.

Q. You did not pay any money to anybody?—A. Oh, no, I never heard anything about anything of that kind.

Q. Does your son own a horse?—A. Yes.

Q. Does he own one now?—A. Yes.

Q. Did he own one in August?—A. Yes, he always owned one since he was a youngster.

Q. Did he sell a horse for military purposes?—A. No.

Q. During August and September last did he have the same horse or did he change him around?—A. He had the same horse.

Q. He did not change horses around at that time?—A. No.

Q. And you say that no horse belonging to him found its way to another person and was afterwards sold to the Government?—A. No, sir.

The witness retired.

The Commission adjourned to meet at Wolfville, Nova Scotia, August 17, 1915, at half past ten o'clock.

WOLFVILLE, N.S., Tuesday, August 17, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES DAVIDSON, Knight,

Commissioner.

JOHN THOMPSON, K.C.,

As Counsel, to aid and assist the Commissioner in this Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

HENRY CHIPMAN, medical doctor, Grand Pré, sworn:

By Mr. Thompson, K.C.:

Q. Are you the father of George Chipman, veterinary surgeon?—A. Yes, sir.

Q. I refer to George Chipman, veterinary surgeon, who examined the horses that were being purchased by the Government for military purposes in Kings county last August or September?—A. Yes.

[Wolfville, Horses—Chipman, M.D.]

Q. Do you identify the Dr. George Chipman, who examined these horses, as your son?—A. Yes, sir, I do.

Q. He is not here now, is he?—A. No.

Q. Where is he at the present time?—A. I think he is at Waverley, Massachusetts.

Q. When did you last hear from him?—A. About a week ago.

Q. Did he then intimate any intention of changing his address?—A. Yes, he may have gone to Vermont, but I do not know.

Q. Where in Vermont?—A. I do not know.

Q. Did he say where?—A. No.

Q. When did he leave Canada?—A. About the middle of June last.

Q. Did he say when he was leaving, or did he intimate when he was leaving, or did he suggest in any way, that he was leaving for the purpose of avoiding appearing before this Commission?—A. I cannot remember.

Q. Had he stated to you that it would be advisable for him to leave Canada in view of the Commission which was about to examine into the purchase of horses?—A. I do not remember that he did.

Q. Do you say that he did not?—A. I do not think so.

Q. Was that matter ever discussed between you and Dr. George Chipman?—A. Not that I remember.

Q. At any time?—A. Except that I did not know when the Commission would meet, that was in June. I considered it was not safe for him to live here and take the stand. He was excited, and any over-exertion was dangerous for him. In that way, I advised him to go.

Q. You advised him to go in view of the danger to his health if he was examined before this Commission?—A. Yes.

Q. Did he tell you that any other persons had advised him to avoid examination before this Commission?—A. I do not think he did.

Q. Are you sure he did not?—A. I am.

Q. Are you quite sure that no other person advised him to go away in order to avoid examination before this Commission?—A. They had advised him to go because of his health, that is, those who knew his condition.

Q. You say that no person advised him to leave Canada to avoid examination before this Commission?—A. Not that I know of.

Q. Had he stated that he would return?—A. I cannot say.

Q. When do you expect him to return?—A. I know nothing definite as to that.

Q. Is he in a worse condition than he was three or four months ago?—A. He is in no better condition.

Q. Is he in a worse condition than he was six months ago?—A. I think he is.

Q. To what extent?—A. The disease is more pronounced in the lung.

Q. Is he in a worse condition than he was when he acted as veterinarian and examined these horses last August?—A. Yes, the nature of that disease is to progress.

Q. Is he in a materially worse condition?—A. That is a pretty difficult question to answer.

Q. What is the nature of his illness?—A. Tuberculosis.

Q. How long has he had it?—A. For a year or more, perhaps two years.

Q. Would you say that there is any material difference between the state of his health now and the state of his health last August?—A. That is a year ago?

Q. Yes?—A. Yes, there would be.

Q. Or between now and last May?—A. Yes, that is the reason I sent him away. He was under my treatment and I found it was not doing him much good, and I advised him to go away, and sent him to Chelsea where his uncle, a doctor, lives.

Q. What length of journey is it, where he is now, from Kentville?—A. Really I do not know.

Q. What is his address in Waverley?—A. I do not know, we address him just Waverley.

Q. Did he write to you after he had been in communication with Keever?—A. No.

[Wolfville, Horses—Chipman, M.D.]

Q. Did he tell you he had been in communication with Woodworth?—A. No.

Q. Did he tell you he had been in communication with Mr. Foster?—A. No.

Q. Did he state to you that he had been in communication with Mr. Oakes?—

A. No.

Q. How long would it take him to travel from Waverley to Kentville?—A. He was about three days getting there.

Q. How long does the journey usually take?—A. I do not know, I have not made the journey.

Q. Is Waverley near Boston?—A. Yes, near Boston.

Q. It would be a short night's run to Montreal?—A. Yes.

Q. Did he travel to Waverley alone?—A. He went alone, he was pretty well exhausted when he got there.

Q. Did he furnish his own funds for travelling?—A. No, I gave him the money.

Q. Has he done any travelling since he has been at Waverley?—A. No, I am paying his bills there.

Q. Has he been at the hospital?—A. No, it is not an hospital.

Sir CHARLES DAVIDSON: He is not there now, is he?

The WITNESS: The last I heard of him he was at Waverley, but he may have gone to Vermont.

Mr. THOMPSON: Did he tell you why he was going to Vermont?

The WITNESS: There is a sort of sanitarium there, and the doctor advised him to go.

Sir CHARLES DAVIDSON: What is the name of the place?

The WITNESS: I do not know but it is some place in Vermont.

By Mr. Thompson:

Q. Did not he write to tell you where he was going?—A. He simply wrote to me that the doctor, his uncle, advised him to go to this place in Vermont. He did not mention the name of the place, but he did name the house.

Q. What is the name of the house?—A. I really forget, but it is a large sanitarium, I understand. I sent the letter back. He said if I approved of it he wanted my son to have it, and I sent the letter back to him.

Q. Where is Chelsea?—A. A short distance from Boston.

Q. Do you know your son's address at Waverley?—A. Just Waverley will get him. That is the way we address his letters.

Q. Is he at an hotel?—A. He has a large room in a sort of boarding house that a friend got for him, and a verandah where he sleeps outside. He is under treatment of my brother, Dr. Chipman, and taking medicine from him.

Q. How far is Waverley from Chelsea?—A. I do not know; I would judge from what he wrote us, that Waverley would be perhaps ten or fifteen miles from Boston.

Q. And how far from Boston?—A. Chelsea is about five miles from Boston, across the river.

Q. Is it in the same direction or in an opposite direction?—A. The same direction, I think. I have not been there for years, and I do not know much about it.

Q. You had better consider, doctor, the question of having your son attend here for examination before this Commission, or, if the rail journey is shorter to Montreal, he could be heard at Montreal. His reputation is at stake, and there are serious allegations made here against his character.

Sir CHARLES DAVIDSON: Did the doctor state when he last heard from his son?

The WITNESS: About a week ago.

Sir CHARLES DAVIDSON: Have you advised him of the fact that this Commission is sitting in this vicinity?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: What did he answer?

[Wolfville, Horses—Chipman, M.D.]

The WITNESS: He said he was not able to travel.

Sir CHARLES DAVIDSON: Where was that letter addressed from?

The WITNESS: That letter was addressed from Waverley. I advised him not to risk the journey under the circumstances, I will take the responsibility for that.

By Mr. Sangster:

Q. I have not conferred with you, but you have not told the Commissioner what you understood to be the condition of your son. Was there not some difficulty in his entering the State, owing to his physical condition?—A. Yes, he was turned back at Vanceborough. The inspector told him he must go back and he had to go back to St. John, and he went before the board there, and an emigration doctor examined him, and he came in afterwards and asked what he found, and the doctor said that his left lung was in a very bad state and there was some trouble in the right lung, and he could not go into the United States.

Q. And he ultimately gained admission to the United States?—A. He went from Vanceborough to St. John and was examined there. He went from St. John to Digby, and from there to Yarmouth, and took the boat to Boston.

Q. Have you any professional knowledge as to your son's illness and the condition of which he is in?—A. Yes, it is a bad case of tuberculosis.

Q. Advanced or otherwise?—A. In the left lung it is advanced.

Q. It is serious?—A. Yes, I consider it so, and other doctors consider it so.

The witness was not further examined.

T. S. MACGREGOR, Wolfville, sworn:

Examined by Mr. Thompson, K.C.

Q. Did you sell a horse for military purposes last August or September?—A. Well, I was out here, on the street, and I heard they were buying horses at Hutcheson's, and I wanted to sell my horse and I drove in there.

Q. How many horses did you sell?—A. Just one.

Q. Did you sell a horse for any other person?—A. No, it was my own horse. I drove it during the summer and did not want it for the fall and winter.

Q. How many horses did you sell?—A. Only one horse.

Q. Who was the buyer at the sale?—A. Mr. Chipman was the veterinary surgeon. He had examined the horse and put a ticket on him, and there was another man there, I do not know his name.

Q. You do not know who the buyer was?—A. No, but it is easy to find that out.

Q. I want to know whether you know who the person was who handed you the money when you completed your sale?—A. No, I do not know the man's name.

Q. What price did you receive for your horse?—A. I received a small price for the horse. I received \$145.

Q. What was its age?—A. He was ten years old.

Q. What was his weight?—A. 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. When was your horse examined, what time of the day was it?—A. It was about two or three o'clock in the afternoon.

Q. When were you paid?—A. I was paid about four o'clock the same afternoon.

Q. Where were you paid?—A. I was paid down at the office.

Q. What office?—A. They seemed to have a little office right near Mr. Hutcheson's stable.

Q. Did you see any other persons receive their money there?—A. I saw men going in and out, but I did not pay much attention to it. I sold my horse at a reasonable price and got my money and went home.

Q. What examination did the veterinary surgeon make of your horse?—A. He looked the horse over, and felt his legs, and looked at the horse generally.

[Wolfville, Horses—Macgregor.]

Q. Did he look at his teeth?—A. Yes, I think so.

Q. Are you sure about that?—A. Well, I would not swear positively, but I think he did. He felt the legs up and down and asked me if he was sound, and I told him he was sound. He was not lame in any way, and I had driven him all summer.

Q. Did the veterinary surgeon ask you to drive the horse up and down when he was examining him?—A. Not more than to walk around the yard.

Q. Was your horse hitched up to a buggy?—A. Yes.

Q. What were you asking for the horse?—A. I wanted \$170 for the horse or \$175.

Q. What did they offer you for him?—A. They offered me \$145 and I went away for a time and thought I would not sell him at all. The price was too low. It was a good carriage horse.

Q. And you took their offer eventually?—A. I thought it over and came back. The Government was paying the money and paying cash, and I thought it was better to take the money than to go around to some one else and have to wait for the money.

Q. After they examined the horse did they put a ticket on him?—A. Mr. Chipman put a ticket on him.

Q. Did you sign a receipt for the money?—A. Yes.

Q. Was your horse sound?—A. Yes.

Q. How long had you had him?—A. I had him about four months.

Q. What did you pay for him?—A. Well, the man I bought him from wanted to sell his horse a good deal; he wanted \$175 and I paid him \$150 for the horse.

Q. Did you have him examined when you bought him?—A. Yes.

Q. Did you think he was sound?—A. Yes, the horse was sound. I drove him all summer.

Q. He was not lame?—A. Lame in no way.

Q. And he had no heaves?—A. No heaves or anything else.

Q. He was quite sound?—A. The only trouble I had with the horse was that he was a little too lively for work around the garden or on the farm; he was a splendid carriage horse.

Q. That is not an objection that you find in an old horse?—A. No, my horse had a little too much life.

Q. Did you pay any part of this money to Dr. Chipman, or Mr. McKay, or to anybody else?—A. No.

Q. Or to any other person?—A. No, mine was a square deal in every way.

The witness was not further examined.

JOSEPH HARRIS, of Wolfville, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. I did, sir.

Q. How many horses did you sell?—A. One.

Q. Where was the sale?—A. At Mr. Hutcheson's livery stable here in Wolfville.

Q. Did you sell more than one horse?—A. Only one.

Q. Who was the buyer?—A. I do not know the gentleman's name. Dr. Chipman bought him, and the other man was there, whatever his name is.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

Q. What price did you receive for your horse?—A. \$160.

Q. What was the age of the horse?—A. Six years old.

Q. What was his weight?—A. He was nine to ten hundred pounds, I should think.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was the horse examined?—A. About eleven o'clock, I think.

Q. When were you paid?—A. About twelve o'clock.

Q. Who bargained with you as to the price?—A. This man that was there, whatever his name was.

Q. And it was not Dr. Chipman?—A. No, there was just two men there, Dr. Chipman and this other man.

Q. Would you describe the other man who was there with Chipman?—A. Well, I do not remember, I never thought very much about it, I just sold my horse and got my pay.

Q. What were you asking for the horse?—A. I asked him \$170.

Q. What did he offer you?—A. He offered me \$160.

Q. Did you close with him?—A. Not just then I did not.

Q. You, like a wise bargainer, held out a little bit, and then closed eventually for \$160?—A. Yes.

Q. What examination did the veterinary surgeon make of your horse?—A. He looked around her, he had known the horse for some time and he knew the horse was sound, but he looked all around her and said: "She is all right."

Q. Did he ask you if the horse was sound?—A. No, he knew she was sound.

Q. Was she quite sound?—A. Yes, there were no complications in her at all.

Q. What did you pay for the animal?—A. I raised her.

Q. Did you see Mr. Foster there the day of the sale?—A. No.

Q. Did you see Mr. Oakes there the day of the sale?—A. No.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt for the money?—A. I did, sir.

Q. Did you give any part of that money to Dr. Chipman?—A. No, I did not.

Q. Or did you give any part of it to the other man who bought the horse?—A. No, none of them asked me a question about it, they just paid me the money and that was all.

Q. And there was no little present handed over to either of them?—A. I did not make any present to anybody and they would not ask me for it.

The witness retired.

ROBERT FOSTER, Wolfville, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes.

Q. How many did you sell?—A. One.

Q. Did you sell a horse for any other person?—A. No, sir.

Q. Where was the sale?—A. In Mr. Hutcheson's yard here in Wolfville.

Q. Who was the buyer, do you know?—A. I do not know.

Q. You do not know his name?—A. I do not know the man's name, the vet. was Dr. Chipman. There were two men there besides Dr. Chipman.

Q. Did you know the other men?—A. I did not know either of the other men.

Q. Did you hear what the other men's names were?—A. Keever and Woodworth, I understand.

Q. What price did you receive for your horse?—A. I got \$165.

Q. What was the age of your horse?—A. Eight years old.

Q. What was his weight?—A. He weighed 1,070 pounds with the harness on; about 1,050 pounds he weighed the day I sold him.

Q. Were you paid by cheque or by cash for your horse?—A. I was paid by cash.

Q. By whom were you paid?—A. I cannot tell but it was one of these men, I never saw them before.

Q. Was it Chipman?—A. No.

Q. What time of the day was your horse examined?—A. He was examined just before dinner. I drove him in just before noon, and they were buying some horses at

[Wolfville, Horses—Foster.]

Mr. Hutcheson's and they asked me to drive in in the evening, and I did so, and they bought him about two o'clock.

Q. When were you paid for the horse?—A. I put him in the stable and came back and went and got my money.

Q. What were you asking for your horse?—A. I asked \$175.

Q. What did they pay for him?—A. \$165.

Q. Did you see Mr. Foster there the day of the sale?—A. No.

Q. Did you see Mr. Oakes there the day of the sale?—A. No, I would not know the man if I saw him.

Q. What examination was made of your horse by the veterinary surgeon?—A. The vet. opened his mouth and examined his teeth and went around him a little, and I think that is the only man who examined him any.

Q. Did he make you drive him up and down the street?—A. No, sir.

Q. Did he ask you if he was sound?—A. He never asked me any questions.

Q. Was the horse sound?—A. He was perfectly sound.

Q. How long had you had him?—A. I bought him in the spring.

Q. What did you pay for him?—A. I paid about \$168.

Q. Did you give any part of that money to Chipman?—A. I didn't give anything to anybody.

Q. Or did you give any part of it to any other man?—A. No, I didn't give any of it to any other man.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt for your money?—A. Yes, I think I did.

The witness retired.

RUFUS LIGHTFOOT, farmer, Wolfville, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Where did you sell him?—A. I sold him in Wolfville, in Mr. Hutcheson's stable.

Q. How many horses did you sell?—A. I sold one.

Q. Who was the buyer?—A. I do not know who it was bought the horse or paid me the money; Mr. Chipman was the vet.

Q. Was there more than one man buying?—A. There were three of them there, I think, altogether.

Q. That is there were two besides Chipman?—A. Yes.

Q. Were you paid the money by Dr. Chipman?—A. No.

Q. What price did you receive for your horse?—A. \$160.

Q. What was the age of your horse?—A. Eight years old.

Q. What was his weight?—A. About a thousand pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. Between one and two o'clock in the afternoon.

Q. When were you paid?—A. Along about the same time, about two o'clock.

Q. Can you describe the man who paid the money?—A. No, he was a stout light-complected man.

Q. What examination was made of your horse?—A. I did not have anything against him only he shied.

Q. What examination was made of your horse by the veterinary surgeon?—A. They just had me travel around there, you know, and everything suited.

Q. Did they feel his legs?—A. Yes, sir.

Q. How long did you have that horse?—A. About a year and a half.

Q. What had you paid for him?—A. \$125.

Q. Did they ask you whether the horse was sound or not?—A. They did not ask me a question.

Q. Was the horse sound?—A. Yes, sir.

Q. How sound?—A. Sound, as far as I know.

Q. Was there anything wrong with him?—A. Nothing.

Q. What made you sell him?—A. I did not want him for the winter.

Q. Was he tender in the feet at all?—A. No, sir.

Q. Had he any spavins?—A. No, sir.

Q. How was his wind?—A. His wind was good.

Q. Did he kick any?—A. No, sir.

Q. Did he bite?—A. No, sir, he was quiet in every way.

Q. Did he stumble?—A. No, sir.

Q. Was the horse balky?—A. Not much.

Q. Did they put a tag on him?—A. Yes.

Q. Did you sign a receipt?—A. No.

Q. Did you give any money to Dr. Chipman?—A. No.

Q. Did you give any money to either of the other two men?—A. No, sir, I kept it all.

Q. You gave no reward in any way to anybody for having passed that horse?—A. No, sir.

The witness retired.

MRS. J. ELLIOTT SMITH, Wolfville, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September to the Government?—A. Yes.

Q. You only sold one?—A. Only one.

Q. Was it your horse?—A. Yes.

Q. Where did you sell him?—A. At Hutcheson's yard in Wolfville.

Q. Who bought the horse?—A. I did not know at the time; I was told it was Mr. McKay.

Q. How long after did you hear it was Mr. McKay?—A. When I arrived home.

Q. The same day?—A. Yes.

Q. And the veterinary surgeon was Chipman?—A. Yes.

Q. We heard this morning that there was a third mysterious man, there, do you know his name?—A. I do not know. I saw several men there and several horses; they were buying and selling horses.

Q. How many did you see buying horses?—A. Only two.

Q. That was Chipman and McKay?—A. Yes.

Q. There was no other person?—A. No.

Q. What price did you receive?—A. \$140.

Q. What was the age of the horse?—A. I cannot tell, I bought it from Mr. Gavin Steers of Halifax, and he refused to give me the age; the horse was bought by auction.

Q. How long before that?—A. Three years.

Q. Did you hear it remarked how old the horse was?—A. I heard it was twelve years old.

Q. What was the age limit?—A. I should not say more than twelve or thirteen. I was told by a very competent man that the horse was not more than thirteen years old.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day was it?—A. In the afternoon.

Q. How long after the sale were you paid?—A. I was paid an hour after.

[Wolfville, Horses—Smith.]

Q. By whom were you paid?—A. By Mr. McKay.

Q. What did you ask for the horse?—A. I left the horse in the yard and told them to make their own price.

Q. You told them to make their own price?—A. I asked them for an offer, as I really did not know what the horse was worth.

Q. You did not put any price on the horse, you left it to the generosity of Mr. McKay and Mr. Chipman?—A. Yes, I did.

Q. And you did not put any limit at all?—A. No.

Q. You put no limit on the price either way?—A. No.

Q. What did they pay you?—A. They paid me \$140.

Q. Did you accept it?—A. I did.

Q. Did you ask them for more when they offered you that?—A. No, I did not.

Q. I suppose your opinion as to their generosity was not very high?—A. It was not.

Q. Did they put a ticket on your horse?—A. No.

Q. Did you sign a receipt for your money?—A. I did, in Dr. DeWitt's house adjoining.

Q. What examination was made of your horse?—A. I do not know. I went in to Dr. WeWitt's and stayed there for an hour.

Q. Did they ask you whether the horse was perfectly sound?—A. Yes, perfectly sound.

Q. Did they ask you that?—A. Yes.

Q. Did they ask you that before you left?—A. Well, it was there in the carriage.

Q. Was the horse perfectly sound?—A. Perfectly sound; perhaps it was apt to trip at times, but it was a very good rider.

Q. Was it a saddle horse?—A. Yes, a perfect saddle horse.

Q. Did you use it yourself?—A. Yes.

Q. Would it stumble at all?—A. At times; it depended on the shoeing.

Q. Had the horse any other fault that you know of?—A. No, it was perfectly sound.

Q. What did you pay for it?—A. I paid \$100. I was asked \$175 for the horse previously, but it was sold the following week at auction for \$100.

Q. Was it sold to you in Halifax?—A. No, it was sold to a friend of mine for \$100. The previous week it had been offered to me for \$175, and I did not take it because I could not tell the age.

Q. And at the public auction it was knocked down at \$100?—A. Yes, it was bought by a friend for me.

Q. Did you sell the horse because it stumbled?—A. No, I sold it because I did not need it, I wanted a different horse.

Q. Did you give any part of the money which you received for that horse to Dr. Chipman?—A. No.

Q. Or to the other man who was there?—A. No.

Q. You did not pay anything to anybody?—A. No, I did not receive sufficient to pay anything to anybody.

The witness retired.

ANDREW WESTCOTT, farmer, Wolfville, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. I did.

Q. Where did you sell your horse?—A. In Mr. Hutcheson's stable at Wolfville.

Q. How many horses did you sell?—A. I just sold one.

Q. Who was the buyer?—A. I think they called him Mr. McKay.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

[Wolfville, Horses—Westcott.]

Q. Did you see any one else there buying horses except McKay?—A. No.

Q. Was any one assisting in the purchase of horses except Chipman?—A. Not that I know of. I saw Mr. R. S. Starrs in the afternoon when I delivered the horse.

Q. What did you receive for your horse?—A. \$175.

Q. What was the age of your horse?—A. Eight years.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. About ten o'clock I think.

Q. When were you paid?—A. I was paid in the afternoon. I went home in the afternoon and came back with another one to take the wagon.

Q. Did you bring the same horse back?—A. Yes.

Q. What was his weight?—A. 960 pounds, I weighed him once.

Q. Who arranged with you as to the price?—A. Mr. McKay I suppose it was.

Q. What were you asking?—A. \$185.

Q. What did he offer you?—A. \$175.

Q. What age was the horse, did you say?—A. Eight years old.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt for the money?—A. I signed a card or ticket.

Q. What examination did the veterinary surgeon make of your horse?—A. He made a very good one. I drove into the yard. My son was with me and I got out and went into the stable and when I came out Chipman was looking in her mouth and I seen him and Mr. McKay, I suppose it was, going around the horse, and I think they examined it thoroughly.

Q. Did they make you drive him around?—A. No.

Q. How far do you live from Wolfville?—A. Two and a half miles.

Q. Did you drive with a man named Hill?—A. No.

Q. How long after you arrived here was the horse examined?—A. At once.

Q. Did they ask you if the horse was sound?—A. No.

Q. Did you tell them it had the heaves?—A. No.

Q. Had it the heaves?—A. No.

Q. You swear it had not the heaves?—A. No.

Q. Did it have a cough?—A. No, the mare had the distemper in the spring and had it bad, and had a cough, and when I turned her out on pasture she got over it.

Q. How long had you owned that mare?—A. I raised her.

Q. What length of time did she have the distemper in the spring?—A. It would be probably for four or five weeks.

Q. Beginning when?—A. I think in March.

Q. When did the horse recover?—A. In May.

Q. What had you been using the horse for from May until the time you sold it?—A. Driving.

Q. Did it show any sign of heaves whatever?—A. None whatever.

Q. Was the horse sound?—A. So far as I know the horse was sound.

Q. You raised the horse?—A. Yes.

Q. Then you would know if it had any unsoundness?—A. Yes.

Q. Did the horse have any spavins?—A. No.

Q. Was it over in the knees?—A. No.

Q. That horse had two spavins, had it not?—A. No, it had not any spavins, and if it had I did not know it.

Q. Are you sure it did not have two spavins?—A. No, it had not.

Q. Are there two Andrew Westcotts in this country?—A. No.

Q. Where do you come from, do you come from Wallbrook?—A. Yes.

Q. But you did offer that horse for sale once before?—A. No.

Q. Did you offer to sell the horse for fifty dollars on a previous occasion?—A. No.

Q. Do you swear you did not?—A. I swear I did not.

Q. Did you offer to trade that horse for something that was worth fifty dollars?—A. No.

Q. When did you offer to sell it?—A. I never tried to sell it at all. Mr. Porter came down in the spring and tried to buy the horse and I told him she was not fit to sell. I told him afterwards the mare had got all right and was well and he saw her at that time, but I did not ever attempt to sell to anybody.

Q. Did you have that mare examined by a veterinary surgeon in the spring?—A. No.

Q. How do you know it was not the heaves the mare had?—A. She showed no sign of the heaves.

Q. How far did you drive her ever in one day?—A. I have driven her twenty-one or twenty-two miles in the afternoon.

Q. And she showed no sign of the heaves whatever?—A. No sir, her wind was as good as it could be.

Q. The mare was quite sound as to her wind?—A. Yes.

Q. And you say she did not have any spavins?—A. She did not that I know of.

Q. You owned her continuously?—A. Yes.

Q. For eight years?—A. Yes, I raised her.

Q. Did you ever groom her?—A. Yes.

Q. And you would know she had spavins if she had them?—A. I think I would.

Q. Did she start out a little stiff in the morning?—A. No.

Q. That mare was perfectly sound?—A. She was perfectly sound, so far as I know.

Q. Did you give any part of the money you got for that mare to Chipman?—

A. No.

Q. Or to any of the others?—A. No.

Q. Neither directly nor indirectly?—A. No.

Witness retired.

J. D. MARTIN, farmer, Gaspereau, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. I did.

Q. How many did you sell?—A. I sold only one.

Q. Where did you sell that horse?—A. At Mr. Hutcheson's stable in Wolfville.

Q. Who was the buyer?—A. I do not know, I did not know his name.

Q. Who was the veterinary surgeon?—A. Chipman was the veterinary surgeon.

Q. What did you receive for that horse?—A. I received \$160.

Q. What was the age of the horse?—A. The horse was five years old.

Q. What was his weight?—A. About 900 pounds, I should think.

Q. Were you paid by cheque or by cash for that horse?—A. By cash.

Q. What examination was made of the horse?—A. He looked in his mouth and examined his legs and went around him.

Q. Did he ask you if the horse was sound?—A. No, he did not ask me any questions.

Q. What were you asking for your horse?—A. \$175.

Q. And what did he offer for the horse?—A. He offered me \$160.

Q. And you closed at what price?—A. \$160.

Q. What time of the day was your horse examined?—A. Somewhere in the afternoon, about two o'clock.

Q. When were you paid?—A. Right when the bargain was made.

Q. You were paid by some one whom you say you did not know?—A. I did not know him, I never saw him before or since.

Q. Did they put a ticket on him?—A. I think he did.

Q. Did you sign a receipt for the money?—A. I do not remember that I did.

Q. Did they ask you whether the horse was sound or not?—A. No questions were asked.

Q. How long had you had the horse?—A. About an hour.

Q. You bought that horse from Davidson?—A. Yes.

Q. What did you pay Davidson for the horse?—A. \$150.

Q. Was the horse sound?—A. Sound, so far as I know.

Q. Did you examine the horse before you bought him?—A. I sold him the horse by auction some time before, I sold him to my nephew the fall before.

Q. What did you receive when you sold him?—A. I think I received \$140 in the fall of the year, I was the auctioneer on the occasion the horse was sold.

Q. You got \$140 for the horse the first time you sold him and the second time you sold him you got \$160?—A. Yes.

Q. You had known that horse for some time?—A. Quite long, he was a neighbour's horse.

Q. What was wrong with him?—A. Nothing that I know of.

Q. Was he tender in the feet?—A. Not so far as I know, he was sound.

Q. What about his wind?—A. Good, so far as I know.

Q. Did you drive him?—A. Yes, I never knew anything wrong with the horse.

Q. Did he stumble?—A. No, not that I know of.

Q. Why did you buy him immediately before the sale?—A. I thought I could make a dollar on it and that is why I bought him, that is what I was after.

Q. How much did you pay for the horse?—A. \$150.

Q. Was this old man present at the sale?—A. No.

Q. Did he know the sale was going on to the Government?—A. Yes.

Q. How far did you live from the place of sale?—A. Three or four miles.

Q. And you drove out for the purpose of buying this horse?—A. No, I got him on my way home.

Q. He had not been offered at the sale before?—A. No.

Q. Did you take the horse from the owner there and then?—A. There and then.

Q. Did you pay cash for the horse?—A. Yes.

Q. Did you pay before you took him away?—A. No.

Q. Did you pay after you came back?—A. I paid for him after I came back.

Q. You paid for him when you received your cash from the Government?—A. Yes.

Q. Did you buy that horse on condition that you could sell him to the Government?—A. No.

Q. Did you tell Davidson you wanted to sell him to the Government?—A. No.

Q. Had you any arrangement with Davidson that you would buy him for the purpose of selling him to the Government?—A. Yes.

Q. What was the arrangement?—A. He had been in Wolfville to sell his horse.

Q. To sell this horse?—A. To sell this very horse.

Q. Did he offer him for sale?—A. No. I met him on the hill and he said: "I wish to sell this horse; I do not want it." He had got him in the fall of the year and did not want him. He said he could not find where to sell him. I says: "That horse should suit them very well, what do you want for him." He said: "Take him down and sell him and get \$150 for him if you can; I am satisfied with \$150, I have no use for him any more."

Q. Did he tell you he had been to Wolfville to sell the horse and that he did not know whether the horse could be sold or not?—A. He told me what I told you, and he was on the way home.

Q. What is his first name?—A. I cannot tell you, I think it is A. C. Davidson.

Q. Is his name Davidson or Davison?—A. I do not know which.

Q. Did you first suggest to Davidson that you would sell his horse or did he speak to you first about it?—A. I do not know which spoke first. He told me where he had been and I said: "What do you want for the horse?" and he said, "Don't sell him less than \$150; I would be satisfied to take \$150 for him."

Q. Did he tell you that he could not find the place in Wolfville where the sale was going on?—A. He said he did not know where the sale was going on.

Q. Did you know where the sale was going on?—A. I did not until I got to Wolfville, I had not been in the yard before.

[Wolfville, Horses—Martin.]

Q. You had never been in the yard before?—A. I had never been in it, until I came back with the horse. I said: "I will take the horse over and try and sell him for you."

Q. Had you spoken to any of the buyers or to Chipman before you saw Davidson?—A. No, I did not know the buyer at all, I never saw him before or since.

Q. Did you speak to any one before about selling this horse?—A. No.

Q. You had no conversation whatever?—A. No, I told him about the sale and I said to him to take his horse over and sell him. He had driven over to Wolfville that morning and he told me he did not know where they were selling the horses.

Q. Did you not testify a moment ago that you did not know whether there would be a sale here?—A. I think I did.

Q. Did you go out to meet Davidson?—A. No, I met him on my way home.

Q. Where do you live?—A. I was coming from home and met him going back with his horse.

Q. And there was no arrangement by which you should meet Davidson on the road?—A. No.

Q. Did he express surprise when he met you on the road?—A. No, I am on the road a good deal of the time.

Q. It was quite accidentally that you met him on this occasion?—A. I think so.

Q. Was he looking for you?—A. I do not know whether he was or not, he may have been.

Q. Did you pay any part of that money that you got for the horse to anybody?—A. No.

Q. Do you know that this man Davidson lives on the Gaspereau mountain?—A. Yes.

Q. How far from here?—A. Four miles I should think.

Q. How much did you hand over to Davidson?—A. I handed him over \$150, the price he asked.

Q. And you got \$160?—A. Yes, I got \$160, a quick sale, and a small profit.

The witness retired.

GEORGE SHEARER, farmer, Grand Pré, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purpose to the Government last August or September?—A. Yes.

Q. How many horses did you sell?—A. I sold one horse.

Q. Did you sell any horse for any other person?—A. No.

Q. Where was the sale?—A. At Hutcheson's stable in Wolfville.

Q. Who was the buyer of your horse?—A. I did not know him.

Q. Who was the veterinary surgeon?—A. Chipman was the veterinary surgeon.

Q. What price did you receive for your horse?—A. \$140.

Q. What was the age of your horse?—A. The veterinary surgeon said he was nine years old.

Q. And what was his age?—A. I do not know.

Q. What was the weight of the horse?—A. About 1,025 pounds I should say, I never weighed him.

Q. What time of the day was your horse examined?—A. At eleven o'clock or thereabouts.

Q. When were you paid?—A. At the same time.

Q. Do you know by whom you were paid?—A. I do not know the man.

Q. Did you sign a receipt?—A. Yes.

Q. Did you put a ticket on your horse?—A. They put a ticket on him.

Q. What examination was made of your horse?—A. He looked at his mouth and all around him.

[Wolfville, Horses—Shearer.]

Q. Did you drive him up and down?—A. No.

Q. Did they ask you to do so?—A. No.

Q. Was Mr. Foster there?—A. No.

Q. Was Mr. Oakes there?—A. I do not know him.

Q. What were you asking for your horse?—A. \$140.

Q. What did they offer you for him?—A. They offered me \$140.

Q. They offered you just what you were asking?—A. Yes.

Q. How long had you that horse?—A. I bought him in March in Halifax.

Q. For how much?—A. \$75 and five dollars freight, \$80 he cost me.

Q. What age was he supposed to be when you bought him?—A. I bought him for eight years old.

Q. What age did you afterwards discover him to be?—A. They said he was nine years old.

Q. Only nine?—A. Yes, I cannot tell a horse's age.

Q. There was nothing wrong with him, you say?—A. Nothing.

Q. How could you get a horse nine years old for that price, namely \$75, unless there was something wrong with him?—A. Well, they did not want him, I suppose.

Q. What was peculiar about that horse?—A. Nothing to my knowledge.

Q. Was he lame?—A. No.

Q. Was he tender in the fore-feet?—A. He had bar shoes on when I bought him.

Q. Which would indicate that he was tender in the feet, would it not?—A. They generally shoe them that way in the streets of a city.

Q. Had he any spavins?—A. No.

Q. What about his wind?—A. His wind was all right.

Q. Was he over in the knees?—A. No.

Q. Did he run away?—A. No.

Q. Was he a kicker?—A. No.

Q. Did he balk?—A. No.

Q. What about his eyesight?—A. His eyesight was all right.

Q. Was he blind?—A. No.

Q. How high did that horse stand?—A. I should say a little over 15 hands.

Q. Did you buy him at public auction?—A. No, I bought him at a private sale.

Q. From whom did you buy him?—A. From J. A. Leaman & Company, butchers.

Q. Had he been used in the butcher's delivery wagon?—A. Yes, that is what he was used for.

Q. And you say it was at private sale you bought him?—A. I bought him at private sale.

Q. What did you pay for him?—A. \$75 and five dollars freight, making \$80 that he cost me.

Q. When you were purchasing that horse what did you offer for it?—A. I paid what they asked.

Q. They asked \$75 for the horse and you paid it?—A. I paid it.

Q. Was that horse as good when you sold him as when you bought him?—A. Better.

Q. How much better?—A. I cannot say, he was in better order.

Q. What was wrong with him when you bought him?—A. Nothing.

Q. In what way did he get better?—A. He improved in flesh.

Q. How did you get him so cheap?—A. I suppose they wanted to sell him.

Q. I am asking you how you managed to get him so cheap if he was such a good horse?—A. I cannot tell you that.

Q. How far do you live from here?—A. Two miles.

Q. Have you a telephone?—A. No.

Q. Who is your nearest neighbour?—A. G. W. Trenholme.

Q. Is that Jerry Trenholme?—A. No, George.

Q. Did you give Chipman anything for passing that horse?—A. No.

Q. Or did you give him anything after the horse was passed?—A. No.

[Wolfville, Horses—Shearer.]

Q. Or did you give any other person any consideration in connection with the sale of that horse?—A. No.

Q. You say you did not give any commission at all to any person?—A. No.

Q. How long did you have that horse?—A. I bought him in March.

The witness retired.

JOSEPH CLEVELAND, Green Ridge, farmer, sworn:

Examined by Mr. Thompson:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Where was the sale at which you sold your horse?—A. At Mr. Hutcheson's yard in Wolfville.

Q. How many horses did you sell to the Government?—A. One.

Q. Do you know who the buyer was?—A. No, sir.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

Q. What price were you paid for your horses?—A. \$160.

Q. What was the age of your horse?—A. Six years old.

Q. What did your horse weigh?—A. Well I never weighed him but I think about 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. By whom were you paid?—A. By this man.

Q. Describe him please?—A. He was quite a short stout man.

Q. Had he a mustache or a beard or what?—A. I do not remember, I suppose Mr. Hutcheson is available and he can tell you.

Q. What examination did they make of your horse?—A. They did not look at the horse much, just looked in his mouth, I do not think they felt his legs or anything.

Q. What were you asking for the horse?—A. \$175.

Q. What did they offer you?—A. They offered me \$160.

Q. Did they put a ticket on him?—A. Yes.

Q. Did you sign a receipt for your money?—A. I did.

Q. Did they ask you if your horse was sound?—A. No, they did not ask me that.

Q. How sound was your horse?—A. He was perfectly sound as far as I know.

Q. How long had you had that horse?—A. I got him on the first of May.

Q. What did you pay for him?—A. I paid \$150 for him.

Q. Did he go down any after you brought him?—A. No, I do not think he did.

Q. Did he go up any?—A. I do not know as he did, he looked about the same.

Q. Had anything happened to him between the time you bought him and the time you sold him?—A. No, nothing.

Q. He had no accident?—A. No.

Q. Was the horse lame at all?—A. No.

Q. Did the horse have any spavins?—A. No spavins.

Q. What about his wind?—A. He was a sound horse, so far as I know.

Q. Did you give any part of that money which you got for the horse to Chipman or to the buyer?—A. No, sir.

Q. Or did you give any part of that money to any other person by way of commission?—A. No, sir.

The witness retired.

HAROLD NORTON, farmer, Port Williams, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. I did.

Q. How many did you sell?—A. I sold only one.

Q. Where was the sale?—A. They examined the horse in Kentville and they would not give me what I thought I should have for him and they told me if I made up my mind to take what they offered to bring him to Wolfville, I think it was the next day, and I brought him over.

Q. Who was the buyer at Kentville?—A. There was Dr. Chipman who was examining the horse, Chipman and Woodworth were both there.

Q. When you came to Wolfville, whom did you see?—A. There was a couple of strange men there, I understood one was a man by the name of Keever and the other was Woodworth.

Q. Was Chipman there?—A. I think Chipman was there.

Q. Do you know McKay?—A. No, only I understood that was the name.

Q. McKay was in Kentville?—A. There was McKay and Keever and Woodworth, the three of them, I do not know one from the other; I understood that was their names.

Q. You do not know which of the three was present at Wolfville when you sold the horse?—A. I do not know one from the other.

Q. What price did you receive for your horse?—A. \$180 or \$185, I think it was \$185.

Q. What was the age of your horse?—A. Five years old, I bought him for that.

Q. What was the weight of that horse?—A. 1,200 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. Who paid you?—A. One of the strange men who was there.

Q. Did they put a ticket on your horse?—A. I think they did.

Q. Did you sign a receipt for the money?—A. I would not swear whether I did or not, I cannot remember.

Q. What had you asked them for the horse?—A. \$200.

Q. Do you recollect signing a receipt?—A. No. I think I did but I would not swear to it.

Q. How long did you have that horse?—A. I bought him in the spring and I let another fellow have him, and he did not pay me for him and coming along towards fall he wanted me to take the horse back.

Q. What did you sell him for to the other fellow?—A. \$190, I think.

Q. When you took him back what did you do to the other fellow?—A. He gave me ten or twelve or fifteen dollars for the use of the horse, he could not pay for him and I took him back.

Q. Was he as good a horse when you took him back as when you had him at first?—A. A better horse in flesh.

Q. Was that horse sound?—A. Yes, so far as I know.

Q. How long had you owned him?—A. I had him in the spring, a week or two probably, I handle quite a few horses.

Q. Were his knees all right?—A. He was sound so far as I know.

Q. He was not tender in the feet?—A. Not to my knowledge.

Q. He had no spavins?—A. No.

Q. Was his wind all right?—A. Yes, his wind was all right so far as I know.

Q. Did you pay any commission to anybody to put this sale through?—A. I paid no commission.

Q. Did you pay any commission to anybody?—A. No.

Q. Did you give any money to McKay or to any other person?—A. No.

Q. Did you give any money to Chipman?—A. No.

The witness retired.

[Wolfville, Horses—Norton.]

GEORGE W. TRENHOLME, Grand Pré, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. How many horses did you sell?—A. One.

Q. Did you sell a horse for any other person?—A. No.

Q. Where was the sale?—A. In Hutcheson's yard in Wolfville.

Q. Who was the buyer?—A. I do not know the buyer, Dr. Chipman was the veterinary surgeon, he was a dark-complexioned man who did the buying.

Q. What price did you receive for your horse?—A. \$160.

Q. What was the age of your horse?—A. Five years old.

Q. What was the weight of your horse?—A. About one thousand pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. When was your horse examined?—A. My horse was examined about half-past eleven o'clock in the morning.

Q. And when were you paid?—A. I was paid about half an hour afterwards.

Q. What examination did they make of your horse?—A. He looked in his mouth and looked all around the horse.

Q. Had you known Chipman for some time?—A. Yes, sir.

Q. How many years had you known Chipman?—A. I have known him since he was a boy.

Q. What were you asking for your horse?—A. \$170.

Q. And what did they offer you for him?—A. They offered me \$160 for him.

Q. Was your horse sound?—A. He was sound so far as I know.

Q. How long had you had him?—A. Nearly two years.

Q. What did you pay for him?—A. He cost me \$155.

Q. Was he as good when you bought him as when you sold him?—A. He was better.

Q. Did you pay any commission to Chipman?—A. No, sir.

Q. Nothing whatever?—A. No, sir.

Q. Neither directly nor indirectly?—A. No, sir.

Q. Did you pay anything to any person on account of that sale?—A. No, not to anybody whatever.

Q. Did you make a present to Chipman or to any other person in connection with the sale?—A. No, sir.

Q. Did Chipman pay you for the horse?—A. No, sir, the other man paid me, 16 ten dollar bills.

Q. Did you sign a receipt?—A. Yes, I think I did.

Q. Do you know Mr. Shearer's horse?—A. Yes, sir.

Q. What was wrong with him?—A. I do not know of anything being wrong with him and I saw him driving him all summer.

Q. Did you ever see that horse go lame?—A. No.

Q. Did you ever see him run away?—A. No, sir. I never knew the horse to be anything of the kind and I have been in the stable alongside of him.

Q. When he bought that horse did you go into the stable to look at him?—A. Some time after he bought him.

Q. Did he tell you what a bargain he got in the horse?—A. No, sir.

Q. Do you think he did get a bargain?—A. I never said much to him about it.

Q. What do you think now; do you think he got a bargain at \$75 or was that the fair value of the horse?—A. I think he got the horse reasonable, I do not think he got any more for the horse than the horse was worth.

Q. When he bought him for \$75 in Halifax, did he get a bargain?—A. I think he got the horse reasonable.

Q. Would you give the same money for him?—A. I do not know whether I would or not.

Q. You think that \$75 would be a fair price for that horse if you were buying him for your own purposes?—A. Well I do not know, I think it would be a fair value.

Q. Did he pay the butcher in Halifax too little for his horse when he bought him for \$75?—A. I do not know what he paid for him.

Q. He said he paid \$75 for him, what do you think about that?—A. I think he got the horse reasonable.

Q. What would you consider an unreasonable price if \$75 was a reasonable price?—A. What do you mean by unreasonable.

Q. What would you consider a high price for such a horse?—A. I do not know.

Q. Do you think he got a great bargain when he got that horse for \$75?—A. I think he got a good trade.

Q. Did you think it was extraordinary that he should get a horse like that for \$75?—A. No, he got him along the first of March or some time in February and of course a horse at that time of the year is not worth so much as in the spring.

Q. You say it is not worth so much?—A. When a man really wants him for use it is worth more.

Q. About how much would a horse go down in value at the time of the year that Shearer bought this horse?—A. I do not know.

Q. Would the horse go down five dollars in price on account of it being a little later in the year?—A. Well, sometimes they are dearer at one season of the year than they are at others.

Q. Do you think he was as good a horse as your horse?—A. I do not know about that.

Q. Would you have traded your horse on even terms for Shearer's horse?—A. I think his horse was a shade older than mine.

Q. Would he take something off or would you take something off if you were trading horses?—A. After a horse gets to be a certain age he goes down.

Q. Would you make him give you boot if you were trading? I would like to have your honest opinion as to the value of your horse compared with Shearer's horse—don't be shy because Mr. Shearer happens to be in court?—A. I am not shy, but you are asking me something that really I do not know. A man has to own a horse for some time before he knows him.

Q. You were in the stall alongside of this horse?—A. Yes.

Q. And you saw Shearer driving this horse?—A. Yes, I seen him using it.

Q. And you have had a general acquaintance with that horse?—A. Yes.

Q. Does a man have to have a very special acquaintance with a horse like that before he knows him?—A. Yes.

Q. Especially in this country?—A. Yes. I find you have to own a horse some time before you know what he is like.

Q. And I suppose you have to buy a horse before you own him, even in this country?—A. Generally.

Q. What would you pay for Shearer's horse if you were buying him?—A. I would want to get him as cheap as I could.

Q. I would like to have your honest opinion about that horse?—A. Honestly I do not know anything wrong about the horse. I heard nothing wrong about him and I have seen him all summer.

Q. Would you trade your horse for Shearer's horse?—A. I do not know that I would, because my horse was young.

Q. About what would you ask in boot?—A. I could not tell you that.

Q. What would you think, would you ask \$75 boot?—A. No, there might have been \$20 or \$25 difference in the horses. There was no difference in the horses only as regards their age.

The witness retired.

J. E. McGOWAN, farmer, Canard, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. I sold two.

Q. Were they your own horses?—A. They were.

Q. Did you sell any horse to the Government for any other person?—A. No, my son had a sort of ownership, I promised him the one I raised.

Q. But apart from that, did you sell any horse to the Government for any stranger?—A. No.

Q. Where was the sale at which your horses were sold?—A. At Kentville.

Q. Who was the buyer there?—A. I think they called him Keever.

Q. Who was the veterinary surgeon?—A. Woods.

Q. What price did you receive for your horses?—A. I got \$175 for the large mare, and \$160, I think, for the smaller one, but my son thinks it was \$165.

Q. What was the age of the large mare?—A. Both were six years old.

Q. What were the weights of these horses?—A. The smaller mare was about 1,000 pounds; she was weighed at 990, but she was in better condition when I sold her; I think she would go over 1,000 pounds.

Q. What was the weight of the heavy horse?—A. It was between 1,300 and 1,400 pounds.

Q. What time of the day were your horses examined?—A. About four o'clock in the afternoon.

Q. When were you paid for them?—A. The next day.

Q. By whom were you paid?—A. By this man Keever.

Q. What were you asking for your horses?—A. I wanted \$200 for the larger mare.

Q. And what did you want for the little one?—A. \$175.

Q. Why were you not paid the night your horses were examined and sold?—A. They did not give me any reason but they said to wait a while and I waited, and then I took the horses home.

Q. Were the horses examined by the veterinary surgeon?—A. Yes.

Q. What examination did he give to them?—A. He looked at their mouths, he knew they were young horses, he gave a very slight examination; he looked around them.

Q. Had you known Wood for any time?—A. No, it was the first time I had ever seen him, I knew his name, of course, and I knew him by his name, but he told me what his name was that day.

Q. Why didn't they come to a decision as to your horses the first day?—A. They rather turned the horses down.

Q. On what account?—A. They thought the smaller mare was a little low forward.

Q. What was the matter with the other one?—A. It was a little rough.

Q. In what way?—A. She was not a very pretty horse, she had a sloping rump.

Q. I suppose she could get on her feet?—A. Oh yes, she was a good mare but she was not a very pretty mare.

Q. Was she lame at all?—A. No.

Q. Was the smaller horse lame?—A. The smaller mare had corns; that is what the blacksmith told us.

Q. Was she a little lame when you took her over to the sale?—A. No.

Q. How long before you sold her had the blacksmith seen her?—A. I cannot say.

Q. Did he see her that day?—A. No, I do not think so.

Q. Did he see her a few days before?—A. I cannot say. My son had the smaller mare, it was his driving mare, and he got her shod, and I do not know when the blacksmith seen her.

Q. Did he have the corns attended to the day before?—A. No, we did not know we were going to have the horses sold until the day they were examined.

[Wolfville, Horses—McGowan.]

Q. Did you have the corns treated on the day of the sale?—A. No.

Q. Was there anything wrong with that horse outside of the corns?—A. Nothing at all.

Q. Was not that horse a little over in the knees?—A. No, a little low forward on the withers.

Q. A little out of proportion?—A. I suppose that is what he meant.

Q. About what would that horse stand in height?—A. I cannot say.

Q. What do you think?—A. I am no judge whatever.

Q. Are you a farmer?—A. Yes.

Q. And besides being a little low forward and having corns, what was the matter with that horse?—A. Nothing else, both horses were sound.

Q. Was she a little low forward because her knees were sprung?—A. No.

Q. Had the horse any spavins?—A. No.

Q. Did the horse kick?—A. No.

Q. What about her wind?—A. The wind was all right in both horses.

Q. What was wrong with the other horse besides being ugly?—A. She was not ugly at all, neither of the horses was ugly.

Q. You said the horse was rough-looking?—A. Yes, she was rough-looking.

Q. Well, I call that ugly?—A. All right.

Q. That was the horse with the sloping rump?—A. Yes.

Q. What else was curious about that horse?—A. Nothing.

Q. Was that horse up to standard in every other way?—A. Yes, it was a little too high, it was not in proportion.

Q. It was built on the giraffe plan?—A. Somewhat.

Q. That horse had never been sick?—A. No.

Q. How long had you had these horses?—A. I raised the smaller one.

Q. And what about the ugly one?—A. I bought him in March.

Q. What did you pay for him?—A. \$150.

Q. And you got \$175 for him?—A. Yes.

Q. Did you pay cash for him when you bought him?—A. I did.

Q. It was not in trade that you got him?—A. No, I paid cash for him.

Q. The horse was quite sound?—A. Sound.

Q. Did the horse kick?—A. No.

Q. Had the horse any spavins?—A. No.

Q. What about his wind?—A. The wind was all right.

Q. You were a little angry that you did not sell your horses the first day?—A. No, sir, I was not.

Q. Then what made you go back the next day to the sale?—A. I was telephoned for to bring the horses in.

Q. Who telephoned you?—A. My wife got the message.

Q. Didn't she tell you who it was that telephoned?—A. I think she said, if I remember correctly, that it was Mr. Starr.

Q. He was a veterinary surgeon, was he?—A. No.

Q. Who is he?—A. He is a farmer.

Q. Why did he telephone to you?—A. I cannot say, I do not know anything about it.

Q. Did he want you to sell your horses?—A. I do not know.

Q. Is he a friend of yours?—A. He is not a particular friend of mine.

Q. Did you see Starr there at Hutcheson's stable the first day that you took the horses in for sale?—A. No.

Q. Are you sure they did not turn down your horses the first day because they were unsatisfactory?—A. I do not know; I have told you already the reasons why I supposed they were turned down. They were not positively turned down but they wanted me to wait.

Q. What did they want you to wait for?—A. I do not know.

[Wolfville, Horses—McGowan.]

Q. How long did you wait?—A. I waited until about six o'clock and then I went home.

Q. Did you ask them if they were going to buy your horses?—A. I did not know where they were.

Q. Did you look them up?—A. I was around there and I was one of the last there.

Q. Did they tell you why they wanted you to wait?—A. Not particularly.

Q. Have you a telephone in your house?—A. Yes.

Q. And you say that Starr was the only one that telephoned to you?—A. My wife said it was Mr. Starr.

Q. What commission did you give Starr for the telephone message?—A. Nothing whatever.

Q. Did you give anybody a commission?—A. I gave a commission to nobody whatever.

Q. Did you give anybody anything?—A. No, I gave my son a portion of the sale of the horse.

Q. That is all right, but did your son give anything to the veterinary surgeon or to the buyer of the horses?—A. No.

Q. And you say you did not give anything to Starr?—A. No, I never had any connection with Starr about the horses.

Q. What did your wife say to you?—A. Nothing whatever only that there was a telephone message to me to drive down and bring the horses over.

Q. Did you have any conversation with Starr at the place of sale?—A. I do not know.

Q. Why should Starr be so interested in your taking your horses over to the sale?—A. I do not know.

Q. What was the message that your wife gave you?—A. To bring the horses over to Kentville.

Q. And did you take them over?—A. Yes.

Q. And you sold them there?—A. Yes.

Q. Did they tell you to wait again when you brought the horses over a second time?—A. No.

Q. Did they apologize for having kept you waiting the first day?—A. No.

Q. What did they say?—A. I said I brought these horses over and they said all right.

Q. To whom did you say that?—A. To this man they called Mr. Keever.

Q. Was Mr. Oakes there the day of the sale?—A. I did not see Mr. Oakes.

Q. Did you see Mr. Foster there the day of the sale?—A. No.

Q. Did you have any conversation with any other persons about having these horses sold on that occasion?—A. None whatever.

By Mr. Sangster:

Q. Did the corns interfere with the horse in his work?—A. No, my son had to keep these corns pared.

Sir CHARLES DAVIDSON: May I hope that you told the veterinary surgeon about the corns.

The WITNESS: I told him about the corns; yes, sir, I did.

Sir CHARLES DAVIDSON: What did they say?

The WITNESS: They did not say anything whatever; they gave me no answer when I mentioned the corns. I think they said: that is all right.

By Mr. Thompson, K.C.:

Q. They did not suggest that they should take your son over with them to keep the corns pared?—A. No.

Q. You were talking to some neighbours about that transaction, were you not, were you not talking to Mr. A. J. Newcombe, about your horses having been turned down the first day at Kentville?—A. I saw Mr. Newcombe on the road.

Q. When you were going to sell the horses the second time?—A. I cannot say; yes, it must have been.

Q. You explained to him that they had been turned down the first day?—A. I said I did not make a sale the first day and I was asked to bring them over that morning.

Q. You were asked by Mr. Starr?—A. I will not swear as to that.

Q. Did your wife tell you it was Mr. Starr who phoned to you?—A. I think she did.

Q. Does Starr live near you?—A. He lives three miles from me.

Q. And Starr was in Hutchison's stable at Wolfville and he was also at Kentville the day of the sale?—A. He was there in Kentville when I went over the second time, but he was not there the day before, so far as I remember.

Q. And you say you did not give him any commission?—A. I gave him nothing whatever; I never spoke to Mr. Starr about the horses.

Q. Is Starr a horse-dealer?—A. I would not like to say; he buys and sells horses as any other farmer would.

Q. Yes, but would you call him a horse-trader?—A. I would call him a farmer.

Q. He has been mentioned as being at Hutchison's stable in Wolfville the previous day?—A. I do not know anything about that.

The Witness retired.

JEREMIAH N. WHITMAN, of Wolfville, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. I did, sir.

Q. How many horses did you sell?—A. I sold only one.

Q. Where was the sale?—A. At Hutchison's stable in Wolfville.

Q. Who was the buyer?—A. I cannot tell you.

Q. Who was the veterinary surgeon?—A. They told me it was young Chipman, I did not know him.

Q. What price did you receive for that horse?—A. \$160.

Q. What was the age of that horse?—A. I do not know, I think about thirteen years, it might have been, I had him for two years.

Q. Would he be on the bright side of thirteen or on the shady side of thirteen?—A. You have asked me a question that I cannot answer, he might have been on the shady side of thirteen.

Q. What time of the day was your horse examined?—A. Very near six o'clock in the evening.

Q. When were you paid?—A. Immediately after they took possession of the horse.

Q. Did they put a ticket on him?—A. Yes, the veterinary surgeon that examined him put a tag on him.

Q. Did you sign a receipt for your money?—A. Yes, after I received the money.

Q. Did you receive a cheque or were you paid by cash?—A. I received cash.

Q. What examination did the veterinary surgeon make of your horse?—A. He looked at his teeth and looked him all over and then put a tag on him.

Q. What else occurred?—A. Then later on the purchaser appeared and asked me if I would drive him up and down the street, which I did, and I drove him back into the yard again, and then he told me he would give me \$160 for the horse.

Q. And what price did you ask for the horse?—A. \$175.

Q. Did you close the bargain quickly when he offered you \$160?—A. I did not, I asked him if he would give me until next morning to think over it and he said he would not. The purchaser offered me \$160 and I did not accept it at the time, and I told him I wanted to think over it.

[Wolfville, Horses—Whitman.]

Q. Did you own this horse for a number of years previously?—A. The same horse?

Q. Yes?—A. No, I had him two years, or a little better, or in that neighbourhood.

Q. And no longer?—A. No.

Q. Had you ever owned him before?—A. Oh no, I never heard of him until the day I purchased him.

Q. Had your son ever owned that horse before?—A. I have no son, and no person I know of knew him until I was directed to the party who had him.

Q. What did you pay for that horse?—A. I paid \$100 for him about as near as I can remember, and that was a year and a half or two years before, I have forgotten which. He was at the time very thin. I knew the owner of the horse when I purchased him. The owner wanted \$150 for him. I bought him from Mr. Andrew Coldwell.

Q. You bought that horse from Mr. Coldwell?—A. Yes.

Q. Did Coldwell tell you how old the horse was?—A. I think he did, as near as he could tell.

Q. How close did he come to the age of that horse?—A. I cannot remember his exact age when I purchased him. He told me how many years he had him. I do not remember how old it was but I knew the horse was old enough to do the work I wanted, and he suited me, only he was very thin.

Q. And the horse was sprung in the knees, was he not?—A. Slightly. I asked him the cause and said he was the second owner of the horse and he was told it was the way the colt was foaled and that the spring did not amount to anything.

Q. Did he tell you that that horse which he sold to you, and which was sprung in the knees, had been offered for sale by him or his son to the military authorities when they were purchasing horses for the Boer War?—A. No, he did not tell me that.

Q. Did you ask him if the horse was that old?—A. I asked him about what his age was.

Q. And if they had offered him for sale at the time of the Boer War, that would make him over twenty years?—A. I cannot say as to that, he was not over twenty years.

Q. You think he was not?—A. I know he was not.

Q. How do you know that?—A. I can tell by the look of a horse, his teeth and his ribs, if he was that age.

Q. Are you an expert?—A. I am not an expert at all.

Q. Well do you know more about a horse's age than an expert?—A. I do not say that.

Q. Could you tell a horse was 29 years old, by his teeth?—A. I do not see how anybody could tell that.

Q. Or could you tell he was 20 years old by his teeth?—A. No, but you could tell by his ribs and the look of him, after a horse gets to be a certain age.

Q. This horse was sprung in the knees, you know?—A. Yes.

Q. What about the spavins?—A. He had no spavins apparently he was as sound as the day he was foaled. He was a little old. The horse had been on a farm and had been well cared for, and while he may not have been perfection, I never owned a horse that was a better worker and kind in every way.

Q. Was he ambitious?—A. Very ambitious, turn him out and he was always anxious to do his work.

Q. Is that what an ambitious horse is?—A. He was ambitious in his work.

Q. Did he run away?—A. No, he would stand wherever I hitched him.

Q. What about his kicking?—A. I never knew him to kick.

Q. For what reason did you sell him?—A. I sold him because he was a little afraid of automobiles. It turned out that he was a little afraid of automobiles.

Sir CHARLES DAVIDSON: As a matter of fact, was this horse offered for sale to the military authorities at the time of the South African War?

Mr. THOMPSON: I will call the owner of the horse as to that.

Mr. THOMPSON: (To the witness): You do not know whether this horse was offered for sale at the time of the South African War?

The WITNESS: No, he never mentioned that to me.

Sir CHARLES DAVIDSON: That is fifteen years ago.

Mr. THOMPSON: Yes, and the horse must have been five or six years old then, which would make him about twenty when he was sold. I will call the original owner, Mr. Coldwell. (To the witness): Would you describe that horse, please?

The WITNESS: He was a bay horse.

Mr. THOMPSON: What were his markings?

The WITNESS: He had one white hind foot, a star in the forehead, and a white strip on the nose.

Mr. THOMPSON: What did he stand in height?

The WITNESS: Not much over 15 hands, but he was perfectly round and a beauty, in fact, a very handsome horse, admired by almost everybody, and, as I say, almost perfect.

Q. Then why did you sell him?—A. Just for the reason I gave you a moment ago, that he was a little alarmed about automobiles. He was quite so when I got him, but he got largely over it, but they did not care to drive him and I wanted one they could.

Q. How long did you have that horse, three years?—A. No, I had him for a year and a half or a little over that. I got him in February and sold him in August. I had him about a year and a half.

Sir CHARLES DAVIDSON: Did I understand you to say that you could tell a horse twenty years of age by his teeth?

The WITNESS: Oh no, sir, I could not tell the age of a horse after they are twelve by his teeth, but you could tell by his appearance.

Sir CHARLES DAVIDSON: You stated you were satisfied that this horse was not twenty years old, from looking at his teeth?

The WITNESS: Not so much from his teeth. His teeth were in splendid shape and I would not judge him to be over the age I spoke of, if he was he had a wonderful mouth.

Sir CHARLES DAVIDSON: He was a wonderful horse, apparently.

The WITNESS: He was indeed, and I am satisfied he was too young for the South African War. I am perfectly satisfied of that because he took his food just as well as a five-year old horse.

The witness retired.

OWEN NOWLIN, farmer, Port Gaspereau, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the government last August or September?—A. No, I did not.

Q. Did you not sell a horse of your own?—A. I did not sell a horse of my own or anybody else's.

Q. Did you sell any horse for any other person?—A. No.

Q. Did you sell any horse as agent for any other person?—A. No.

Q. You say you did not have anything to do with the sale of any horse to the government?—A. I was not even here at Wolfville.

Q. Were you at Kentville?—A. Or at Kentville either.

Q. Are there two Owen Nowlins?—A. Not that ever I knew of.

Q. Are there any other Nowlins?—A. There are some in Wolfville.

Q. How far do you live from Wolfville?—A. About four and a half miles.

Q. Are there any Nowlins living around you?—A. No.

Q. You did not sell any horses to the government?—A. I did not sell any.

Sir CHARLES DAVIDSON: Did you ever own a horse?

The WITNESS: Certainly.

[Wolfville, Horses—Nowlin.]

By Mr. Thompson:

Q. Do you know of any Nowlin who sold a horse to the Government last August or September?—A. No, I do not.

Q. Do you know Mr. Hutchison?—A. Oh, yes.

Q. Do you know him pretty well?—A. Just slightly.

Q. Is there anybody else who looks like you around here?—A. No.

Q. Are you ever mistaken for any one else around here?—A. No.

HARRIS DELBERT SCHOFIELD, livery-stable keeper, Wolfville, sworn:

Examined by Mr. Thompson, K.C.:

Q. How many horses did you sell to the Government for military purposes last August?—A. Five.

Q. Where was the sale of these horses?—A. At Hutchison's livery stable at Wolfville.

Q. Who was the buyer?—A. I do not just know who the buyer was, I understood it was a man by the name of McKay.

Q. Who was the veterinary surgeon?—A. Dr. Chipman of Grand Pré.

Q. What price did you receive for each of these horses?—A. I received \$850 for the five horses.

Q. How was that divided?—A. I sold four at \$180 apiece and one at \$125.

Q. What were the ages of these horses?—A. The matched pair were four and five years old, one black horse was eight years old, one brown horse was eight years old, and one black horse was twelve years old.

Q. What were the weights of the horses?—A. The matched pair weighed 2,200 pounds. The eight-year old black weighed 1,250 pounds, the brown weighed 970.

Q. And what about the other black?—A. I do not think I ever had him weighed, but he would weigh somewhere around 1,200 pounds.

Q. When were your horses examined by the veterinary surgeon?—A. About two o'clock in the afternoon.

Q. When were you paid?—A. I was paid shortly after the sale; I suppose fifteen minutes after or something like that.

Q. Who paid you?—A. This man that I was told was named McKay.

Q. Who bargained with you as to the prices?—A. The same man.

Q. Did they put a ticket on your horses?—A. Yes, sir.

Q. Did you sign a receipt for your money?—A. No, sir.

Q. You signed no receipt at all?—A. No, sir.

Q. What examination was made of your horses?—A. Well, I thought a fair examination, they looked at their teeth and examined their limbs some, and looked at them, and I think it was a fair examination.

Q. Did they do that in all cases?—A. Yes.

Q. Did they make you move your horses around at all?—A. One they did, the smallest black horse, that was twelve years old.

Q. Did they ask you if your horses were sound?—A. They did.

Q. What did you tell them?—A. I told them as far as I knew they were.

Q. How long had you had the matched pair?—A. I bought them in June.

Q. What did you pay for them?—A. \$400.

Q. You paid \$200 apiece for them?—A. Yes.

Q. Then you sold this pair at a loss?—A. I did.

Q. Were they sound?—A. They were sound as far as I knew.

Q. They had no defects at all?—A. No, sir.

Q. Were they tender in the feet?—A. No, sir.

Q. Were they lame?—A. No, sir.

Q. Had they any spavins?—A. No, sir.

Q. What about their wind?—A. It was good.

[Wolfville, Horses—Schofield.]

Q. How long did you have the eight-year old black horse?—A. I think I bought him in May.

Q. What did you pay for him?—A. \$180.

Q. Was he sound?—A. He was.

Q. Was he quite sound?—A. He was very sound so far as I knew.

Q. He had no spavins?—A. No.

Q. And you sold him at what you paid for him?—A. Just about what I paid for him.

Q. The brown horse that was eight years old, how long did you have him?—A. I bought him a year ago that June, I had him a little over a year.

Q. What did you pay for him?—A. I paid \$195 for him.

Q. What was wrong with him that you had to sell him at a loss?—A. Nothing. I had him two years in the business and I considered that when a man gets out of a horse that he has had for two years in the livery business, at a loss of about \$25, he gets what he is worth.

Q. And that horse was not lame?—A. No.

Q. He had no spavins?—A. No.

Q. What did you get for the twelve-year old black?—A. \$125.

Q. What weakness had that horse developed?—A. None that I know of.

Q. What did you pay for him?—A. \$130.

Q. When did you buy him?—A. I bought him the same time that I bought the brown, a year ago last June.

Q. Was that horse down in the knees?—A. No.

Q. Had he any spavins?—A. No.

Q. There was nothing unsound about him that you knew of?—A. There was nothing unsound about him and nothing the matter with him that I know of.

Q. Did you pay any part of that \$850 to Chipman?—A. No, sir, I did not.

Q. Or did you pay any other money to Chipman in connection with the sale of these horses?—A. No, sir, I did not.

Q. Or did you pay anything to McKay?—A. No, sir.

Q. Did you give any commission for putting that sale through, to anybody?—A. No, sir, I did not.

Q. Or did you make any promise that you would give something to anybody?—A. No, sir, I did not.

Q. Did you give anything at all in the way of a rebate to anybody?—A. No, sir, I did not.

Q. You were paid the full amount of your purchase money?—A. Yes, sir.

By Mr. Sangster:

Q. Did you see the veterinary surgeon put tickets on the horses?—A. I am not quite sure that the veterinary surgeon put the tickets on, I am not positive, but I think he put them on.

Q. There were tickets being put on the other horses there?—A. Not that I know of—I did not see any but my own.

Q. Before he put the tags on the horses he got from you some particulars about the horses?—A. No particulars that I know of.

Q. You did not tell them anything about the horses at all?—A. Nothing more than that I told them they were sound horses, as far as I knew.

Q. And he wrote on a card?—A. I did not see him writing anything on the cards at all.

Q. You did not see him write anything on the tickets?—A. No, sir.

Q. You are not very observant?—A. I did not see see him do it.

The witness retired.

Rev. N. A. WHITMAN, of Freeport, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. I did, sir.

Q. How many horses did you sell?—A. Just one.

Q. Was that your own horse?—A. That was my own horse.

Q. Did you sell any other horse for any other person?—A. No, sir.

Q. Who was the buyer?—A. I do not know the man, I think his name was Keever, or something like that they told me.

Q. Who was the veterinary surgeon?—A. I understood his name was Woodworth, but I am not sure of that.

Q. This sale took place at Kingston?—A. Yes.

Q. What price did you receive for your horse?—A. I received \$185.

Q. What was the age of the horse?—A. Seven years old.

Q. What was his weight?—A. I did not have him weighed, but I should judge he weighed about 1,050 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. When was your horse examined?—A. About two o'clock in the afternoon.

Q. And when were you paid?—A. I was paid a few minutes after.

Q. Who paid you?—A. The man who bought, Mr. Keever or whatever his name was.

Q. What examination was made of your horse?—A. There was no very thorough examination. The vet. asked me if he was sound and I told him as far as I knew he was, and he ran his hands over his limbs and felt him for a moment or two and he said he was a good-looking horse. As far as I know, that is about all that was done.

Q. Did he make you drive him up and down?—A. No, sir.

Q. Did you do so?—A. No, he did not ask me.

Q. What were you asking for your horse?—A. I was asking \$200.

Q. And what did they offer you for the horse?—A. They offered me \$175, which he said was about the limit he was paying, and I told him I could not sell for that, that I would keep the horse first.

Q. And finally you got him up to \$185?—A. I got him up to \$185, yes.

Q. Was your horse sound?—A. He had a small shoe-boil, I do not know whether you would call that a blemish or not.

Q. How long before had he developed that?—A. I think three or four weeks, before.

Q. Did it make him a little lame?—A. No, he was not lame at all.

Q. How long had you had the horse?—A. About three and a half years.

Q. What did you pay for him?—A. I paid \$140 for him but when I got him he was run down and thin, and I fed him up.

Q. Was he lame when you got him?—A. No, he never was lame.

Q. Did he kick or anything like that?—A. No, he did not.

Q. Had he any spavins?—A. He had no spavins.

Q. What sort of work had you used the horse for?—A. I used him in my pastoral work.

Q. Apart from the shoe-boil he was not lame and had no other defects?—A. He had no other defects, he was not lame.

Q. You did not pay anything in the way of commission to any one in connection with the sale of that horse, I suppose?—A. Nothing at all.

Sir CHARLES DAVIDSON: What was the age of the horse?

The WITNESS: Seven years old as far as I knew. I bought him for three and a half years and I kept him three and a half years.

The witness retired.

STANLEY LEVY, lumberman, of Grand Valley, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir, I sold two.

Q. Were they your own horses?—A. Yes sir, they were.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Where did the sale take place?—A. At Hutchison's livery stable in Wolfville.

Q. Who was the buyer?—A. I do not know, but the people told me it was Mr. McKay.

Q. Who was the veterinary surgeon?—A. Mr. Chipman.

Q. Did you know Chipman long?—A. No, I was not acquainted hardly at all with him, I knew him by sight and that was all.

Q. What did you get for your horses?—A. I got \$335 for the pair.

Q. What were the ages of these horses?—A. Seven years and eleven years.

Q. What was the weight of the seven-year old horse?—A. He weighed 980 pounds.

Q. What was the weight of the eleven-year old horse?—A. I never had him weighed, but he would weigh between 1,100 and 1,200 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. By whom were you paid?—A. I was paid by Mr. McKay, I suppose it was.

Q. When were your horses examined?—A. Between three and four o'clock in the afternoon.

Q. When were you paid?—A. I was paid shortly after the sale.

Q. Did they put a ticket on your horses?—A. Yes, sir.

Q. Did you sign a receipt for your money?—A. Yes, sir.

Q. Where were you paid?—A. I was paid in Mr. Hutchison's office.

Q. Did you see anybody else get their money there?—A. No, sir.

Q. What were you asking for your horses?—A. I asked them \$200 apiece for them.

Q. Did they bargain for each separately?—A. No, they told me they were not paying such prices as that and I told them what I would take, and I started away with the horses and they came after me and I brought them back and took \$335 for the pair.

Q. What examination was made by the veterinary surgeon of your horses?—A. He looked them all over pretty good, I think.

Q. Did he move them about?—A. No, he did not.

Q. Did he examine their teeth?—A. I saw him looking in their mouths, I suppose he was looking at their teeth.

Q. Did he ask you if the horses were sound?—A. No, sir.

Q. Did you tell him they were sound?—A. No, sir.

Q. How sound were they?—A. The black one was perfectly sound so far as I know.

Q. What age was he?—A. She was eleven years old.

Q. You think there was nothing wrong with her?—A. Not that I know of.

Q. How long had you had her?—A. I got them in March.

Q. What did you pay for her?—A. I bought the pair and they cost me about \$180 apiece, that is what they cost me the way I bought them.

Q. You did not pay \$180 in cash for each horse?—A. No, sir.

Q. What did you give in trade?—A. I gave a three-year old colt and a yoke of oxen and 4,000 staves, that is just what I gave for these horses.

Q. How is it you reckon that these horses cost you \$180 apiece?—A. Well I value the colt at \$180, and I value the oxen at \$170, and I value the staves at \$5.50 a thousand.

Q. Did the man with whom you traded all these things for these horses value them at the same amount?—A. I do not know what he valued them at.

Q. Did you tell him what you valued the whole thing at?—A. Yes, I told him I wanted \$180 for the horse and \$170 for the oxen.

Q. Did you throw the staves in?—A. No, there was that much coming to him and I gave him the staves, and he said he would just as soon have it as the money, he was a cooper.

Q. How sound was the seven-year old horse?—A. He was touched in the wind.

[Wolfville, Horses—Levy.]

Q. Were his legs straight?—A. Yes sir, perfectly straight.

Q. Did that horse have any corns?—A. No, sir.

Q. Was that horse tender in the feet?—A. No, sir, he was not.

Q. Did he have any spavins?—A. No, sir.

Q. Was that horse a kicker?—A. No, sir.

Q. What do you think about corns as an objection to a horse?—A. If they were kept cut down they would not hurt him.

Q. How often would they have to be cut down?—A. I do not know, I never had a horse with corns.

Q. You think they would be all right if they were attended to?—A. I think if they were cut down they would be all right.

Q. Did you give any money to Chipman?—A. No, sir.

Q. Did you give McKay anything?—A. No, sir.

Q. Did you give Chipman any money whatever?—A. No, sir.

Q. Did you give either of them anything directly or indirectly?—A. No, sir.

Q. And you gave them no present of any kind?—A. No, sir.

Q. Was this horse what you would call a roarer?—A. No, sir.

Q. When does a horse touched in the wind become a roarer?—A. I do not know.

Q. What is the difference between a horse with the heaves and one that is pricked in the wind; is that a gentle way of naming the heaves?—A. Some people says when a horse has heaves he is touched in the wind, but lots of people would not know that this horse was touched in the wind.

Q. Until he developed it more?—A. Yes, but we never noticed it on the horse. He had a little tiny cough somewhat.

Q. When a horse is pricked in the wind does it develop into the heaves?—A. It might if the horse was used rough and hammered around.

Q. If he had hard work he could get the heaves, I suppose?—A. It is according to how they are used.

Q. What do you mean by that?—A. If they are chased to death.

Q. What is the difference between chasing to death and hard work?—A. Chasing to death is overdoing it, it is worse than hard work.

Sir CHARLES DAVIDSON: What did you tell the veterinary surgeon?

The WITNESS: I told him nothing, sir.

Sir CHARLES DAVIDSON: What did you tell the vet., did you tell him all about the horse being pricked in the wind?

The WITNESS: I did not tell him anything about it.

Sir CHARLES DAVIDSON: Why didn't you?

The WITNESS: Because he did not ask me.

Sir CHARLES DAVIDSON: Did you know that this horse was being sold for the soldiers?

The WITNESS: I heard that he was going to the war, I do not know whether the soldiers would ride him or not, I sold him to go to the war.

By Mr. Thompson:

Q. Would he stand a two or three-mile gallop?—A. Probably all right, I could not say, I never galloped him that far, but I think he would stand a couple of miles anyway.

Q. Were you using him for road work or farm work?—A. Road work.

Q. And I suppose it never occurred to you that a British army horse, to use your own language, would be chased?—A. No.

The witness was not further examined.

T. E. HUTCHISON, livery-stable keeper, Wolfville, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell some horses to the Government for military purposes last August or September?—A. Yes, sir, I sold some horses for military purposes.

Q. You sold them at Wolfville?—A. Yes, sir.

Q. Was it at your stable the sale of horses for the remount department was held?—A. Yes.

Q. Were the horses that had corns, and the horses that were pricked in the wind, and the ambitious horses, sold at your place that day?—A. Yes.

Q. You were present the day of the sale, I presume?—A. Yes, sir.

Q. Who were the buyers for the Government there?—A. Mr. McKay was the man.

Q. How many horses did you sell?—A. Six.

Q. Was McKay the only person who was buying for the Government on that day?—A. Yes, sir, at my place.

Q. Because, one of the witnesses mentioned the names of Woodworth and Keever, were they there?—A. No, sir, I never saw them.

Q. It was just McKay?—A. Just McKay.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

Q. I heard one of the witnesses mention the name of a man Starr as being at your place and also at Kentville, what Starr was that?—A. There was two days of a sale at our place, that is, they sold one day and they were back the next morning and they finished up the next morning. I think it was the next morning that Mr. Starr was there at the stable, probably for about ten minutes, but I do not think he had anything to do with the sale of the horses, at all events not to my knowledge.

Q. What Starr is he?—A. Mr. Richard Starr, I think his name is.

Q. Where does he live?—A. He lives at Starr's Point.

Q. How far is that from Wolfville?—A. It would be about five miles around the road.

Q. What is his occupation?—A. He is a farmer.

Q. Is he the only Starr in this part of the country?—A. No, there are a lot of them down there, the place is called Starr's town.

Q. There is a regular constellation of Starrs there?—A. Yes, sir.

Q. Was he the only Starr at your place?—A. Yes, sir.

Q. That is the Starr you have mentioned?—A. Yes, Mr. Richard Starr.

Q. What price did you receive for your horses?—A. \$165 apiece.

Q. For the six?—A. Yes, sir.

Q. What were their ages?—A. They were about nine and ten years old.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. By whom were you paid?—A. I was paid by Mr. McKay.

Q. When were your horses examined?—A. They were examined about eleven o'clock in the forenoon.

Q. And when were you paid?—A. I was not paid until later on in the day; they were waiting, I think, for more money to come; they were busy and they did not bother with me.

Q. They did not bother to pay you?—A. Yes.

Q. And you did not bother then for your money?—A. Well, I was not in any great hurry with it.

Q. What time of the day were you paid?—A. It was some time after dinner, I forget what time now, at all events, it was some time along in the afternoon.

Q. What examination did Chipman make of your horses?—A. They brought them all out on the floor and examined them.

Q. That is the floor of your stable?—A. Yes, sir.

Q. And did they take them out of the stable?—A. Yes, sir, they had them out of the stable, one or two of them I drove around, if I am not mistaken, and they had a saddle on one or two of them also.

[Wolfville, Horses—Hutchison.]

Q. Were they all saddle horses?—A. There was one or two we were in doubt about and they put a saddle on and drove around. They had all been ridden a little but not very much.

Q. Did they take them all out on the street?—A. No, sir.

Q. Did they take any of them out on the street?—A. Just around the yard.

Q. Did they do that with all of them?—A. I cannot say.

Q. How many of them did they try in that way?—A. They only tried two of mine.

Q. Why did he only do it with two of your horses?—A. Because we were in doubt as to whether they were good saddle horses or not, that is why, they wanted to see if they were fit for the saddle.

Q. Was he looking for saddle horses?—A. That is what he wanted from me.

Q. And he was satisfied about that?—A. I think so, because they had been ridden.

Q. Did he ask you if these horses were sound?—A. Yes.

Q. And what did you tell them?—A. I told them the horses were sound.

Q. How sound were they?—A. Oh, quite sound.

Q. They were not pricked in the wind?—A. No, sir.

Q. They were not tender in the feet?—A. No.

Q. They had not the heaves?—A. No, sir.

Q. They had no spavins?—A. No, sir.

Q. Did they kick?—A. No, sir.

Q. How long had you these horses?—A. Well, anywhere from two to three years.

Q. Do you know what you paid for them on the average or what you paid for each horse?—A. I cannot just say offhand, but I think they were anywhere from \$160 to \$225.

Q. What happened to the \$225 horse that you should sell him for \$165?—A. I had too many horses in the way of business there. I had thirty odd horses and I had not work enough for fifteen.

Q. How many horses did you have in your stable on your hands on the day they were examining your horses?—A. I had, I think, thirty-two horses.

Q. Thirty-two horses of your own?—A. Yes, sir.

Q. Did they examine them all?—A. Yes, sir, they went over the most of them. There were one or two horses that I did not want to sell to them on account of them being horses that were used for harness purposes and things of that kind, that I could not very well replace.

Q. You say they only took six out of about twenty-eight horses?—A. Yes.

Q. And they looked them all over?—A. Yes sir.

Q. And you would have been willing to sell all except these special horses?—A. Yes, there were a few horses that would be all right with the exception of their colour, they were white horses and they did not want these.

Q. Did they have any objection to your other horses?—A. No.

Q. But they only bought six after all?—A. They had no objection to the horses they bought, but I had quite a number of what they called dark greys or roans, and they would not accept these for military purposes.

Q. There were a number of these?—A. Yes, but they were to light in colour.

Q. Did you have any horses of the right colour which were sound, and which they would not take?—A. Yes sir.

Q. Did they say why?—A. Yes, they thought they were not fit, some of them were rough-looking and some of them had a jack or two.

Q. They would only accept perfectly sound horses?—A. Yes.

Q. And you said one or two of them were rough-looking horses?—A. Yes, sir.

Q. Does that mean an ugly horse?—A. No, what I mean by rough is a rough made-up animal, she is not a very nice animal, rough high hips and things of that kind.

Q. Do you call a horse that is short in front a rough horse?—A. No, not necessarily.

Q. What would you call a horse with a sloping rump?—A. That would be an ugly-looking horse, he would be a rough horse.

Q. Would he be a sound horse?—A. Yes, he might be the finest horse among the lot. I had a horse of the same kind they would not take because he was too camel-looking, but they would not accept him, although I think he was the finest horse in the stable.

Q. They were careful when they were buying at your place?—A. Yes.

Q. Did you sign a receipt?—A. Yes.

Q. Did they put tickets on the horses?—A. They put a ticket on all the horses they bought.

Q. Did you notice Mr. Oakes there that day?—A. No, I did not notice Mr. Oakes there.

Q. Did you see Mr. Foster there?—A. No, sir.

Q. At all events they had a reserve of cash when they required to pay for the horses?—A. I cannot just say about that. Of course, I was most of the time looking after the horses in and out, and we had a number of people bringing their horses in and out all the time. I did not take notice of what was going on outside so very much, because I was pretty busy.

Q. Did they get the cash at the bank in Wolfville?—A. I cannot say, I do not know where the cash came from.

Q. At all events it was forthcoming?—A. Yes, sir.

Q. And you were paid on the same day?—A. Yes, sir.

Q. After the sale was over did they keep the horses in your stable over night?—A. Yes, sir.

Q. All the horses?—A. Yes, sir.

Q. Your own horses as well as the others?—A. Yes, sir, every horse that was sold there that day was kept in my stable over night.

Q. Who watched them?—A. My night men.

Q. When did they take these horses away?—A. Next morning about, I think it must be nearly twelve o'clock, it was somewhere around eleven or twelve o'clock, I think.

Q. Who took them away?—A. Our men.

Q. That is you stablemen?—A. Yes, sir.

Q. Where did they take them to?—A. They took them down on board the cars.

Q. How many were taken down that way?—A. There were 16 in one car and 12 in another.

Q. Was that the total number purchased at your place in Wolfville?—A. Yes, sir, the total number.

Q. Were any horses sent from your stable to the cars, which were not purchased at Wolfville?—A. I think not, not that I can remember.

Q. Were all the horses purchased at Wolfville left in your stable?—A. Yes, sir, every one of them.

Q. Were there any horses put on the cars at Wolfville which were not purchased at Wolfville?—A. No, sir, I do not think there were, I think they were all purchased in my yard here.

Q. Did any of the vendors who sold their horses that day take their horses home over night?—A. No, sir.

Q. Were these all the horses which were bought by McKay?—A. They were all left at our stable.

Q. Were the horses which you shipped really the horses which were purchased by McKay?—A. Oh, yes, they were all purchased by McKay, if that is what you mean, they were at our place.

Q. Yes, but when your men took the horses out of the stable in the morning, were these the horses McKay purchased?—A. Yes, sir.

Q. And there were no horses shipped other than those purchased by McKay?—A. No, sir.

Q. Were any of the tags shifted from one horse to another?—A. No sir, I can guarantee that.

[Wolfville, Horses—Hutchison.]

Q. Were there any blind horses sold?—A. No, sir.

Q. Did you notice any blind horses with tags on them?—A. No, sir.

Q. Who accompanied the horses from Wolfville to Valcartier, do you know?—A. Myself and one of my men.

Q. Did you see them unloaded at Valcartier?—A. Yes, sir, I helped to unload them.

Q. Were they all satisfactory when they arrived there?—A. Yes, sir, all the horses were in good condition.

Q. Was there anything of note along the road that would attract your attention?—A. In regard to the horses?

Q. Yes?—A. No, sir.

Q. Were any of them down?—A. No, sir, we had good luck with them all the way up.

Q. What would you say as to the quality and class of horses purchased at Wolfville?—A. I think the majority of them were a good class of horse, I think the biggest majority of them were good value for what was paid for the horses, according to what I heard the men state here today, and I never knew before just what they had received for their horses.

Q. Mr. Shearer this morning told us that he purchased a horse in Halifax for \$75 in the early spring, that he sold him for \$140 to the Government, did you notice that horse?—A. No, sir, I do not remember that horse at all.

Q. You keep a great many horses, don't you?—A. Yes, sir.

Q. And you keep changing them all the time?—A. Yes, sir.

Q. What would you say as to the class of horse you would get for \$75 in Halifax?—A. That would depend on whether the man wanted to get clear of him or not. I had so many horses myself that I wanted to get clear of them, and I would sell them at a cheap price because I did not want to winter them.

Q. Would you sell your horses at \$75?—A. I would not, if I could help myself.

Q. Shearer told us that that horse which he bought for \$75 and sold to the Government for \$140, had bar shoes on, what would that indicate?—A. I have two of three horses now with bar shoes on them, and that does not always lessen the value of a horse. Some horses have different feet from others and they have to have their feet protected all the way around, or else they would not travel so good.

Q. Would that likely attract your attention in a horse that would cost only \$75?—A. Well, it might.

Q. It would put you on inquiry?—A. Oh, yes, I think it would.

Q. Did you notice anything peculiar about any one of the horses being lame when you were leading them on to the cars?—A. No, sir, I did not see any horses that were lame. There were none of them that acted lame. I helped lead these horses for three-quarters of a mile or more, after we unloaded at Valcartier, and they all seemed to be free and easy in their movements, after being in the train for four or five days, and they certainly were bucking around in great shape, I did not see any of the horses seemed to be crippled in any way.

Q. Did you pay Chipman anything for putting the sale of your horses through?—A. No, sir.

Q. Or did you pay him anything after the sale was through?—A. No, sir.

Q. Did you give him any commission of any kind whatever?—A. No, sir.

Q. Did you give McKay any commission?—A. No, sir.

Q. Did you give anybody any commission or rebate in connection with the sale of your horses?—A. No, sir.

Q. Or did you give them any money in any way?—A. No, sir.

Q. You did not give them anything either directly or indirectly?—A. No, sir.

Q. You gave nobody anything whatsoever?—A. No, sir.

Q. I put you that question now in the broadest sense, did you pay anything to anybody?—A. No, sir.

Q. Did you see Mr. Oakes there the day of the sale?—A. A. No, sir, I do not remember seeing Mr. Oakes there at all.

Q. Did you see Mr. Foster there?—A. No, sir.

Q. What officer did you deliver the horses to at Valcartier?—A. I delivered them to the Remount officer.

Q. You delivered them to the Remount officer at Valcartier?—A. Yes, sir.

Q. Did he say what his name was?—A. I cannot just get it offhand. I had to come away down and look him up and it took me two or three hours to find him. I forget what his name was.

Q. Do you recollect what part of the camp you went to?—A. Yes, sir, it was not far from the large building.

Q. There was a building there on the camp grounds—there was one on the right side of the camp. Do you know where you found this officer?—A. I do not know exactly.

Q. Were there some small spruce trees in front of the camp where you found him?—A. It almost seems as though there were, but I cannot say that.

Q. Do you recollect whether or not there was a sentry-box there?—A. Yes, there was, I remember that there was a sentry walking up and down, there was a sentry stationed there.

Q. Do you recollect whether the building was a little house on higher ground than the roadway?—A. The building was a little higher than the roadway.

Q. About how much higher?—A. I should think about a foot and a half or two feet higher.

Q. How far did you go from the entrance to the camp to the place where you delivered the horses, where you actually delivered the horses, not where you found the officer?—A. When the horses came in I turned them around to a place there and we helped the men to take them up and then we led them down to the camp grounds along a little lane there.

Q. About how far from the entrance to the grounds was the place where you stopped with your horses?—A. It was right at the first camp. I should imagine we were only in the camp not more than fifty yards.

Q. How far from where the horses were was the the house where you found the Remount officer?—A. That would be three or four hundred yards, I should think.

Q. Did you hear the name of the officer?—A. Well yes, I heard the name of the officer, but I do not know whether I could remember it now or not.

Q. Was it Neill?—A. That sounds something like it, but I cannot remember.

Q. Did you get a receipt for your horses at Valcartier?—A. No, I did not get any receipt at Valcartier.

Q. You reported to the Remount officer and told him you had a certain number of horses?—A. Yes, sir.

Q. Did he give you any quittance of any sort when you delivered the horses?—A. He sent some men to take charge of the horses.

Q. Did he ask you where they were from?—A. Yes, sir.

Q. And who shipped them?—A. He asked me where they were from and I told him from Wolfville, Nova Scotia.

Q. He did not give any discharge to you to show that you had safely delivered your horses?—A. No more than our pass to return from Valcartier to Wolfville.

By Mr. Sangster:

Q. You say you had two cars of horses?—A. Yes, sir.

Q. How many horses were there?—A. There were 28 all told.

Q. That you knew of?—A. That we had in charge from here to Valcartier.

Q. Apart from these horses—where did these 28 horses come from?—A. Just right around here in this section, Gaspereau and Wolfville and vicinity.

Q. And they were all shipped from Wolfville station?—A. Yes, sir, all shipped at Wolfville station.

Q. The whole 28 horses?—A. Yes, sir.

[Wolfville, Horses—Hutchison.]

Q. How many cars were there?—A. Two cars.

Q. That is all you are referring to?—A. Yes.

Q. Did you see any other cars than these two?—A. Yes, sir.

Q. Did you see any other cars from this part of the country?—A. Yes, there were two came from the westward.

Q. Where were they from?—A. From Kentville and below there.

Q. Were they delivered?—A. All delivered at the same time. There were eight carloads that we unloaded, all in a short time. I think there were six from this part of the country and two from Prince Edward Island.

Q. That is, there were six from King's County, Wolfville and Kentville and so on?—A. I think so.

Q. When you were telling us with regard to what was done with the horses at Valcartier, would that apply to the other cars from Kentville, as well as the cars from Kentville, as well as the cars that you had charge of?—A. Yes, sir.

By Mr. Thompson:

Q. Did you have these other cars in charge?—A. No, sir, we only had the two in charge.

The witness retired.

The Commission adjourned until to-morrow, Wednesday morning, August 18, 1915, at half-past ten o'clock.

WOLFVILLE, N.S., Wednesday, August 18, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,

As Counsel to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

At the sitting of the Commission.

Mr. SANGSTER: At this stage of the investigation, I am instructed by Mr. Foster to ask permission to report to your lordship what was done, in accordance with your lordship's instructions, towards securing the presence of Woodworth and Keever at this hearing. As directed by your lordship, Mr. Foster, on August 10, sent a telegram, of which the following is a copy, to each of these men:

KENTVILLE, N.S., August 9, 1915.

Todd C. Woodworth,
McAlpine Hotel,
New York City.

Absolutely necessary to make appointment for attendance at early date. Judge says your absence after urging seriously reflects on me and yourself, and to tell you he does not credit your reasons for absence. Wire immediately reply naming day when you can attend.

A. DeW. FOSTER.

[Wolfville, Horses—Sangster.]

To that message no reply whatever was sent by Mr. Woodworth. A similar telegram, exactly in the same wording, was sent to Mr. Keever by Mr. Foster, and the following reply was received from Mr. Keever:

BOSTON, Mass., Aug. 11, 1913.

A. DeW. FOSTER,
Kentville.

Notwithstanding the incredible presumption attributed to the Judge in discrediting my reason for absence, I am working against time in certain business commitments maturing in September, with heavy resulting forfeiture in case of non-performance, previous provisions made for these having disappointed me. I am therefore unable to make appointment at present for attendance at early date.

FRANK B. KEEVER.

Sir CHARLES DAVIDSON: What date is that?

Mr. SANGSTER: It is the 11th of August. Mr. Foster then felt that it was impossible to get much further with telegraphing, and he conceived the idea of having Counsel attend upon these people at Boston, if an appointment could be made with them. He therefore sent the following telegram to each of them:

KENTVILLE, N.S., August 10, 1915.

TODD C. WOODWORTH,
McAlpine Hotel,
New York City.

Most urgent and serious you meet Sangster my Counsel Young's Hotel, Thursday evening, arrival Boston Maine. Wire answer immediately.

A. DeW. FOSTER.

To that the following reply was received by Mr. Foster from Mr. Keever:

BOSTON, Mass., Aug. 11, 1915.

A. DeWITT FOSTER.

Yours of tenth received. Will very gladly comply.

FRANK B. KEEVER.

Then there was a reply from Woodworth as follows:

NEW YORK, Aug. 11, 1915.

A. DeWITT FOSTER, M.P.

Will be at Young's Thursday evening.

There was no signature to this telegram. It is assumed that that telegram was sent by Mr. Woodworth.

On Wednesday afternoon last, on Mr. Foster's instructions, I left Kentville for Boston, and on Thursday evening arrived at Young's Hotel there. Messrs. Woodworth and Keever accompanied by Mr. James McCarthy, Attorney at Law, of Pemberton Building, Boston, their Counsel, called upon me shortly after my arrival. I explained to them that while it was, of course, for this Commission to secure the attendance of any witnesses desired, yet Mr. Foster had instructed that all possible be done to aid in discovering the facts and that he desired their attendance, not only for their testimony, in his own interests, but from the fact that their absence might be construed in a way inimical to Mr. Foster and would reflect upon their own business integrity. I also suggested that any suspicious circumstances which it would apparently be within their power to explain, would naturally be construed against them and that lack of explanation might possibly lead to serious proceedings against them. I further told them that Mr. Foster had sent me to urge their attendance and their return with me. They both explained that they were engaged in an intricate and important deal in matters relating to the Fortuna Mines Corporation, which necessitated their personal

[Wolfville, Horses—Sangster.]

attendance and presence for some time to come, and that to leave long enough to come to Nova Scotia would entail too serious loss to them to permit of their coming for the present. I again pointed out the attitude of your lordship toward this reason for their absence previously set out in the telegram. They both very strongly resented this and eventually promised to come as soon as possible, but could give me no specific date. Mr. Woodworth agreed to telegraph during the first part of the present week, stating the day when he could be in attendance. Mr. Keever stated that he was unable to say exactly when he could advise of the date of his attendance, but that he would telegraph when he could ascertain it. Mr. McCarthy then also stated that through his professional connection with the firm he personally knew that these gentlemen were situated as they thus explained.

When I thus ascertained that it was impossible to secure the immediate presence of these gentlemen, I asked them to give me a sworn statement of the facts in connection with this matter, as far as these were within their knowledge. They supplied me with these sworn to before Mr. McCarthy.

While these statements are open to the objection that they have not been subject to cross-examination, they are, nevertheless, duly sworn to and certified. They are offered by Mr. Foster as the best evidence of these gentlemen which he has been able to secure. I now ask leave to file them of record with the Commission as an evidence of good faith on the part of Mr. Foster, who instructs me to make this statement now, from the fact that the time within which Mr. Woodworth was to advise me as to the date of his ability to attend has expired, and no message has been received from him.

The following are the affidavits:

Sir CHARLES DAVIDSON: Wait a moment, Mr. Sangster; Mr. Thompson, have you any statement?

Mr. THOMPSON: No sir. I purpose sending a telegram to both Woodworth and Keever, notifying them that their attendance before the Commission is necessary; I purpose doing the same thing with reference to Dr. Chipman.

Sir CHARLES DAVIDSON: Mr. Sangster, these are vain excuses; they were attempted before the Public Accounts Committee several months since in Ottawa; they were renewed before this Commission at its opening.

Mr. SANGSTER: Yes, my Lord.

Sir CHARLES DAVIDSON: They were renewed in telegrams which they sent to you in response to telegrams from you, and now they are renewed again. These men cannot hope to deal with this Commission in that fashion. I decline to have their statements put on the record. They are well aware that I have refused to issue a commission—had I the power indeed to do so, but the power might be created. I have refused to accept their sworn statements in the United States, I consider them of no value whatever. I shall not permit these statements to go upon the record, and while I do that, Mr. Sangster, I fully appreciate the sincerity of the efforts which you have made in regard to the attendance of these men before this Commission. But suspicion is against them personally, which the evidence before me has already created.

Mr. SANGSTER: May I be permitted to suggest, my lord, that there are perhaps two points of view from which we may survey the circumstances of this matter. One is from the point of view of Messrs Woodworth and Keever, as regards whom, of course, these affidavits would have no value, even if they were permitted to be filed. The other is the fact that in a more or less direct or indirect way, Mr. Foster is attacked before this Commission, and that these affidavits, being some evidence at any rate of a sincere effort upon his part to secure the story of these men, under the solemnity of an oath, perhaps it would be only just to him, regard being had to his interest, that these affidavits should be made a part of the record, not in regard to the facts so far as concern Woodworth and Keever, but in connection with Mr. Foster's position.

Sir CHARLES DAVIDSON: In the meanwhile, Mr. Sangster, I have still to conclude that I cannot permit these statements to go on the record. Mr. Thompson is tele-

graphing again to these men today, and they may thoroughly understand that their non-attendance here does not conclude their connection with this Commission. I will see to it what further steps may be taken.

Mr. SANGSTER: May I file these telegrams sent by Mr. Foster and the replies?

Sir CHARLES DAVIDSON: Certainly.

Telegrams and replies already copied in the evidence filed as exhibit No.—

JOHN W. SELFRIDGE, Wolfville, agent for the Massey-Harris Company, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. The first day of September.

Q. Where did you sell your horse?—A. At Wolfville.

Q. How many did you sell?—A. One.

Q. Do you know who the buyer was?—A. Well, I was not acquainted with the man, but I was told it was McKay and Chipman who were the men, that is the names I got.

Q. Chipman was the veterinary surgeon?—A. He was, but I am not sure of that.

Q. What did you receive for your horse?—A. \$170.

Q. What was his age?—A. About nine years old, as near as I can find out.

Q. What was his weight?—A. About a thousand pounds or perhaps a little under that.

Q. Were you paid by cheque or by cash?—A. I was paid in cash, in ten-dollar bills.

Q. Who was it that paid you?—A. McKay or the man they called McKay.

Q. What time of the day was your horse examined?—A. If I remember correctly, it was in the afternoon.

Q. When were you paid?—A. Right away.

Q. What were you asking for your horse?—A. I was asking \$200.

Q. And they paid you how much?—A. \$170.

Q. Did they put a ticket on the horse?—A. They did.

Q. Did they examine him?—A. Yes.

Q. Did you sign a receipt?—A. I signed a paper of some kind but I did not read it.

Q. What examination was made of your horse by the veterinary surgeon?—A. He looked him over, his legs, his body, and examined his mouth, and then pinched his throat.

Q. Did he make you drive him about?—A. No.

Q. Did he ask you if the horse was sound?—A. No, he did not.

Q. Did you tell him whether the horse was sound or not?—A. No, I did not.

Q. How long did you have that horse?—A. About two months, on perhaps a little under, but about two months.

Q. You got him from Clarence Schofield, did you not?—A. Yes.

Q. You got him in a trade?—A. Yes.

Q. You got him for a mowing-machine?—A. Yes.

Q. An old one?—A. No, sir, a new one.

Q. Brand new?—A. Brand new.

Q. Perfectly new?—A. Perfectly new.

Q. What was the price of the mowing machine?—A. That was only part of the purchase.

Q. What else did you give along with the mowing-machine?—A. A plough and some money.

Q. Was it a new plough?—A. The plough had been used a little.

Q. How long had it been used?—A. Perhaps two or three weeks.

Q. How much money did you give him?—A. I can hardly tell you now exactly.

[Wolfville, Horses—Selfridge.]

Q. Was it five dollars?—A. I think more than that.

Q. Was it ten dollars?—A. I cannot tell you, I did not keep an account of it.

Q. Will you say whether it was more than ten dollars or less than ten dollars?—

A. I paid him some money but I forget how much.

Q. Was it more than ten dollars or not?—A. I do not know.

Q. Was it less than ten dollars?—A. I do not know, I did not mark it down.

Q. What was the basis of the trade?—A. We traded the horse, mowing-machine and plough, and paid some money; I did not keep any record of it.

Q. What did you get in addition to the horse?—A. I got the horse and an old plough and paid him a new mowing-machine, a plough that had been used a little, and some money.

Q. Do you know who Clarence Schofield got the horse from?—A. I suppose so, but I do not know for certain; I was told he got it from Jodery.

Q. Do you know what Schofield paid for the horse?—A. Only by hearsay.

Q. You were treating that horse, were you not, for some sickness?—A. Treating him—what do you mean?

Q. Giving him medicine?—A. I gave him no medicine.

Q. What did you give him?—A. What do you mean by medicine, do you mean drugs?

Q. I am not playing in words with you, I want the facts? The horse had something wrong with him—what did you give him for the cough?—A. I gave him burdock leaves and that is not a drug or a medicine that I know of.

Q. Is it not a fact that that horse had the heaves?—A. No sir, not to my knowledge.

Q. Do you swear that he did not have the heaves?—A. Not to my knowledge, he had a bad cough.

Q. How long had he had that cough?—A. I think, as near as I can find out, about nine months.

Q. And you say he did not have the heaves?—A. I do not think he had the heaves.

Q. To what extent had you driven the horse?—A. I had used him in mowing and raking and I did my driving with him.

Q. What time of the day did you first arrive at the place of sale in Wolfville?—A. I think it was in the afternoon, if I remember aright.

Q. Was that the first time on that day that you had arrived in Wolfville?—A. I think it was, I think so.

Q. I want you to be sure, please?—A. That was the first time I arrived with a horse, I may have been there a little before that but I am not certain about that.

Q. Did you not drive your horse there and take him away before he was sold and then bring him back again?—A. No.

Q. You swear that when you once brought your horse to the place of sale that you did not take him away?—A. I swear that I left the main road and drove into the yard to sell the horse and I never put him on the main road until he was sold. I swear to that positively.

Q. You swear that you did not drive your horse here to Wolfville to sell him and that when he began to cough very badly you drove him away again and as soon as he recovered you brought him back?—A. I never drove him from the main road.

Q. Where did you come from?—A. I drove him from my stable to Hutchison's livery stable.

Q. Where is your stable?—A. Down the street a little way.

Q. How far from Hutchison's stable?—A. One-eighth of a mile about.

Q. Did you drive straight to Mr. Hutchison's stable from your stable?—A. I did.

Q. Was that the first time on which the horse was out on that day?—A. I think it was but I cannot swear positively. As near as I can remember it was the first time the horse came out that day.

Q. If you did not take him out previously on that day, was there anyone else who would take him out?—A. No.

Q. Did you take him out earlier in the day or did you not?—A. I do not remember of it at all.

Q. Will you swear you did not?—A. I did not drive him to that place, I know.

Q. Will you swear you did not take him out earlier in the day?—A. I do not think so.

Q. Will you swear you did not take him out earlier in the day?—A. I can say that I do not think so.

Q. Will you swear that you did or did not, you can say one or the other?—A. I can say that I did not drive him up to the place of sale that day.

Q. That is not what I want to know, I want to know whether you will swear that you did not take him out earlier on that day?—A. To the best of my knowledge, I did not.

Q. When you took him out of your stable did you take him straight to the place of sale?—A. I did.

Q. Did you leave him there until the horse was sold?—A. Yes, or within a few paces of the place. I drove him around in the entry there, right alongside, and back around again to where they were standing. I just turned the horse around a little once, that was all the driving I done after I first went there.

Q. Did you drive him into some other place?—A. I drove him not more than three or four rods around a little circle.

Q. Why did you do that?—A. I do not know why I done it, I did it.

Q. Did you stop at all during that drive?—A. No, I just drove him around.

Q. Did you go past Hutchison's stable when you were driving him?—A. No, I did not, I went right into the adjoining entry close by.

Q. Whose place was that?—A. Dr. Wood's, that is a driveway between the stables, I just turned the horse around there.

Q. Where was that when you were on your way to Hutchison's stable?—A. I was at the front of the stable, waiting for them to buy, when I turned the horse around.

Q. You drove straight to Hutchison's stable?—A. I did so.

Q. And when you were waiting you circled the horse around?—A. The horse was a little bit uneasy and I circled him around.

Q. Why didn't you bring him into the stable?—A. I did not do so then, the yard was full of horses and the stable too.

Q. Was your horse a restless horse?—A. He was a high-strung horse.

Q. Was he a restless horse?—A. Possibly a little but not very.

Q. On other occasions was it necessary to turn the horse around like that?—A. I do not know that it was.

Q. You owned the horse and I want to find out from you?—A. I do not know that it was necessary then.

Q. Had you ever done it before?—A. I had never done it before, I was waiting there.

Q. But you have driven him before and you had him standing, did you ever find it necessary to circle him around as you did on that occasion?—A. Not at all, because I had not occasion to.

Q. Why had you occasion to do so on that particular day?—A. Because I was waiting there and the horse was a little impatient, I suppose.

Q. Did you never have to wait on any other occasion?—A. No, it was the first time I had taken him there to sell.

Q. Did you never have to wait on any other occasion and drive the horse around?—A. Not that I know of, I had no occasion on any other time that I know of.

Q. Did you ever before take him around or were you ever obliged to take him around and turn him about and drive him around because he was restless?—A. I do not remember that I did.

[Wolville, Horses—Selfridge.]

Q. You owned the horse, let us know whether you did or not?—A. I do not remember.

Q. Will you say you did not?—A. I do not remember.

Q. Will you say you had not occasion to do that before?—A. I won't say that, I won't swear that I had.

Q. One way or the other?—A. No.

Q. Did you tell Clarence Schofield that the horse had the heaves?—A. I do not remember that I did.

Q. Did not Schofield tell you at the time of the sale that the horse had the heaves and that it was evident to any man?—A. No, I do not think he did, the horse had a bad cough.

Q. Will you swear that he did not tell you that the horse had the heaves?—A. He told me one man who was a judge said he had not the heaves.

Q. Will you swear that he did not tell you he had the heaves?—A. I do not know that I will.

Q. Will you or will you not swear that?—A. I will not swear that he did not tell me he had the heaves, the horse had a bad cough and I knew it.

Q. Will you swear he told you that the horse had the heaves?—A. No, I won't.

Q. Will you swear that he did not tell you the horse had the heaves?—A. No, I will not swear that he did not tell me.

Q. Did he or did he not tell you that the horse had the heaves?—A. I cannot say. I knew the horse had a very bad cough before he brought him to me, I heard the horse coughing myself and I knew about it.

Q. I would like to know for what purpose you drove the horse away from Hutchison's stable and around this turn between these two stables?—A. I do not know that I had any great purpose in doing it.

Q. Was the horse coughing before you drove him away?—A. He coughed a couple of times before I drove him around.

Q. How long were you from the time you started to leave Hutchison's stable until the time you got back?—A. Perhaps half a minute or maybe less.

Q. Not more than that?—A. I should not think so.

Q. You did not go more than 100 yards?—A. I did not go 100 feet.

Q. Did you stop your horse during the drive?—A. I drove him around and brought him back perhaps a hundred feet and maybe less.

Q. Did you stop your horse during the course of that drive?—A. I do not think so.

Q. Had he recovered from his cough when you got back?—A. Yes, he recovered, he only coughed a couple of times before I started, he was not coughing when I was driving around.

Q. Did he stop coughing when he got back?—A. He stopped coughing before I started to drive him around there.

Q. Did he stop coughing before you got back to Hutchison's stable?—A. Yes.

Q. Did you give him any medicine or anything to eat or drink after you drove him away from Hutchison's stable and before you got back to Hutchison's stable?—A. Not at all.

Q. Did you give him any medicine or anything to eat or drink from the time you arrived at Hutchison's stable up to the time of the sale?—A. No, sir.

Q. Or did you give him anything of that kind outside of Hutchison's stable?—A. No, sir.

Q. Did you give him burdock leaves or anything else of that kind the morning of the sale?—A. No, sir.

Q. When was the last occasion on which you had given him burdock leaves or anything of that nature, prior to the sale?—A. It may have been a week or two, but I cannot say positively about that. But he was not treated in any way for it that day or near that day.

Q. In what other respects was the horse unsound?—A. Except the cough?

Q. Yes?—A. Not in any other way that I know of.

Q. Was he over in the knees?—A. I do not think so.

Q. You owned the horse and you ought to know, was he over in the knees?—A. I would not say that he was.

Q. Did he appear to be?—A. I would not say that he appeared to be.

Q. Do you say that his legs were quite straight?—A. They were, I considered them good.

Q. Was he tender in the feet?—A. No, sir, not so far as I could judge.

Q. Had he any spavins?—A. He had not any; I considered him perfectly sound, except for the cough, he was a perfect horse except for that.

Q. Did you give McKay any money in connection with the sale of that horse?—A. No, sir.

Q. Did you give Chipman any money in connection with the sale of that horse?—A. No, sir.

Q. Or did you give any other person any money in connection with passing your horse?—A. No, sir.

Q. Or did you give anybody any money after the horse was passed?—A. No, sir.

Q. You live in Wolfville?—A. Yes.

Mr. THOMPSON: You had better come back.

Sir CHARLES DAVIDSON: Did you inform the vet., Chipman, about that cough?

The WITNESS: No, he never asked me a question about it.

Sir CHARLES DAVIDSON: I know, but that is not my question, did you tell him about it?

The WITNESS: No, I did not tell him.

Sir CHARLES DAVIDSON: One would imagine that when a horse was affected with such a persistent cough for nine months, as your horse was, that you would have told the veterinary surgeon.

The WITNESS: That horse had a very bad cough when I bought him but when I let him go his cough was very little indeed. I considered him a good horse.

Sir CHARLES DAVIDSON: You did not inform the veterinary surgeon about that cough?

The WITNESS: I did not, but I would have informed him if he asked me.

The witness retired.

W. ESTEY COCHRANE, livery-stable keeper, Windsor, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. Where was the sale?—A. The sale was in my livery yard.

Q. Where is that?—A. In Windsor.

Q. How many horses did you sell?—A. I sold two.

Q. Who was the buyer?—A. Keever.

Q. Who was the veterinary surgeon?—A. Dr. Gill.

Q. What price did you receive for your horses?—A. \$160 and \$165.

Q. What were the ages of your horses?—A. As far as I knew, I did not raise them, they were eleven years old and twelve or perhaps thirteen.

Q. Which was the \$160 horse?—A. The oldest horse.

Q. What was the weight of the \$160 horse?—A. About 1,100 pounds, but it may be a little more.

Q. What was the weight of the other horses?—A. 1,100 pounds.

Q. What time of the day were your horses examined by the veterinary surgeon?—A. I do not really know but I think it was about twelve o'clock.

Q. When were you paid?—A. I was paid the next day.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

[Wolfville, Horses—Cochrane.]

Q. By whom were you paid?—A. I was paid by Keever.

Q. Why were you not paid the day your horses were examined?—A. I wanted more money and I would not give him a decided answer whether I would take that for them or not.

Q. You did not close the bargain, therefore, until the following day with him?—A. No, sir.

Q. What did you ask for your horses?—A. I asked \$175 and \$200.

Q. And what did they offer you?—A. Just what he gave me.

Q. What examination was made by Dr. Gill of your horses?—A. I did not see him examine them at all. They were in the stable and there were a lot of teams there and somebody else took them out.

Q. Did they take your horses outside the stable?—A. Yes, they took them out in the yard and ran them up and down the road and so on.

Q. Did they put tickets on your horses?—A. Yes.

Q. Did you sign a receipt for your money?—A. Yes, sir, on this ticket.

Q. Did you give any part of that money to Dr. Gill or to Keever?—A. No, sir.

Q. Or did you give any money to any other person in connection with the sale of these horses?—A. No, sir.

Q. Did you pay any commission to anybody for passing your horses?—A. No, sir.

Q. Were your horses sound?—A. Yes, sir.

Q. Quite sound?—A. Yes, sir; one horse had a little crack on the leg, it was a little skin cut.

Q. That is a blemish but not an unsoundness, you say they were quite sound otherwise?—A. They were sound in every way.

Q. There were other horses sold at your stable?—A. Yes, sir.

Q. Do you know the horse that was sold by Clarence McCann?—A. Yes.

Mr. THOMPSON: Clarence McCann has gone to the front and we might as well take the testimony of this witness as to McCann's horse. We may not be able to get the price but we will get the condition of the horse.

By Mr. Thompson, K.C.:

Q. I suppose the same people examined McCann's horse?—A. Yes, sir, the same people but the next day.

Q. That was the day on which you were paid for your horses?—A. Yes.

Q. What did McCann get for his horse, do you know?—A. I ain't sure, I think \$165, he asked \$175, and they bargained around for quite a while but I ain't sure what he got.

Q. Do you know what age McCann's horse was?—A. He was somewhere's about nine years old.

Q. What was his weight, do you know?—A. About 1,100 pounds.

Q. Did you see McCann being paid?—A. Yes, I saw him pay him but I did not hear what the price was.

Q. McCann's horse was ticketed, was he?—A. Yes.

Q. Were the horses kept in your stable after they were bought?—A. No, they were shipped after they were paid for.

Q. All of them?—A. Yes.

Sir CHARLES DAVIDSON: Was McCann's horse sound?

The WITNESS: He was, as far as I know.

By Mr. Thompson, K.C.:

Q. Were the Windsor horses all bought at your place or examined at your place?—A. Not all of them, the next day they bought them in the drill shed yard.

Q. How many were bought at your place?—A. About sixteen.

Q. What was the quality of the horses bought at your place?—A. Good, I would say.

Q. Did you see any old horses there?—A. No, sir, I did not.

[Wolfville, Horses—Cochrane.]

Q. Did you see any horses that were over in the knees?—A. No, sir.

Q. Did you hear any of the horses there coughing?—A. Yes.

Q. Did you see any of them kicking?—A. No, they were all right in a bunch tied up close together in the stable.

The witness retired.

EDWARD SWEET, farmer, of Windsor, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. No, sir.

Q. You did not sell any?—A. No, I did not sell any; one of my horses was sold but I did not sell it.

Q. Who did you get to sell it?—A. I did not get anyone, it was my brother sold it for me.

Q. He is in court, is he?—A. He is in court.

Q. You do not know who the buyer of your horse was?—A. I do not know, and I don't think my brother knew.

Q. Do you know who the veterinary surgeon was?—A. Yes, Dr. Gill.

Q. Were you there at all at the sale?—A. Yes, I was there.

Q. And you knew it was Dr. Gill who was the veterinary surgeon?—A. Yes.

Q. What price did you receive for your horse?—A. \$140.

Q. What was the age of your horse?—A. He was five years old.

Q. What was his weight?—A. About 1,150 pounds.

Q. Were you the man who was paid or was it your brother who was paid?—A. My brother was paid.

Q. What did you get for your horse?—A. \$140.

Q. Why did you not sell him yourself?—A. Well, I had nothing to do with him at all.

Q. You had nothing to do with your own horse?—A. I had more horses than I wanted and this horse I had not at home it was with my brother.

Q. Did you suggest to your brother that he should sell the horse?—A. Yes, the horse was for sale.

Q. It was in your brother's hands for sale?—A. Yes.

Q. What was your limit of price?—A. \$150.

Q. And you allowed your brother to drop ten dollars?—A. He did that himself.

Q. Did they examine your horse?—A. Yes.

Q. What examination did they make of your horse?—A. They gave him a pretty thorough examination and looked him all over and looked at his teeth and his legs, and put the saddle on him and tried him.

Q. Did they move him about?—A. Yes, they run him up and down the road.

Q. Did they feel his legs?—A. Yes.

Q. Did they ask you if the horse was sound?—A. No, sir.

Q. Was the horse sound?—A. Yes, I would say he was sound. He had one crooked leg, but it was not any blemish to him.

Q. Which was the crooked leg?—A. One of the hind legs was crooked.

Q. In what respect was it crooked?—A. It was foaled that way.

Q. How long had you had that horse?—A. I raised him.

Q. Was he always that way from the time he was a colt?—A. Yes.

Q. Did it make him walk or trot lame?—A. No, not lame, he had just a hitch with it.

Q. Was he quite sound in other respects?—A. Yes, he was quite sound.

Q. Did this blemish interfere with his working capacity?—A. No.

Q. Did you pay any commission to your brother for selling the horse?—A. No.

Q. Did you give anything to Dr. Gill for passing the horse?—A. No.

[Wolville, Horses—Sweet.]

Q. Or did you give anything to Kever?—A. No, sir, I do not know who the other men were at all.

Q. You did not give anybody any present for passing your horse?—A. No.

By Mr. Sangster:

Q. You and your brother live near each other and work together?—A. Yes, right together.

The witness retired.

GEORGE HALEY, farmer, of Windsor, N.S., sworn.

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes.

Q. Where did you sell him?—A. At the drill-shed.

Q. Where?—A. At Windsor.

Q. Who was the buyer?—A. I cannot say.

Q. Who was the veterinary surgeon?—A. Dr. Gill.

Q. What price did you receive for your horse?—A. I received \$180 for him.

Q. What was the age of your horse?—A. He was 11 years old.

Q. What was the weight of your horse?—A. He would weigh about 1300 pounds.

Q. Were you paid by cheque or by cash for the horse?—A. Well I was paid by cash, I suppose; they gave me a little piece of paper with \$180 marked on it and I stepped a few feet and a man paid me. One man gave me the cheque and the other paid me.

Q. Who gave you the little check?—A. I cannot say: he was a sandy-complected man.

Q. Who paid you the cash?—A. I cannot say who the man was.

Q. Was Mr. Oakes there?—A. I cannot tell you who the men were, I do not know their names.

Q. Was Mr. Oakes there?—A. I do not know.

Q. Was Mr. Foster there?—A. I cannot say, I do not know.

Q. What examination was made of your horse?—A. Mr. Gill examined the horse.

Q. In what way did he examine him?—A. He looked him all over.

Q. Is that all he did?—A. Yes.

Q. Did he move him about?—A. No.

Q. Did he feel his legs?—A. Yes.

Q. Did he look in his mouth?—A. Yes.

Q. He did nothing more than look him over, you say he did not make you drive him up and down?—A. No.

Q. Did he ask you if the horse was sound?—A. No.

Q. Was the horse sound?—A. No, the horse was a little thick in the wind, but nothing to hurt.

Q. What is that?—A. I heard Gill telling the man that the horse was a little thick in the wind.

Q. Is that pricked in the wind?—A. Yes, I suppose it is.

Q. Is that the same thing that develops into heaves?—A. Yes, I suppose it would be called heaves.

Q. How long had you had the horse?—A. I raised him.

Q. How long had it been thick in the wind?—A. Well, she had only showed it a few months.

Q. About how many months before you sold her?—A. May be four months.

Q. Was that the reason you sold her?—A. No.

Q. How many other horses did you keep?—A. Four or five.

Q. Was this the only one you offered for sale?—A. I did not offer her for sale.

[Wolfville, Horses—Haley.]

Q. Did they come and ask you to sell her?—A. No, they asked me if I would put her in for sale.

Q. How did they know her out of the four or five horses that you have?—A. They said they wanted a couple of horses more to fill up the car, I did not take her there for sale at all.

Q. How did they know you had a horse?—A. I do not know. A man came out and asked me to take her in.

Q. Who was that man?—A. Alexander Sweet, he asked me to take this horse in. I drove up to the place of sale to see the other horses, and Alexander Sweet came out and asked me if I would sell her and I said I did not want to sell her at that time, that she was not a suitable horse.

Q. She was not a suitable horse for what?—A. I thought she was too heavy.

Q. Were any of the other horses you had thick in the wind?—A. Not any of them.

Q. Were they all perfectly sound?—A. Perfectly sound.

Q. What were you doing at the place of sale if you did not want to sell the horse?—A. I happened to go up to see them.

Q. You went up, I suppose, out of curiosity?—A. I never knew they were buying horses until I was close to the place.

Q. How far do you live from the place of sale?—A. About three miles.

Q. Why did you go in there at all, were you in on other business?—A. I was in on other business.

Q. And you heard there was a sale going on?—A. Yes, and I went up to see the horses.

Q. I thought you said you didn't know anything about the sale going on?—A. I did not until I got close to the place.

Q. You say you had no intention of selling the horse when you drove in?—A. No intention.

Q. Did you leave the horse at the place of sale?—A. I left the horse there.

Q. Did they put a ticket on the horse?—A. Yes.

Q. Did you sign a receipt for your money?—A. Yes.

Q. Did you give Sweet anything for putting you on to the sale?—A. No.

Q. Did you give any commission to anybody?—A. I paid no commission.

Q. And you say your horse was not unsound in any other respect?—A. Not that I know of.

Q. What about her knees?—A. Her knees were good; she had a beautiful set of limbs.

Q. Was she an ambitious horse?—A. She was a beautiful working horse.

Q. I suppose you used your horse for farm work chiefly?—A. Yes, I worked her every day.

Q. And she did very little road work?—A. Yes, plenty of road work.

Q. Trotting?—A. Yes.

Q. How far would she go before the thickness in the wind would affect her?—A. It never seemed to hurt her a bit.

Q. But you could hear her roaring?—A. No, but you could see a slight draw in her side.

Q. Did you tell Gill all about it?—A. No, they asked me no questions about it. I heard Gill say that the horse was thick in the wind after the examination.

By Mr. Sangster:

Q. Is there a difference between thick in the wind and having the heaves?—A. There is a difference between the heaves and thick in the wind.

Q. Does this thickness in the wind affect a horse's capacity to work?—A. No, it never hurt this one anyway, we worked her hard every day.

Q. Is there any truth in the report that Mr. Sweet attempted to sell a horse there and was unsuccessful and went back and got you to sell it for him?—A. No sir, I was only there about twenty minutes on the ground.

[Wolfville, Horses—Haley.]

Q. I refer now to Alexander Sweet or James Sweet?—A. No. Alexander Sweet came out and asked if I would sell the mare and I said I was not particular.

Q. That was your own mare?—A. That was my own mare.

The witness retired.

Captain JAMES SMITH, farmer, Mount Denson, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September to the Government?—A. Yes sir.

Q. How many did you sell?—A. I sold one.

Q. Where did you sell that horse?—A. At Windsor.

Q. Who was the buyer?—A. Well, I cannot say the man's name, he was a light, sandy-complected man.

Q. Did you hear his name?—A. I heard his name several times.

Q. What did you hear his name was?—A. I really cannot say.

Q. Who was the veterinary surgeon who inspected your horse?—A. Dr. Gill.

Q. What price did you receive for your horse?—A. \$150.

Q. What was the age of your horse?—A. Six years old.

Q. What was his weight?—A. About one thousand pounds, I should judge, as near as I can think, but I never weighed him.

Q. Were you paid by cheque or by cash for your horse?—A. I was paid by cash.

Q. What time of the day was your horse examined?—A. He was examined in the forenoon.

Q. When were you paid?—A. I was paid there the same day.

Q. What examination was made of your horse?—A. Well, the doctor looked him all over and got a young fellow to ride him up and down the street and pronounced him all right.

Q. Did he ask you if the horse was sound?—A. Yes, he asked me, and I knew the horse was sound.

Q. How long did you have that horse?—A. I had him about two years.

Q. What did you pay for him?—A. I bought him when he was a colt and I paid \$110 for him and broke him in myself.

Q. Was the horse quite sound?—A. Quite sound; I know he was a sound good horse.

Q. Did they put a ticket on him?—A. Yes, sir.

Q. Did you sign a receipt?—A. I signed a paper, yes, sir.

Q. Did you give any commission to Dr. Gill in connection with the sale of the horse?—A. Oh no, not anything.

Q. Did you give any commission or payment to any other person?—A. Nothing.

Q. You gave nothing directly or indirectly?—A. No, they did not ask for any.

The witness retired.

ISAIAH SHAW, farmer, Hantsport, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. I did.

Q. Where did you sell your horse?—A. At Windsor.

Q. How many horses did you sell?—A. One.

Q. Was that your own horse?—A. Yes.

Q. Who was the buyer?—A. I do not know for sure but they said his name was Keever.

Q. Who was the veterinary surgeon?—A. Gill.

[Wolfville, Horses—Shaw.]

Q. What price did you receive for your horse?—A. \$170.

Q. What was the age of your horse?—A. Five years old.

Q. What was the weight?—A. About 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What were you asking for your horse?—A. I did not set any price, I paid \$165 for him.

Q. How long ago did you pay that?—A. About six months.

Q. Was the horse sound?—A. Yes.

Q. Was he quite sound?—A. Yes.

Q. Was the horse pricked in the wind?—A. No.

Q. Was it thick in the wind?—A. Not at all.

Q. Was the horse over in the knees?—A. Not a bit.

Q. And he had no spavins?—A. None.

Q. He was quite sound?—A. Perfectly sound.

Q. What examination did they make of your horse?—A. Mr. Gill went over him and he said it was fit for the business.

Q. Did they move the horse about?—A. Yes.

Q. Did they drive him up and down?—A. Yes.

Q. Did you make any present to Dr. Gill or pay him any money in any way in connection with the sale of the horse?—A. No.

Q. Or did you give anything to Kever in connection with the sale of the horse?—A. No.

Q. Or did you give anything to any other person in connection with the sale of that horse?—A. No.

The witness retired.

JOHN WOLFE, farmer and butcher, Hantsport, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse last August or September to the Government for military purposes?—A. Yes, sir.

Q. Where was the sale?—A. At Windsor.

Q. Who was the buyer?—A. It was a big stout fellow.

Q. What was his name?—A. I do not know, I did not ask his name.

Q. Did you hear his name?—A. I do not know that I did.

Q. Who was the veterinary surgeon?—A. Dr. Gill.

Q. What price did you receive for your horse?—A. \$170.

Q. What was the age of your horse?—A. Five years old.

Q. What was the weight of your horse?—A. I should think he was about 1,100 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. Were you paid on the day of the sale?—A. Yes.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt for the money you got?—A. Yes.

Q. What examination did they make of your horse?—A. They felt his legs and ran him up and down and all that kind of thing to try if he was thick in the wind.

Q. Was there any lameness in your horse?—A. No.

Q. Was he pricked in the wind?—A. No.

Q. And he had not the heaves?—A. He had no heaves.

Q. Was he over in the knees?—A. No.

Q. Was there anything wrong with him?—A. No.

Q. What did you pay for him?—A. \$180.

Q. How long had you had him?—A. A few months.

Q. I understand you traded for him?—A. Yes, I traded a team of oxen for him.

Q. At what did you value the oxen?—A. \$175.

[Wolfville, Horses—Wolfe.]

Q. Was Mr. Foster there the day of the sale?—A. Not that I know.

Q. You did not see him?—A. No.

Q. Did you see Mr. Oakes there?—A. No.

Q. Did you pay any commission to anybody in connection with the sale of your horse?—A. I did not.

Q. You did not give any present to anybody?—A. No.

Q. Was your horse blind?—A. No, he could see too much.

Q. Did he run away?—A. No.

Q. Did he kick?—A. No.

The witness retired.

WILLIAM R. PATTERSON, farmer, of Falmouth, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. Where was the sale?—A. At Windsor.

Q. Who was the buyer?—A. They told me his name was Keever, I do not know anything more than that.

Q. Who was the veterinary surgeon?—A. Dr. Gill.

Q. What did you receive for your horse?—A. The first day I had him down there I sold him. He was the first horse that passed and I sold him for \$185 but he did not take him.

Q. Therefore, you did not sell him?—A. He took charge of him and put him in the stable and asked me if I would wait until the afternoon for my pay, and I told him I would, and he said he was terribly busy at the time.

Q. Who told you that?—A. Keever, and so I waited until three o'clock in the afternoon.

Q. And then were you paid?—A. No, I went to Keever and told him I would like to go home and could we settle for the horse and he said he would settle in a little while, and they took charge of the horse and put the halter on him and took him to the stable, and he said he would meet me down the street and so I went down the street and he met me and he said he could not give me more than \$150 for the horse, and I said to him that he bought the horse for \$185 and he said he would not do it, and I asked him why and he said he could not give any more than that. I said that he could not have him and I went up to F. B. Carson's stable and took the horse out with Keever's halter on and he sent a man down and took the halter off and I took it down to Doran's stable, and I would not leave the horse and I took it home.

Q. Did you sell him eventually?—A. Afterwards, I did.

Q. At what price?—A. At \$170, the next day.

Q. What was the age of the horse?—A. The horse was eight years old, that is what I bought him for.

Q. What was his weight?—A. He weighed about 1,025.

Q. Were you paid by cheque or by cash?—A. I was paid in cash.

Q. By whom were you paid?—A. I was paid by Keever.

Q. Was Mr. Foster there the day of the sale?—A. No, I did not see Mr. Foster there.

Q. Was Mr. Oakes there?—A. No, I never seen any man only the man that bought the horse.

Q. What examination did they make of the horse?—A. Mr. Gill examined the horse and he put a man on him and drove him out and brought him back and the man who bought the horse told me he could give me \$185 for him.

Q. Did they ask you if the horse was sound?—A. They never asked me any questions.

Q. Was the horse sound?—A. He was sound. He was quite sound, I bought him from John Miller.

Q. And you say that the horse was sound?—A. He was sound.

Q. Did he have any spavins?—A. He had no spavins, he may have been caught in the wind, I do not know whether he was or not, I would not swear to that.

Q. Did he give any indication of being pricked in the wind while you had him?—A. He was a little thick, you know.

Q. How long had you had him?—A. I had him about eight months.

Q. What did you pay for him?—A. I paid \$175 for him.

Q. Did you pay cash?—A. Yes.

Q. Did he have that thickness or whatever that was in the wind when you bought him?—A. I do not think he had, but he got distemper after I got him.

Q. Does that thickness of the wind or heaves follow that distemper?—A. I suppose it does, but I do not know.

Q. Does it usually?—A. Yes.

Q. You are a judge of a horse?—A. I use a lot of them.

Q. Did you give any commission to anybody for selling that horse?—A. No, I gave no commission to anybody.

Q. Did you sign a receipt for your money?—A. I got the cash from Keever.

Q. Did you sign a receipt?—A. I signed no receipt.

Q. Did they put a ticket on your horse?—A. They put a ticket on my horse the day I sold him for \$185 and when they got the halter back they got the ticket back also.

The witness retired.

L. A. ARMSTRONG, farmer, Falmouth, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Where did the sale take place?—A. At Windsor.

Q. How many horses did you sell?—A. One.

Q. Who was the buyer?—A. I did not know his name but I have learned since his name was Keever.

Q. Who was the veterinary surgeon?—A. Dr. Gill.

Q. What price did you receive for your horse?—A. \$165.

Q. What is the age of your horse?—A. He was seven years old.

Q. What was his weight?—A. He weighed about 950 pounds.

Q. Were you paid by cheque or by cash for your horse?—A. I was paid in cash.

Q. By whom were you paid?—A. I was paid by Mr. Keever.

Q. Did you sign a receipt for the money?—A. Yes.

Q. Did they put a ticket on your horse?—A. Yes.

Q. What were you asking for that horse?—A. I was asking \$170 for him.

Q. And what did they offer you for him?—A. \$165.

Q. Did you see Mr. Foster there on the day of the sale?—A. I did not see him.

Q. Did you see Mr. Oakes there?—A. I do not know him.

Q. What examination was made, of your horse?—A. They examined his limbs and teeth and somebody rode him out on the street and the vet. was Dr. Gill.

Q. Was the horse sound?—A. Yes.

Q. Quite sound?—A. Quite sound.

Q. How long had you had that horse?—A. I raised him.

Q. Did you pay any commission to anybody in connection with the sale of that horse?—A. I paid no commission to anybody.

The witness retired.

[Wolfville, Horses—Armstrong.]

JOHN SEXTON, farmer, Falmouth, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.

Q. How many did you sell?—A. Two.

Q. Where did the sale take place?—A. At Windsor.

Q. Who was the buyer?—A. They called him Mr. Keever, I think.

Q. Who was the veterinary surgeon?—A. Mr. Gill.

Q. What price did you receive for your horses?—A. I received \$150 for one and \$165 for the other.

Q. What was the age of the \$150 horse?—A. I expect he was about twelve or thirteen years old.

Q. What was the age of the \$165 horse?—A. He was nine or ten years old.

Q. What was the weight of the \$150 horse?—A. I should say about one thousand pounds.

Q. What was the weight of the other?—A. About the same.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. By whom were you paid?—A. I was paid by Mr. Keever.

Q. What time of the day were you paid?—A. In the afternoon.

Q. What time in the afternoon?—A. Around four o'clock.

Q. Was Mr. Foster there the day of the sale?—A. I did not see him, I do not know the man.

Q. Were you paid by Keever?—A. Yes.

Q. Did you sign a receipt of your money?—A. Yes.

Q. Did they put tickets on your horses?—A. Yes.

Q. What examination was made of your horses by Dr. Gill?—A. He looked over the limbs and looked in their mouths and examined them all over.

Q. Did you move the horses about?—A. Yes, we put a saddle on them and moved them up and down the street.

Q. Did they ask you if the horses were sound?—A. No, I do not think they did.

Q. Were both of them sound?—A. Yes, they were.

Q. To what extent were they sound?—A. They were sound in every way, there was no blemish on them at all.

Q. What about their wind?—A. Their wind was all right.

Q. How long had you had them?—A. I had one about nine months.

Q. Which horse did you have for nine months?—A. The \$165 horse.

Q. What did you pay for him?—A. I paid \$185 for him.

Q. So that you were selling him at a loss?—A. I did not need the horse.

Q. How long had you had the \$150 horse?—A. I had him about a week.

Q. What did you pay for him?—A. I paid \$135.

Q. So that you evened up on the two?—A. Yes, sir.

Q. Were your horses lame at any time?—A. No.

Q. And they were not unsound in any way?—A. They were not.

Q. What about their knees?—A. Their knees were all right.

Q. Did either of them have any spavins that you know of?—A. No, sir, they were pretty clean horses, they were fit to do any work.

Q. Had you any doubt about either of them as to their soundness?—A. No.

Q. Did you give any commission to Keever in connection with the sale of these horses?—A. No.

Q. Or did you give any payment to Dr. Gill?—A. No.

Q. Or did you give any commission or any payment to any other person in connection with the sale of these horses?—A. I gave nothing to anybody.

Q. You kept all the money for yourself?—A. I kept it all for myself.

Q. You didn't give anybody a present?—A. No, sir.

Q. Did you sign a receipt for the amount of the horses?—A. Yes.

The witness retired.

INGLIS C. SMITH, farmer, of Falmouth, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse last August or September to the Government for military purposes?—A. I sold for military purposes last fall but I do not know what month it was.

Q. Where was the sale?—A. At Windsor.

Q. Do you know who the buyer was?—A. No, sir.

Q. Do you know who the veterinary surgeon was?—A. Yes, Dr. Gill.

Q. What price did you receive for your horse?—A. I got \$165.

Q. What was the age of the horse?—A. He was from ten to twelve years old.

Q. What was his weight?—A. He weighed about 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash.

Q. What time of the day were you paid?—A. Between four and five o'clock in the afternoon.

Q. Who were you paid by?—A. I do not know, I did not know the man.

Q. What examination did the veterinary surgeon make of your horse?—A. They put a saddle on him and rode him around.

Q. Did they try his wind?—A. Yes, sir.

Q. Did they feel his legs?—A. Yes, sir.

Q. Did they look in his mouth?—A. Yes, sir.

Q. Did they ask you if the horse was sound or not?—A. Yes, sir.

Q. Was he sound?—A. No, sir.

Q. In what respect was he unsound?—A. He had side-bones on his forward feet.

Q. To what degree does that render a horse unsound?—A. I do not know, it caused him to go lame sometimes.

Q. Is that something in the nature of a swelling that they have on their hind legs, is it called a spavin sometimes?

A. It causes them to go lame, I do not know much about it.

Q. How long did you have that horse?—A. I had him one year.

Q. What did you pay for him?—A. I paid \$185.

Q. Had he the sidebone when you bought him?—A. Yes.

Q. Was he as good a horse when you sold him as when you bought him?—A. Yes, sir.

Q. But you were selling him at a loss?—A. Yes.

Q. Why sell him at a loss if he was still as sound as when you bought him?—A. I did not need the horse.

Q. Was he troubled with this sidebone when you bought him and paid \$185 for him?—A. Yes.

Q. Had he any other indications of unsoundness?—A. Not that I know of.

Q. What about his knees?—A. They were good.

Q. What about his wind?—A. It was good.

Q. And what about his feet?—A. Very good except this sidebone, he had good feet.

Q. Did you sign a receipt for your money?—A. I think I did.

Q. Did they put a ticket on your horse?—A. Yes, sir.

Q. Did you give any commission to anybody in connection with the sale of that horse?—A. No.

Q. You did not give anything to Dr. Gill or to the buyer?—A. No, sir, I did not.

Q. Did you see Mr. Foster there the day of the sale?—A. I did not see him.

Q. Did you see Mr. Oakes there the day of the sale?—A. No sir, I did not.

Q. Was your horse blind in one eye?—A. No, sir.

Sir CHARLES DAVIDSON: What did the veterinary surgeon say about the sidebone?

The WITNESS: He did not say anything to me.

Sir CHARLES DAVIDSON: And you did not say anything to him?

The WITNESS: No, sir.

[Wolffville, Horses—Smith.]

By Mr. Thompson, K.C.:

Q. Did he notice them?—A. I cannot tell you that.

Q. If he felt the horse's legs he would have noticed them?—A. Yes.

Q. If an ordinary person were to feel that horse's legs would he notice the sidebone?—A. I do not know, perhaps not.

Sir CHARLES DAVIDSON: But a veterinary surgeon would notice it.

The WITNESS: Oh yes, I should think he would.

Sir CHARLES DAVIDSON: Would it require a skilled person in horses to notice the sidebone?

The WITNESS: No, I do not think it would.

Sir CHARLES DAVIDSON: Do you think I would notice them?

The WITNESS: Maybe you might not.

Sir CHARLES DAVIDSON: Was this horse sold as a saddle horse?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: How far did the sidebones interfere with his action?

The WITNESS: They did not interfere at all with him while I had him, he went smooth and good on his feet.

Sir CHARLES DAVIDSON: Did he go lame with you?

The WITNESS: No, sir.

Sir CHARLES DAVIDSON: Was he never lame with you?

The WITNESS: Well, I have seen him a little lame, yes.

Sir CHARLES DAVIDSON: What caused the lameness?

The WITNESS: I did not know at the time whether it was the sidebones or not.

By Mr. Thompson, K.C.:

Q. Does it produce a kind of interference?—A. No, sir.

Q. What size were the sidebones?—A. They were very small, small enlargements on the side of the foot.

Q. About what size would they be?—A. They are simply a small enlargement on the side of the foot, you would notice a small enlargement of the hoof.

Q. Would it be as thick as your small finger?—A. Yes.

Q. What part of the hoof does it appear on?—A. On the outside of the forward foot.

The witness retired.

ENOCH HENNESSY, farmer, Brookline, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse to the Government for military purposes?—A. Yes, I sold two.

Q. You did not sell four?—A. No.

Q. Did you sell any horse for any other person?—A. No.

Q. Where was the sale?—A. In Windsor.

Q. Who was the buyer?—A. Keever.

Q. Who was the veterinary surgeon?—A. Gill.

Q. Are you sure you only sold two horses?—A. Yes, sir.

Q. What price did you receive for your horses?—A. \$150 or \$160, I think, it is within five dollars of that amount, anyway.

Q. What was the age of the \$150 horse?—A. The \$150 horse was a horse that was about eight or nine years old.

Q. What is the age of the \$160?—A. They both were the same age.

Q. What was the weight of the \$150 horse?—A. About 1,100 pounds.

Q. What was the weight of the \$160 horse?—A. About 950 pounds.

Q. Were you paid by cheque or by cash for these horses?—A. I was paid by cash.

Q. What time of the day were you paid?—A. Around about eleven o'clock in the morning.

Q. Did they put a ticket on your horses?—A. Yes.

Q. Did you sign a receipt for your money?—A. Yes.

Q. What examination did Gill make of your horses?—A. A good one.

Q. What do you mean by a good one?—A. He trotted them around up and down the street and looked them all over.

Q. Did they put a saddle on the horses?—A. Yes.

Q. Did they ask you if the horses were sound?—A. No.

Q. Were the horses sound?—A. One was sound.

Q. Which was the sound one?—A. The \$160 horse.

Q. Was he quite sound?—A. Yes, perfectly sound.

Q. How long had you had him?—A. I had him probably about a fortnight or three weeks.

Q. What did you pay for him?—A. Well, I would have to do a little figuring, I got him in a trade, I paid \$225 for him a short time before.

Q. How long did you have the \$150 horse?—A. I had him, I suppose three or four months.

Q. What did you pay for him?—A. \$145.

Q. Did you pay that in cash?—A. No, in trade, I would like to buy him today for the same money.

Q. In what respect was he unsound?—A. Well, after he would go into the barn sometimes you might almost notice him breathing hard, but take him out in the morning and he was all right.

Q. What do you mean by that?—A. Probably the barn was close or oppressive.

Q. Was that thickness in the wind?—A. No, it was a different way of breathing, it was a puffing.

Q. We have three or four degrees of broken-winded horses, we have thickness in the wind, pricked in the wind, gone in the wind, heaves, and now we have puffing?—A. I do not know that any of them would be the way this horse was.

Sir CHARLES DAVIDSON: I suppose there is no other degree of this infirmity that we have not heard of.

Mr. THOMPSON: I hardly think so.

By Mr. Thompson, K.C.:

Q. Was that horse always that way in the stable?—A. Not always.

Q. When you drove him, was he puffing also?—A. No.

Q. What about his spavins?—A. He had not any.

Q. Was he over in the knees?—A. No.

Q. Were his legs quite straight?—A. Yes.

Q. Are you sure that there was no other unsoundness about him that you knew of?—A. There was not.

Q. Did you give any commission to Dr. Gill for passing that horse?—A. No.

Q. Or did you give any promise of any commission to him or payment?—A. No.

Q. Or did you give anything to Kever in connection with the sale of the horse?—A. No.

Q. Did you pay any commission to anybody?—A. No, I did not.

Q. Did you give anybody any present in connection with the sale of the horse?—A. No.

Q. Did you see Mr. Foster there the day of the sale?—A. No.

Q. Or did you see Mr. Oakes there the day of the sale?—A. No.

The witness retired.

W. H. HENNESSY, livery-stable keeper, Brookline, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Did you know the date of the sale?—A. I cannot remember.

Q. Where was the sale?—A. At E. Cochrane's stable.

Q. Where was that?—A. At Windsor.

Q. Who was the buyer?—A. The buyer was Keever.

Q. Who was the veterinary surgeon?—A. Dr. Gill.

Q. How many horses did you sell?—A. I sold one.

Q. Did you sell only one?—A. Only one.

Q. Did you sell any for any other person?—A. No.

Q. What price did you receive for your horse?—A. \$145.

Q. What is the age of your horse?—A. He was eight years old.

Q. What was his weight?—A. 1,150 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid in cash.

Q. What time of the day was your horse examined?—A. I should judge about three o'clock in the afternoon.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt for the money you got?—A. Yes.

Q. What examination was made of your horse?—A. They run him around the street and examined him closely and pronounced him all right.

Q. Did they feel his legs?—A. Surely.

Q. How long had you had that horse?—A. The last time I had him about six months.

Q. What did you pay for him?—A. \$175.

Q. Was he sound?—A. Perfectly sound.

Q. There was nothing wrong with him whatever?—A. Nothing wrong with him in any way, shape or form.

Q. He had none of these various ailments that horses are predisposed to down here?—A. No, sir.

Q. Were his legs all right?—A. He was all right in every way.

Q. What about his wind?—A. His wind was good.

Q. Was he over in the knees?—A. No, he was all right.

Q. Had he good eyesight?—A. Yes.

Q. Did he kick?—A. If I hit him he would.

Q. Did you pay a commission for having your horse sold?—A. No.

Q. You did not pay any commission, or any promise of commission or any money whatever to Keever?—A. No, sir.

Q. And you did not pay any money to anybody else?—A. I paid nothing to nobody.

Q. And you did not pay any money to anybody else?—A. I paid nothing to nobody.

Q. You paid no money at all?—A. No.

Q. Did you sign a receipt?—A. Yes, sir.

The witness retired.

E. K. MORTON, farmer, Three-Mile Plain, sworn.

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Do you know what the date of the sale was?—A. No, it was the first of September, I think.

Q. Where was the sale?—A. At Mr. Cochrane's livery stable.

- Q. At what place?—A. At Windsor.
- Q. Who was the buyer?—A. Mr. Keever.
- Q. Who was the veterinary surgeon?—A. Dr. Gill.
- Q. What price did you receive for your horse?—A. \$165.
- Q. What was the age of the horse?—A. He was eight years old.
- Q. What was the weight of the horse?—A. Well between 900 and 1,000 pounds.
- Q. Were you paid by cheque or by cash?—A. I was paid by cash.
- Q. What time of the day were you paid?—A. I was paid in the forenoon.
- Q. Was Mr. Foster there when you were paid?—A. No, sir, not that I know of.
- Q. Was Mr. Oakes there?—A. I do not know, I do not know the man.
- Q. Did you sign a receipt for the money you got for your horse?—A. Yes, sir.
- Q. Did they put a ticket on your horse?—A. Yes, sir.
- Q. What examination was made of your horse by Dr. Gill?—A. A general examination, the same as they treated them all.
- Q. Did he feel his legs?—A. Yes, sir.
- Q. Did he look in his mouth?—A. Yes, sir.
- Q. Did he move him about?—A. Yes, sir.
- Q. Did he put a saddle on him?—A. Yes, sir.
- Q. Did he ask you if your horse was sound?—A. Yes, sir.
- Q. Did you tell them he was sound?—A. Yes.
- Q. Was he sound?—A. Yes, he was.
- Q. There was nothing wrong with the horse?—A. No.
- Q. How long did you have him?—A. A year and a half.
- Q. What did you pay for him?—A. \$225.
- Q. How did it come about that you sold the horse for so little when you paid \$225 for him?—A. I was hard up and needed the money.
- Q. Was he as good a horse when you sold him as when you bought him?—A. Yes.
- Q. Did you give any commission to any person whomsoever for selling that horse?—A. No.
- Q. You gave no money or no payment of any kind to anybody in connection with the sale of that horse?—A. No.

The witness retired.

J. F. RATHBUN, merchant, Newport Station, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.
- Q. Can you fix the date of the sale?—A. No, I cannot.
- Q. Where was the sale?—A. At Windsor.
- Q. At the livery stable there?—A. Yes, sir.
- Q. How many horses did you sell?—A. One.
- Q. Who was the buyer?—A. I do not know.
- Q. Who was the veterinary surgeon?—A. Dr. Gill.
- Q. What price did you receive for your horse?—A. \$145.
- Q. What was the age of your horse?—A. Thirteen years old.
- Q. What was his weight?—A. About 1,150 pounds, I suppose.
- Q. When were you paid?—A. I was paid soon after selling him.
- Q. What time of the day was it?—A. Perhaps about three o'clock.
- Q. What were you asking for your horse?—A. I was asking \$150 for him.
- Q. And what did they offer you for him?—A. They offered me \$145.
- Q. And you took it?—A. Yes, I took it.
- Q. What examination was made of your horse by Gill?—A. The usual examination, he looked at her mouth and eyes and went over her limbs and put the saddle on her.

[Wolfville, Horses—Rathbun.]

- Q. Did he make you move her around?—A. Yes.
- Q. Did you sign a receipt for the money you got for your horse?—A. I signed a voucher of some sort.
- Q. Did they put a ticket on the horse?—A. I think they did.
- Q. How long did you have the horse?—A. Six or seven years.
- Q. What did you pay for him?—A. \$145.
- Q. Was that horse quite sound?—A. Yes, sir, any more than she had a skin blemish where she had been in a wire fence, but nothing to hurt.
- Q. Was she unsound in any other way?—A. No, nothing at all.
- Q. What about her wind?—A. It was perfectly sound.
- Q. Had she any spavins?—A. No.
- Q. Was she over in the knees?—A. No.
- Q. Did he ask you the age of the horse?—A. No, sir.
- Q. Are you sure the horse was only thirteen years old?—A. Well, that is what I bought her for.
- Q. When you bought her she was six years old?—A. Yes.
- Q. And you had her seven years?—A. Yes.
- Q. Was the horse lame at all during that time?—A. No, sir.
- Q. Did she not have bar shoes on her?—A. No, sir.
- Q. What about her spavins?—A. She had none.
- Q. Was her eyesight good?—A. Yes, so far as I know.
- Q. Did she have any cataract on the eye?—A. I am not a specialist but I do not think she had.
- Q. Was there anything wrong with the horse that you know of?—A. No, sir.
- Q. Did you give any person any commission in connection with the sale of that horse?—A. I gave nothing.
- Q. You gave nothing to Dr. Gill?—A. No.
- Q. You give nothing to Keever?—A. No.
- Q. You gave nothing to anybody either directly or indirectly?—A. No graft.
- The witness retired.

WILLIAM ROURKE, farmer, of Falmouth, N.S., sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse to the Government for military purposes last August or September?—A. Yes, sir.
- Q. Do you know who the buyer was?—A. No.
- Q. How many horses did you sell?—A. One.
- Q. Where did you sell your horse?—A. At Windsor.
- Q. Who was the buyer?—A. I do not know; he was a sandy-complexioned man.
- Q. Who was the veterinary surgeon?—A. Dr. Gill.
- Q. What did you receive for your horse?—A. \$170.
- Q. What was the age of your horse?—A. He was nine or ten years old as near as I know.
- Q. What was his weight?—A. 1,100 pounds.
- Q. Were you paid by cheque or by cash?—A. I was paid by cash.
- Q. What time of the day were you paid?—A. I was paid about eleven o'clock in the forenoon.
- Q. Was Mr. Foster there the day of the sale?—A. I did not notice him.
- Q. Was Mr. Oakes there?—A. I would not know him.
- Q. Where was your horse sold?—A. At the drill shed in Windsor.
- Q. What examination was made of your horse?—A. He examined him all over as far as I know, his legs, and his eyes and his mouth.
- Q. And did he ride him about?—A. No, they did not ride him about much. They were getting ready to leave when I sold him. He was going away in the auto and he had two more to buy.

[Wolfville, Horses—Rourke.]

Q. Did they ask you if the horse was sound?—A. No, sir.

Q. Was the horse sound?—A. He had nothing the matter with him; Dr. Gill pronounced he had two jack spavins and he said he did not object to the jack spavins, but he did object to the bog spavins or broken-winded horses. This did not apparently hurt the horse any at all.

Q. Is there a difference between a thick-winded horse and a broken-winded horse?—A. I do not know much about horses.

Q. What would you say as a farmer?—A. There ain't much difference I guess.

Q. Would you say that a broken-winded horse was the same as a horse that was pricked in the wind?—A. Something.

Q. They are all roarers, are they not?—A. No.

Q. What is the difference?—A. In the roarer, there is something the matter with his head.

Q. And in the other case, there is something the matter with his wind?—A. Yes.

Q. Was your horse quite sound as to wind?—A. He was sound every other way.

Q. Had he good eyesight?—A. He had good eyesight.

Q. Did he kick?—A. I never saw him kick.

Q. What did you pay for him?—A. I paid \$190.

Q. How long before that did you pay that for him?—A. Two months.

Q. Was he as good a horse when you sold him as when you bought him?—A. I think he was better.

Q. Did you give any commission to get the sale through?—A. No, sir, I did not get enough for the horse to do that.

Q. How much did you ask for him?—A. I asked \$200.

Q. What did they offer you?—A. They offered me \$160 first and I told him I would take him home.

Q. When they bought your horse did they put a ticket on him?—A. Yes.

Q. Did you sign a receipt for your money?—A. I signed a little piece of paper.

Q. Why did they knock you down so much as that in the price?—A. He told me he had paid too much for the horses; he told me he had paid over the average; he said he could not pay more than \$175 on the average.

Q. Did he say that was the average?—A. That is what he told me.

Q. And your horse was sound in every other way?—A. He was quite sound in every other way but for the jacks, and that did not hurt him.

The witness retired.

GEORGE SPENCE, of Ellerhouse, Hants County, N.S., sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes.

Q. Where did you sell that horse?—A. At Windsor.

Q. How many horses did you sell to the Government?—A. One.

Q. Did you sell any horse for any other person?—A. No, sir.

Q. Who was the buyer?—A. I did not know at the time, but I afterwards heard it was a man named Keever.

Q. Who was the veterinary surgeon?—A. Mr. Gill.

Q. What price did you receive for your horse?—A. \$155.

Q. What was the age of your horse?—A. Six years old.

Q. What weight was the horse?—A. About ten and a half hundred pounds.

Q. Were you paid by cheque or by cash for the horse?—A. I was paid by cash.

Q. What time of the day were you paid?—A. I think it was about four o'clock in the afternoon.

Q. Were you paid at the drill-hall?—A. No, at the livery stable.

[Wolfville, Horses—Spence.]

Q. What examination was made of your horse?—A. They put a saddle on him and trotted him up and down the street.

Q. Did he look at her mouth?—A. Yes.

Q. How long had you had the horse?—A. About a year and a half.

Q. What did you pay for him?—A. I paid \$200 for him.

Q. Was it cash?—A. Well, mostly cash.

Q. How much cash did you pay?—A. I lent a man \$50 and there were some other transactions in trade.

Q. And about \$200 was what you paid for the horse?—A. Yes.

Q. Did they ask you if the horse was sound?—A. No, sir.

Q. Was he sound?—A. Sound.

Q. Quite sound?—A. Quite sound.

Q. There was nothing wrong with his wind?—A. No.

Q. And he had no spavins?—A. No, sir.

Q. And there was nothing wrong with his feet?—A. No, sir.

Q. Did you pay any commission or any money to get the horse sold?—A. No, sir.

Q. Did you give Gill or Keever anything either directly or indirectly?—A. No, sir.

Q. Did you see Mr. Foster in Windsor on the day of the sale?—A. No, sir.

Q. Or did you see Mr. Oakes there?—A. I would not know him.

Q. Did you sign a receipt for your money?—A. I think I did, but I would not be positive.

Q. Did they put a ticket on your horse?—A. Yes.

The witness retired.

HARRY BROWN, farmer, of Brookline, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Do you know the date you sold the horse?—A. No, sir, I do not.

Q. Where was the sale?—A. Mr. Cochrane's stables at Windsor.

Q. Who was the buyer?—A. I cannot tell you.

Q. You did not know him at all?—A. Any more than I have heard since that his name was Keever, I think.

Q. Who was the veterinary surgeon?—A. Mr. Gill, I think.

Q. What price did you receive for your horse?—A. \$165.

Q. What was the age?—A. The age was ten years old.

Q. What was the weight?—A. About 1,100 pounds.

Q. At what time of the day were you paid?—A. I think about three o'clock in the afternoon.

Q. Who paid you?—A. The man that bought him.

Q. What examination did they make of your horse?—A. I did not pay much attention to it, the vet. was there and I left it to him.

Q. Did you see your horse examined?—A. I was standing around.

Q. Then, what examination did they make of him?—A. He looked in his mouth, and looked him over.

Q. Did he move him around?—A. Yes, they put a saddle on him.

Q. Did they ask you if the horse was sound?—A. I do not remember whether they did or not.

Q. How long had you had the horse?—A. I think about six months the last time.

Q. What did you pay for him?—A. I do not remember that altogether.

Q. Try and remember what you paid for him?—A. I would not like to tell you, candidly, I do not remember.

Q. How is it you do not remember, do you deal in many horses?—A. Quite a few.

Q. What number would you trade or deal with in the course of a year?—A. Well, ten, or fifteen, or twenty.

Q. Do you say that you cannot remember what was the price you paid for that horse?—A. I cannot tell you to-day.

Q. You say you do not remember?—A. I do not remember exactly what I paid for the horse. I know that when I sold him four years ago I got \$215.

Q. And when you got him back the second time, had he deteriorated or improved?—A. He was just as good a horse as he was the day I sold him.

Q. Was he sound when you sold him to the Government?—A. As far as I know, he was.

Q. Did you examine him before you bought him?—A. I hardly think I did, not very well.

Q. Was he sound when you sold him four years ago?—A. Oh yes, sir, he was.

Q. Did he give any indications of unsoundness?—A. No.

Q. Did he show any signs of lameness?—A. No.

Q. What about his wind?—A. His wind was good, I think.

Q. Did he show any signs of bad wind?—A. No, he did not show any signs of bad wind.

Q. Did you sign a receipt for the money when they paid you?—A. At the sale I signed something, they put a ticket on the horse.

Q. Did you pay any commission to get the horse sold?—A. No, sir.

Q. Or did you pay anything after he was sold?—A. No, sir.

Q. Did you pay anything to Gill or to Kever?—A. Nothing of that kind.

The witness retired.

M. G. SPENCE, St. Croix, Hants County, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes to the Government last August or September?—A. Yes, sir.

Q. Can you fix the date of the sale?—A. No, I cannot, but I think it was around the first of September.

Q. Where was the sale?—A. At Windsor.

Q. Was it at the livery stable in Windsor or at the armoury?—A. At the livery stable.

Q. Do you know whether there were any horses sold in the armouries?—A. No, but I heard there were some sold there the next day.

Q. How many horses did you sell the Government?—A. One.

Q. Who was the buyer?—A. I think his name is Kever.

Q. Who was the veterinary surgeon?—A. Gill.

Q. What price did you receive for your horse?—A. \$165.

Q. What was the age of your horse?—A. Five years old.

Q. What was his weight?—A. I should judge about 1,100 pounds.

Q. Were you paid by cheque or by cash?—A. I was paid by cash, I think I signed a voucher.

Q. What time of the day were you paid?—A. About four o'clock in the afternoon, I think.

Q. What examination was made of your horse?—A. Well, they examined him all over and put a saddle on him and got a fellow to get on him and go up and down the road.

Q. Did they ask you if the horse was sound?—A. No, sir.

Q. Did he examine his teeth?—A. Yes.

Q. Did he feel his limbs?—A. Yes.

Q. Was the horse sound?—A. Yes, quite sound.

Q. There was nothing wrong with his wind?—A. No.

Q. Was he over in the knees?—A. No, he was all right.

Q. He had no spavins?—A. No.

[Wolfville, Horses—Spence.]

Q. How long did you have him?—A. About nine months.

Q. What did you pay for him?—A. I paid \$185 for him.

Q. Was he as good a horse when you sold him as when you bought him?—A. He was just as good, may be a little thinner.

Q. He had gone off in flesh?—A. Yes.

Q. What was that due to?—A. Work.

Q. Did you pay any commission for the sale of the horse in any way?—A. No, sir.

Q. Did you pay anything to Keever?—A. No, sir.

Q. Or did you pay anything to Gill?—A. No, sir.

Q. Or did you pay anything to any other person?—A. No.

The witness retired.

ROY JODREY, farmer, Gaspereau, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse some time ago to Lawrence Schofield?—A. I did.

Q. Will you describe that horse?—A. In what way.

Q. I want his points, for example, what colour was he?—A. Red.

Q. What markings had he?—A. I do not know, I cannot describe any particular markings.

Q. Was there any white about him?—A. I think there was.

Q. What were the markings?—A. I think he had a white spot on his forehead, but I would not be sure.

Q. To whom did you sell him?—A. To Lawrence Schofield.

Q. What did you receive for him?—A. Twenty-five dollars.

Q. How old was he?—A. I cannot tell you, I bought him for eight years and I had him three or four years.

Q. That would make him eleven years old?—A. Eleven or twelve.

Q. Would that be right?—A. I do not know.

Q. To whom did you sell that horse?—A. I sold him to Lawrence Schofield.

Q. What did you receive for him?—A. Twenty-five dollars.

Q. Did you have him examined to ascertain his age?—A. I cannot tell if I did.

Q. You cannot tell if you had him examined to ascertain his age?—A. There were some people examined him and they thought that was about right.

Q. Did they examine him for you?—A. Yes.

Q. That would make him about eleven years old when you sold him?—A. I would say eleven or twelve.

Q. How long ago is it since you sold him?—A. I sold him somewhere around the first of January.

Q. Of last year?—A. Of the year before.

Q. Was the horse sound when you sold him?—A. No.

Q. What was wrong with him?—A. He had the heaves, if I know anything.

Q. Did he have the heaves pretty badly or only slightly?—A. Yes, I would think very bad.

Q. What else was wrong with him?—A. Nothing that I know of.

Q. Were his knees all right?—A. As far as I know they were.

Q. Did not you tell somebody that the horse was twenty-one years old?—A. No.

Q. You do not think he was twenty-one years old?—A. No, I do not think he was an old horse at all.

Q. Do you know what Schofield did with that horse?—A. I know what they say.

Q. Did you see the horse after you sold him?—A. Yes.

Q. Where did you see him?—A. I saw him here in Wolfville.

Q. Who had him?—A. John Selfridge.

Q. You were sure it was the horse you sold to Schofield that you saw with John Selfridge?—A. Yes.

Q. You are quite sure?—A. Perfectly.

Q. And, that was the horse he had at the Government sale?—A. I suppose he had it there.

Q. When did you see the horse in Wolfville?—A. I saw it several times.

Q. And the horse that you saw with John Selfridge was the horse you sold to Lawrence Schofield for \$25?—A. Yes.

Q. You are quite sure about that?—A. Oh yes.

Q. Were you present in Wolfville when the sale of these horses to the Government was taking place?—A. I was there that day.

Q. Did you see the Selfridge horse there?—A. Yes.

Q. Was he in Selfridge's rig or was he in the stall, or where was he?—A. I cannot say whether the horse was harnessed up or not.

Q. You saw him in the yard?—A. I saw him in the yard in front of Hutchison's stable.

Q. Did you see Selfridge with him?—A. Yes, I think so, I would not be positive of that.

The witness retired.

JOHN SELFBRIDGE, farmer, of Wolfville, already examined, recalled.

Examined by Mr. Thompson, K.C.:

Q. Did you buy more than one horse from Lawrence Schofield?—A. Only one.

Q. Does the description of the horse given by Jodrey correspond with the horse which you got from Schofield?—A. I would think so.

Q. You think there is no doubt about it that it is the same horse?—A. I think it is the same horse.

The witness retired.

ROY JODREY, farmer, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. When you sold that horse to Schofield for \$25, did you get in your opinion the full value for him?—A. I think so.

Q. Were you selling the horse under pressure at that time?—A. No, I sold the horse because I thought the money was better than the horse.

MR. THOMPSON: That was the horse for which the Government paid \$170.

By Mr. Thompson, K.C.:

Q. What did you pay for that horse?—A. I did not buy the horse, I traded for him.

Q. What was your trade?—A. I paid \$40 cash to boot when I traded. I cannot say what the horse cost me.

Q. Was he a good horse when you got him?—A. Yes.

Q. What did you do to make him worth only \$25 when you sold him?—A. I drove him pretty hard.

Q. What would you say about his condition when you got him, was he pricked in the wind then?—A. I do not know that there was anything the matter with him when I got him.

Q. You gave him the heaves?—A. I think so.

SIR CHARLES DAVIDSON: Did you get all he was worth?

THE WITNESS: I thought so.

SIR CHARLES DAVIDSON: And more than he was worth?

THE WITNESS: I cannot say about that, it would be a matter of opinion what he was worth.

[Wolfville, Horses—Jodrey.]

By Mr. Sangster:

Q. I want to be quite clear about this, how long ago is it since you bought that horse?—A. I cannot say offhand.

Sir CHARLES DAVIDSON: You said you bought him in January, 1914.

The WITNESS: That was when I sold him.

By Mr. Sangster:

Q. When did you buy him?—A. I had him three or four years.

Q. And when you sold him he was all right except for the cough?—A. You would call it a cough or heaves or anything you liked.

Q. I am not calling it anything, I want to know from you?—A. He had the heaves.

Q. And outside of that he was all right?—A. Yes.

Q. Did he have the heaves when you bought him?—A. No.

Q. How did you come to buy him for \$40?—A. I paid \$40 boot.

Q. What was the horse worth?—A. I do not know.

Q. Cannot you give us any idea as to that?—A. It was a good fair horse.

Q. You ought to be able to tell us something about the horse, what was he worth when you bought him?—A. Probably the horse was worth \$125.

Q. Including the \$40 boot that would be \$165, do you think that would be a fair estimate of what this horse cost you?—A. He cost me more money than that.

Q. How much did he cost you?—A. I paid \$175 for the horse I traded for him.

Q. How much do you estimate that this horse, which Mr. Selfridge had, cost you?—A. I do not know.

Q. You ought to be able to tell me?—A. I cannot say.

Q. You are here to tell the truth?—A. I cannot say what the horse was worth.*

Q. Who induced you to come here before the Commission?

Mr. THOMPSON: I had him brought here.

By Mr. Sangster:

Q. Did anybody else talk to you about this thing?—A. No.

Q. No one in Kentville talked to you?—A. No one anywhere.

Q. You simply gave this information?—A. I came here because I was subpoenaed.

Q. But you must have told the story to some one before?—A. What story?

Q. The story you told today?—A. Everybody knows it without telling.

Q. Did you tell it to somebody else?—A. I presume I did, yes.

Q. Can you give us now how much you paid for that horse?—A. I paid \$175 for the one I traded, and I gave \$40 to boot.

Q. The only fault you had with the horse when you sold him was that he had a cough and when the cough disappeared the horse was all right?—A. As far as I know, there was nothing the matter with him except the cough.

Q. And when Mr. Selfridge sold him the cough was perfectly cured?—A. I cannot say anything about that.

Sir CHARLES DAVIDSON: Is a cough of this character curable?

Mr. SANGSTER: I will have to refer that question to my learned friend, Mr. Thompson, he knows more about these things than I do.

By Mr. Thompson, K.C.:

Q. Did you ever give this horse any treatment for the cough?—A. I did.

Q. What did you give him?—A. I gave him some kind of a patent cough cure.

Q. How long had you been treating him for the heaves?—A. I may have been a month or probably longer.

Q. You were treating him for the heaves?—A. Yes, I tried that cure.

Q. Did you ever try the Selfridge cure?—A. I do not know what that was.

Q. Well, it is burdock leaves?—A. I do not think I did.

The witness retired.

HARRY BROWN, farmer, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. How much did you pay for the horse which you sold?—A. \$156.

Q. And what did you get for him?—A. \$165.

The witness retired.

ANDREW CALDWELL, farmer, of Gaspereau, sworn:

Examined by Mr. Thompson, K.C.:

Q. Do you remember selling a horse to Jerry Whitman of Wolfville?—A. Yes, sir.

Q. What did you receive from Whitman for that horse?—A. One hundred dollars.

Q. Whitman said the horse was sprung in the knees—do you agree with that?—

A. Yes, sir.

Q. What other ailment had that horse?—A. That is all.

Q. Was the horse foaled that way?—A. Yes, sir, I bought it that way.

Q. When did you sell to Whitman, how long ago is it that you sold to Whitman?

—A. I cannot just remember the year but he was five years old when I bought him and I had him ten years and I sold him.

Q. That would make the horse about fifteen years old when you sold him?—A. About that.

Q. About how long did Whitman have him before the sale to the Government?—

A. Four years last March.

Q. That would make the horse about nineteen years old?—A. About nineteen years of age when he was sold to the Government. As near as I can tell, I cannot tell exactly, for I do not know exactly the age he was when I bought him, but he may have been between five and six.

Q. He was practically nineteen years of age?—A. He was somewhere along there. I sold him for fifteen years of age, and that is as near as I could tell.

Q. Did you ever offer that horse for sale to the Government buyers at the time of the South African War?—A. Well, my boy took him over, he put a saddle on him and he rode him around the yard. The veterinary examined him and we were not particular about selling him, do you see. We did not want to sell him but the boy just thought he would take him over and see what they would offer. He rode him around and he said the horse was quite long in the back, he was a fine-looking horse, as good a horse as I ever owned, and the vet. said it might weaken the back by carrying a load.

Q. The load of a man on him or what?—A. The load of stuff on his back that they carry when they go out to fight.

Q. Is that the reason they turned him down?—A. I do not know of anything else. The knees were a little bit sprung, do you see, but the horse was never lame or never stumbled on the road, and he was a beautiful horse and a good horse. The reason I sold him was because he was scared of these bicycles.

Q. He was scared of the bicycles at first and I suppose he got scared of motor cars?—A. These motor-cycles. I was not as smart as I was when I was young and he came pretty nearly getting me into several traps, and I told the boy if he could sell him we would buy a quiet one.

Q. And you sold him to Whitman for a hundred dollars?—A. Yes.

Q. He was a young horse at the time of the South African War?—A. Yes, sir.

Q. There was nothing wrong with him then?—A. Nothing wrong, he was sound in every way.

Sir CHARLES DAVIDSON: Was that the South African War of 1871?

Mr. THOMPSON: No, sir, it was the war of 1900, the Boer War.

Sir CHARLES DAVIDSON: That is about 15 years ago.

The WITNESS: Yes, he would be a young horse at that time. The objection to him was that he was long in the back and not the shape of a good saddle horse. We did not want to sell him then, he was a good horse.

[Wolfville, Horses—Caldwell.]

Sir CHARLES DAVIDSON: The Boër war was 19 years ago.

Mr. THOMPSON: No, sir, the Boer war of 1900.

Sir CHARLES DAVIDSON: That is fifteen years ago.

The WITNESS: He was three and a half or four years old, maybe, then.

Sir CHARLES DAVIDSON: Then he would be only eighteen and a half years in September when you sold him to the Government?

The WITNESS: He was nineteen and a half.

Mr. THOMPSON: The horse is a year older now, if he is still alive.

Sir CHARLES DAVIDSON: Yes.

By Mr. Sangster:

Q. This horse would be very young at the time of the South African war?—A. Yes he was young.

Q. Too young to go to the war?—A. No, it was not too young for that.

Q. Do I understand that your horse was turned down or that you were not anxious to sell him, which?—A. I was not anxious to sell him.

Q. Probably if you urged the sale you might have sold him?—A. I cannot say, I do not know as they would take him.

Q. You do not know whether he was turned down or whether he was not?—A. Not particularly, that is just what he said about the horse.

Sir CHARLES DAVIDSON: As I figure it out the horse was only three and a half years old at the time of the South African war.

The WITNESS: He was between four and five years old when I bought him, he was not five years old, they said. I am not certain about it, it is quite a long while ago.

Sir CHARLES DAVIDSON: It is. You bought him at four or five years?

The WITNESS: Somewhere around there.

Sir CHARLES DAVIDSON: How long had you had him when you offered to sell him for South Africa?

The WITNESS: Right away about that time.

Mr. SANGSTER: The horse appears to have been a sound young horse at that time.

By Mr. Thompson, K.C.:

Q. Do you know anything about this John Selfridge horse?—A. I saw him several times; I saw him with Mr. Jodrey when Mr. Jodrey had him.

Q. Did you realize that he had the heaves when Jodrey had him?—A. I heard he had.

Q. Did you hear it from the horse?—A. I did, sir.

Sir CHARLES DAVIDSON: This seems to dispose of the story that this horse was refused for defects, at the time of the South African war, there only now remains the question as to his age.

Mr. THOMPSON: With this extenuating circumstance, that the witness says he was not very keen to sell him. He does not know what might happen if he passed at the sale.

By Mr. Thompson, K.C.:

Q. And you say he was a good horse at that time?—A. He was a good horse at that time, the spring in the knees did not come from killing work, he was foaled that way and I suppose that is as good as a straight knee.

Mr. SANGSTER: I hold no brief for this horse, but I understand that the witness on cross-examination intimated that the horse was not refused at the time of the South African war. He was not taken, perhaps that is the more correct way to put it. He was not refused, but he was not taken.

Sir CHARLES DAVIDSON: And yet he offered him for sale.

Mr. SANGSTER: He says he sent the boy over with him.

[Wolfville, Horses—Caldwell.]

Sir CHARLES DAVIDSON: And they found him to be too long in the back.

Mr. SANGSTER: And yet the witness conveys the intimation that even with the long back the horse was acceptable to them, but he was not anxious to sell him.

Sir CHARLES DAVIDSON: You are leaving me in a dilemma of mind, Mr. Sangster.

Mr. SANGSTER: Perhaps the witness would clear it up, all I am anxious for is to have the facts.

Sir CHARLES DAVIDSON (To the witness): You say the horse was a good horse at the time of the South African War?

The WITNESS: Yes, sir, he may have had a long back.

Sir CHARLES DAVIDSON: At all events, the only attack made on him now is as to his age.

The witness retired.

Dr. CHIPMAN, medical doctor of Grand Pré, already sworn, recalled:

Examined by Mr. Thompson, A.C.:

Q. Have you found out, Dr. Chipman, since you were last examined, the definite address of your son, George Chipman, Veterinary Surgeon?—A. I do not know anything definite.

Q. Would you write to your brother and ascertain?—A. I could do so.

Mr. THOMPSON: You had better write and find out and be in a position to inform us in a day or two what the address of your son is.

The witness retired.

W. R. PATTERSON, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. You said this morning that you did not give a commission for selling your horse but you could have, what did you mean by that?—A. I was asked to keep the horse over but I took him home, you know I did not sell him the first day.

Q. What do you mean by saying you could have got a commission?—A. My horse was examined and sold for \$185.

Q. And then it was unsold again?—A. They took charge of the horse and put a halter on him and took him away. When they went to pay me off they wanted to pay me with the \$155 and I would not part with him. Then I took him home and brought him back the next morning and they wanted me to bring him to the drill shed and I said I would not take him up.

Q. You said this morning, as you were leaving the witness stand, that you did not get a commission for your horse, but you could have got a commission, what did you mean by that?—A. There was a young man told me, young Martin said he thought he could sell the horse for me.

Q. Did he say on what terms?—A. If there was a five dollars in it, he thought he could sell the horse for me, I do not want to say that.

Q. What Martin is that?—A. I do not know the fellow's name, there are two of them. I says: "If you can get me my price I will give you your five dollars," but they did not. I took the horse up there and the man himself came to me, the man that bought the horse, and he gave me \$170 and he says: "Look, you ought to give me \$5 out of that."

Q. Martin said that?—A. No.

Q. Who said that?—A. The red-headed chap that bought the horse, what's his name, the fellow that bought all the horses there.

Q. Is that Keever?—A. Keever, that is the man's name.

[Wolfville, Horses—Patterson.]

Q. Keever told you you ought to give him five dollars?—A. Yes.

Q. Why should you give him five dollars?—A. He says: "You would never have sold that horse if it had not been for me taking him off your hands."

Q. If it had not been for him taking him off your hands, when?—A. He says: "You leave that bridle on him." I said: "I won't do it." He said: "Put the halter on him," and John Sexton said "put the halter on him, you have sold the horse." I said: "I won't do it; they fooled me yesterday." No one got a cent off me. I got \$170.

Q. You did not give it to Martin?—A. No.

Q. And you did not give it to the red-headed man?—A. No, but he thought he ought to get five dollars.

Q. That is the man who actually paid you the cash?—A. He paid me the cash and called me to one side and said: "You should give me five dollars on that."

Q. Did you give anything to him?—A. No, I did not give anything to him because I thought I had a right to \$185.

Sir CHARLES DAVIDSON: As I understand the evidence, Mr. Thompson, it is this: that the witness said Young Martin said to him: if you give me five dollars I will sell the horse for you. I take that to be at \$185.

Mr. THOMPSON: I do not think the price was mentioned.

The WITNESS: The price was \$175; I wanted to get clear with \$175 for the horse.

Sir CHARLES DAVIDSON: And when did he say this to you; under what circumstances did you agree to pay him five dollars?

The WITNESS: If I got \$175.

Mr. THOMPSON: Net to you.

The WITNESS: Yes.

Sir CHARLES DAVIDSON: \$170?

The WITNESS: I sold it to Keever for \$170, and no one got anything off that.

Sir CHARLES DAVIDSON: And are you certain that it was Keever who said to you that he thought you ought to give him five dollars?

The WITNESS: That is the man they called Keever, a short stout-fellow, a little red-headed cute kind of a chap.

Sir CHARLES DAVIDSON: Who told you to take the halter off the horse?

The WITNESS: John Sexton.

Sir CHARLES DAVIDSON: Did Sexton hear the conversation about the five dollar bill?

The WITNESS: John Sexton did not hear that but he heard him ask about the halter and he said to put on the halter and I said I would not do it.

Sir CHARLES DAVIDSON: Did you tell anybody about the five-dollar transaction or about the red-headed man asking you for five dollars?

The WITNESS: I do not think I told any one. May be I mentioned it to Mike Doran, I did not tell anybody anything else about it.

Sir CHARLES DAVIDSON: When did you mention it to him?

The WITNESS: I think I did the same day. I never told any one, I am not practiced in talking about a lot of stuff.

Sir CHARLES DAVIDSON: Then you say you did not mention it to any other person?

The WITNESS: No, this man called me to one side and paid me over the cash.

Sir CHARLES DAVIDSON: Is he known to these men who were there; perhaps Cochrane knows him?

The WITNESS: He would be unknown to all these men because he only arrived for the purposes of the sale.

Mr. THOMPSON: We will have Dr. Gill to testify tomorrow morning.

Sir CHARLES DAVIDSON: Does this exhaust your local list?

[Wolfville, Horses—Patterson.]

Mr. THOMPSON: It exhausts the Windsor list with the exception of three.

Sir CHARLES DAVIDSON: And the Wolfville list?

Mr. THOMPSON: And the Wolfville.

The witness retired.

The Commission adjourned to meet at Kentville, Nova Scotia, tomorrow morning, August 19, 1915, at 10.30 o'clock.

KENTVILLE, N.S., August 19, Thursday, 1915.

PRESENT:

THE HONOURABLE SIR CHARLES DAVIDSON, Knight,
Commissioner.

JOHN THOMPSON, K.C.,

As Counsel, to aid and assist the Commissioner in the Inquiry.

THOMAS P. OWENS,

Clerk of the Commission.

C. HERBERT SALTER, trader, Brooklyn, Hants County, sworn.

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes.

Q. How many?—A. One.

Q. Where?—A. At Windsor.

Q. Was that at Cochrane's livery stable or in the armouries?—A. I sold it at Poole's stable, Poole's hotel.

Q. Who was the buyer?—A. Keever, I believe.

Q. Who was the veterinary surgeon?—A. Mr. Church, not Church, but this gentleman back here.

Q. Dr. Gill?—A. Yes.

Q. What price did you receive?—A. \$155.

Q. What was the age of your horse?—A. Six years old.

Q. And what was his weight?—A. About a thousand pounds.

Q. Were you paid by cheque or by cash?—A. Cash.

Q. What time of the day were you paid?—A. I think it was just about dinner hour; I am not quite sure.

Q. What examination was made of your horse by the veterinary surgeon?—A. Well, I cannot say particularly; he examined him the same as the rest I guess, looked them over and then took and trotted him up the road.

Q. Did they look at his teeth?—A. I presume so, I cannot just remember.

Q. Did they look at his legs?—A. I don't remember but I think they did.

Sir CHARLES DAVIDSON: Was he in a saddle or in a carriage?

The WITNESS: I drove him by the reins behind without any gear.

By Mr. Thompson, K.C.:

Q. Did they ask you if it was sound?—A. I cannot remember.

Q. Was it sound?—A. Yes.

Q. Quite sound?—A. I call it sound, yes.

[Kentville, Horses—Salter.]

Q. How long had you had the horse?—A. Some few weeks, perhaps three or four weeks.

Q. What did you pay for him?—A. I cannot tell you that, sir, I got him in a trade.

Q. What was the trade?—A. For a larger horse.

Q. What did you pay for the larger horse which you traded off for this one?—A. I think \$130, if I remember right; I am not positive.

Q. Was that cash?—A. Yes.

Q. Was the horse lame at all?—A. No.

Q. Was his wind gone in any way?—A. No.

Q. Or affected in any way?—A. No. I considered him sound as far as my judgment goes about a horse. That would cover it all, I guess, I considered him sound, as far as my judgment goes.

Q. Did you pay any commission to the veterinary surgeon for passing this horse?—A. No.

Q. Or to Keever?—A. No.

Q. Or to any other person?—A. No.

Q. What was the age of the horse?—A. Six years old.

Q. Did you sign a receipt for your money?—A. I do not know whether you would call it a receipt or not. They asked me to sign something, and I looked at it. I do not know what it was and he told me it was a description.

Q. Did you read it?—A. Yes. It mentioned something about the chesnut mare but there was no price mentioned on it.

Q. Did they put a ticket on your horse?—A. This was the second day of the sale, you see. I just accidentally dropped in there and they spoke to me about this mare. I cannot say if they did, as the mare went up to the armoury right away.

The witness retired.

FRANK A. FOSTER, Greenwood, Kings county, farmer, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes.

Q. How many?—A. One.

Q. Where was the sale?—A. At Kingston.

Q. Who was the buyer?—A. I cannot tell you the name, he was a round fellow. I was not acquainted with him; he was red-headed.

Q. Who was the veterinary surgeon?—A. I cannot tell you their names.

Q. Did you hear their names?—A. Well, I heard names mentioned, in the crowd, but I was not acquainted with them at all.

Q. What names did you hear mentioned as being there at the time?—A. I could tell them if I heard them.

Q. Would you know them if I mentioned them?—A. I think so.

Q. Chipman?—A. Yes, I think so.

Q. And the buyer, would you know that?—A. The buyer was a stout man, a short thick-set man.

Q. Was McKay his name?—A. I think it was McKay, yes.

Q. What price did you receive for your horse?—A. \$175.

Q. What age was he?—A. Fourteen.

Q. And his weight?—A. About 1,200 lbs.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day were you paid?—A. I should judge about four o'clock.

Q. Did you sign a receipt?—A. I signed a blank cheque with nothing on it.

Q. A ticket?—A. A sort of ticket, yes, a tag.

Q. Did they put a ticket on your horse?—A. I think so.

- Q. How long had you had that horse?—A. I raised him.
 Q. What examination did they make of him?—A. They looked it over, that is all.
 Q. Did they ask if it was sound?—A. Sound, yes.
 Q. How sound was he?—A. He was a sound horse, so far as I know about a horse.
 Q. Nothing wrong with him?—A. No, nothing that I know of. I raised him.
 Q. Did you pay Chipman anything?—A. No, sir.
 Q. Did you pay the buyer anything?—A. No, sir.
 Q. Did you make any present of money to anybody?—A. No, sir.
 Q. Or any other article?—A. No, sir.
 The witness retired.

LEWIS DODGE, farmer, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

- Q. Did you sell a horse for military purposes last August or September?—A. My father did; he is unable to attend so I have to attend in his place.
 Q. How many?—A. One horse.
 Q. Where was the sale?—A. At Kingston station.
 Q. Who was the buyer?—A. I do not know the name of the man.
 Q. Who was the veterinary surgeon?—A. I cannot name him.
 Q. Were you there at the sale?—A. Yes, sir.
 Q. What price did you receive for the horse?—A. \$160.
 Q. What was his age?—A. Seventeen years old.
 Q. He was born in 1896, wasn't he, as a matter of fact?—A. Well, I suppose so.
 Q. He was a little older than you say?—A. I am not certain now, I know he was seventeen years old.
 Q. At the time of the sale?—A. Yes, sir.
 Q. Are you sure about that?—A. Yes.
 Q. What was his weight?—A. About 925 pounds.
 Q. Were you paid by cheque or by cash?—A. By cash.
 Q. What were you asking for the horse?—A. I wanted \$175.
 Q. And they paid it to you?—A. No, sir, they paid me \$160.
 Q. Did they put a ticket on your horse?—A. Yes, sir.
 Q. Did your father sign a receipt?—A. I do not know whether he did or not.
 Q. What examination was made of the horse?—A. They just looked at the horse and did not make any close examination at all.
 Q. Did he examine his teeth?—A. Yes, sir.
 Q. Did he feel his legs?—A. No, sir.
 Q. Did they move him about?—A. No, sir.
 Q. Did they ask if the horse was sound?—A. They asked if he was sound and the horse was there to show for himself, he was a sound horse.
 Q. Anything wrong with his wind?—A. No, sir.
 Q. Was he tipped in the knees?—A. No, sir.
 Q. Any spavins?—A. No, sir.
 Q. Who bargained with you or your father as to the price of the horse?—A. Well, the man that bought him, I do not know his name, he was a stout man.
 Q. What was the colour of the horse?—A. Bay.
 Q. Was he blind at all?—A. No, sir.
 Q. Was he tender in the feet?—A. No, sir, he was a perfect saddle horse.
 Q. How long had you had him?—A. We raised him.
 Q. Had he been ill at any time while you had him?—A. No, sir.
 Q. Was Mr. Foster present the day of the sale?—A. No, sir. I did not see him, although he might have been there.
 Q. Was Mr. Oakes there?—A. I cannot swear that he was there, there was a crowd of people there and I cannot say whether he was there or not.

[Kentville, Horses—Dodge.]

Q. Did you give the veterinary surgeon any commission?—A. No, sir.

Q. Or the buyer?—A. No, sir.

Q. Did your father?—A. No, sir.

Q. Did you make any allowance to either of them?—A. No, sir.

Q. Neither directly nor indirectly?—A. No, sir.

Q. Did you sign a receipt?—A. No, sir, my father said he did not know whether he did or not.

Q. Did you see the military posters calling for horses?—A. No, sir.

The witness retired.

HOWARD NEELY, farmer, of Kingston, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A.

Yes, sir.

Q. Where?—A. At Kingston station.

Q. Did you sell more than one?—A. No, only one.

Q. Did you sell any horse for any other person?—A. No.

Q. Who was the buyer?—A. The same one that bought the others, I do not know his name.

Q. Who was the veterinary surgeon?—A. One was Chipman and the other McKay, they said.

Q. What price did you receive for your horse?—A. \$170.

Q. What was his age?—A. Six years old.

Q. What did he weigh?—A. 1,000 pounds.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day were you paid?—A. Well about five o'clock, I should think.

Q. Did they put a ticket on your horse?—A. Yes, sir.

Q. Did you sign a receipt?—A. I signed some kind of a blank; it was just a printed form something about the age of the horse, I think.

Q. What examination was made of your horse by the veterinary surgeon?—A. He looked him all over every way; I had him in the carriage and I took him out and rode him around in the yard. He looked at him and wanted to know what I wanted, and I asked \$180 and the veterinary passed him for that, and I went out and got my money.

Q. Did the veterinary surgeon ask you what you wanted?—A. I told him I wanted \$180 and did not care to take any less and when they came to pay me they only gave me \$170 and told me I could take that or leave it.

Q. Who told you that?—A. McKay.

Q. You took the money?—A. Yes, I was kind of hard placed.

Q. Was your horse sound?—A. He was sound in every way at the time.

Q. How long did you have him?—A. About a year and a half.

Q. What did you pay for him?—A. I gave a \$100 colt and \$35 in money, I kept the colt a year after I bought him.

Q. Did you pay any commission to Chipman?—A. No, sir.

Q. Or to McKay?—A. No, sir.

Q. Or to any other person?—A. No other person.

Q. Did you make any rebate to anybody?—A. No, sir.

Q. What was the horse worth when you sold him?—A. I refused \$190 for him in the spring before I sold him.

Q. Was he as good a horse when you sold him?—A. He was just as good a horse in every way, better, I think.

By Mr. Sangster:

Q. Did the paper you signed show the amount you received for the horse?—

A. No.

Q. No amount at all?—A. No amount at all.

By Mr. Thompson, K.C.:

Q. When you signed the document was the price of the horse on it?—A. No, no price of any kind.

Q. What was on it?—A. Just the age of the horse and showing he was sound, something like that.

Q. I will show you a sample of the card signed by the other witnesses and ask you if it is the same that you signed. Would you look at this piece of cardboard, was that like what you signed?—A. No, nothing like that, quite a big piece of paper something like that man has got right there.

Q. Almost a sheet of foolscap?—A. Yes.

The witness retired.

LAURIS OIKLE, farmer, of Aylesford, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. How many did you sell?—A. One.

Q. Where was the sale?—A. At Berwick.

Q. Who was the buyer?—A. McKay.

Q. Who was the veterinary surgeon?—A. Chipman, I think.

Q. What price did you receive for your horse?—A. \$170.

Q. What was his age?—A. Nine years.

Q. And his weight?—A. About 1,000 pounds, I should think.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day were you paid?—A. About four o'clock in the afternoon.

Q. Did they put a tag on your horse?—A. Yes, sir.

Q. Did you sign a receipt?—A. I do not remember whether I did or not.

Q. Was Mr. Foster present at the time of the sale?—A. I could not tell you that, I do not remember.

Q. Was Mr. Oakes present?—A. I do not remember.

Q. What examination did the veterinary surgeon make of your horse?—A. He asked me how old the horse was and I told him. He looked in his mouth, that is all the examination he made, and he told me to start him up and I drove him off and brought him back again. I asked him \$175 for the horse and I drove him around and when I came back again he said: take \$170 and I will buy him and I said: All right and he took the horse.

Q. Was your horse sound?—A. He was sound in every way. He was a little lame when I got him, nothing to amount to anything. He was all over it when I sold him.

Q. How long did you have him?—A. Four months.

Q. What did you pay for him?—A. I traded a four year old mare for him.

Q. What was the value of the four year old mare?—A. I asked \$150 for her.

Q. How long did you have her?—A. A year.

Q. What did you pay for her?—A. I traded a two year old colt for her.

Q. When you traded the mare for this horse did you give any boot?—A. No, sir.

Q. Did you get any boot?—A. No, sir.

Q. What sort of lameness was it?—A. It was a little tenderfootedness I would call it, probably you would call it contraction of the feet.

Q. What treatment did you give the horse for contracted feet?—A. I bathed his feet with cold water, got the shoes widened out; his heel was very narrow.

Q. Where did you get the horse?—A. From Blanch Harvey.

Q. That is A. B. Harvey?—A. Yes.

Q. Where did he get him?—A. Fred Cotty.

Q. Do you know where he got him?—A. I think he shifted and got him.

[Kentville, Horses—Oikle.]

Q. What do you mean by shifting?—A. He traded horses.

Q. Was anything wrong with the horse except this?—A. Nothing that I know of. The horse was sound in every other way, I drove him.

Q. No spavins?—A. No spavins, sound in every way except that.

Q. Had he any sign of lameness when you had him?—A. No, sir. He was not very lame when I got him, I treated him a little, I treated him and he got all over it.

Q. Did you give any commission to Chipman?—A. No, sir.

Q. Or to McKay?—A. No, sir.

Q. Or to any other person?—A. No other person.

Q. No promise of any money?—A. No, sir.

Q. Or any payment of money?—A. No, sir.

By Mr. Sangster:

Q. Do you know your signature when you see it?—A. Yes.

Q. Is that your writing on the front of this ticket?—A. I cannot swear that that is.

Q. Is that your writing on the front?—A. I do not think so.

Q. Is that your writing on the back?—A. No, sir, but that would be more like my writing.

Q. Write your name, if you please. (Witness writes his name.)

Q. I would like to identify this card in some way that has just been marked.

Sir CHARLES DAVIDSON: Do you always sign "L. Oikle."

The WITNESS: Sometimes I signed "Lauris."

Sir CHARLES DAVIDSON: Do you ever sign "L"?—A. Sometimes I do.

Sir CHARLES DAVIDSON: How did you sign the receipt?

Mr. SANGSTER: That is the second signature.

Sir CHARLES DAVIDSON: There is some point of resemblance similar in his making of the letter "k".

Mr. SANGSTER: Yes, sir, distinctly.

By Mr. Sangster:

Q. I want you to write "L. Oikle" as quickly as you can just as you did when you signed your receipt.

(Witness wrote "L. Oikle.")

Sir CHARLES DAVIDSON: The similarity is still marked with regard to his making the "k" like a "h".

Mr. SANGSTER: Quite so.

Signature filed as Exhibit No. 75.

Sir CHARLES DAVIDSON: What importance if any, do you attach to this, Mr. Sangster?

Mr. SANGSTER: I have not yet had an opportunity to examine it. I notice the price \$170, the price is all right.

Sir CHARLES DAVIDSON (To witness): What do you say now about your signature on the back of this card?

The WITNESS: Well, probably, I wrote it in a hurry.

The witness retired.

PERLEY HUNTLEY, farmer, Berwick, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August?—A. Yes, sir.

Q. Where?—A. At Berwick.

Q. How many did you sell?—A. One.

—[Kentville, Horses—Huntley.]

Q. Did you sell any for any other person?—A. No, sir.

Q. Who was the purchaser?—A. I understood his name was McKay.

Q. And who was the veterinary surgeon?—A. I understand his name was Chipman.

Q. What price did you receive for your horse?—A. \$130.

Q. What was the age of your horse?—A. Five years old.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day were you paid?—A. I think just before noon.

Q. What was the weight of your horse?—A. 900 pounds.

Q. You were paid before noon by cash?—A. Yes.

Q. Did they put a ticket on your horse?—A. I think they did.

Q. Did you sign a receipt?—A. I think so, I signed a small piece of cardboard.

Q. What examination was made of your horse by the veterinary surgeon?—A.

Not much, if any.

Q. What?—A. Very little, he just looked at the horse.

Q. Did he move him about?—A. No.

Q. Did he look at his teeth?—A. I could not say.

Q. Did he feel his legs?—A. Yes.

Q. Did he ask you if he was sound?—A. Yes.

Q. What did you tell him?—A. I told him no.

Q. What was wrong with the horse?—A. He had a small spavin.

Q. Only one?—A. Only one.

Q. Nothing wrong with his wind?—A. No, sir.

Q. Was he over in the knees?—A. No, sir.

Q. Was he lame?—A. Not when I sold him.

Q. Had he been lame?—A. Some time before that he was.

Q. How long before?—A. A couple of months.

Q. What was wrong with him?—A. The spavin.

Q. It was the same spavin that you have referred to?—A. Yes, sir.

Q. How long did you have that horse?—A. About a year.

Q. What did you pay for him?—A. I cannot tell you; I traded and got him.

Q. What size was the spavin?—A. Very small.

Q. Did it make him start off stiff in the morning?—A. It did when the spavin was growing on him.

Q. Had you had him doctored?—A. I did not do anything for it.

Q. Was there anything else wrong with the horse?—A. No, sir.

Q. Did they examine the spavin?—A. Mr. Chipman did, after he looked over him the second time.

Q. What were you asking for the horse?—A. I think I asked him \$140.

Q. What did they offer you?—A. \$130.

Q. And you closed for that?—A. Yes, sir.

Q. Did you give Chipman anything for passing this horse?—A. No, sir.

Q. Or McKay?—A. No, sir.

Sir CHARLES DAVIDSON: On having him examined the second time, what did the vet. say?

The WITNESS: He said that he had seen the spavin.

Sir CHARLES DAVIDSON: Evidently, he did not the first time, is that all?

The WITNESS: That was all.

Sir CHARLES DAVIDSON: He said nothing about the horse?

The WITNESS: He said nothing more to me.

The witness retired.

WILLIAM DE ELL, farmer of Berwick, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. Where?—A. At Berwick.

Q. How many did you sell?—A. I sold one.

Q. Did you sell any for any other person?—A. No, sir.

Q. Who was the buyer?—A. I never asked his name, I do not know.

Q. Who was the veterinary surgeon?—A. Dr. Chipman.

Q. What price did you receive for your horse?—A. \$160.

Q. What was his age?—A. He was foaled in 1905, June 5.

Q. That would make him nine years old?—A. Yes.

Q. What weight was he?—A. 1,075 pounds.

Q. What time of the day were you paid?—A. About five o'clock.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt?—A. I may have signed something, I do not know whether it was a receipt or not.

Q. What examination did the veterinary surgeon make of your horse?—A. He looked at the horse.

Q. Did he do anything else besides looking at him?—A. That was all.

Q. Did he open his mouth?—A. Yes, he did.

Q. That is more than looking at him—did he feel his legs?—A. No.

Q. Did he move him about?—A. No.

Q. Did you move him about?—A. No.

Q. Did he ask you if he was sound?—A. He never asked me anything about him.

Q. Did you tell him anything about him?—A. I said: you passed this horse before; he has been in the cavalry two or three times; you ought to know about him. He said: all right.

Q. Was he sound?—A. He was sound.

Q. How long had you had him?—A. Since he was a colt three months old.

Q. Had he ever been sick?—A. No, sir.

Q. Had he ever been lame?—A. No, sir.

Q. Any spavins?—A. Nothing on him at all.

Q. Was his wind all right?—A. Yes, sir.

Q. Was he blind?—A. No, sir.

Q. Would he kick?—A. Well, he could kick, and he has kicked some, when other horses were driven up behind him, until he would get used to them, otherwise he would not kick.

Q. Was he known as a kicker?—A. No.

Q. Did you ever have him treated for any sickness?—A. No, sir.

Q. Did you give any commission to Chipman for passing the horse?—A. No, sir.

Q. Or to McKay?—A. No, sir.

Q. Or to any other person?—A. No, sir.

Q. Was Mr. Oakes there on the day of the sale?—A. I think I saw that man over there somewhere.

Q. He is the gentleman sitting in Court?—A. Yes, sir. He is not the man that paid me for the horse.

Q. There were a lot of people there who did not pay you for your horse on the day of the sale?—A. Yes, I suppose so.

Q. They did not have to be at the sale in order to pay you?—A. I think that man was in company with these two fellows.

Q. With the buyers?—A. Yes.

Q. Was Mr. Foster there?—A. I did not see him.

Mr. THOMPSON: With regard to Mr. J. W. Oakes' case, I understand he is unable to attend. Could you get a doctor's certificate, Mr. Oakes.

Mr. GIFFORD OAKES: I could get one if necessary.

The witness retired.

GIFFORD H. OAKES, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. You are the son of Mr. J. W. Oakes?—A. Yes, sir, I am his son.

Q. Did you sell a horse for your father?—A. In one sense of the word I did. It was my father's horse.

Q. Where was the sale?—A. At Kingston.

Q. And were McKay and Chipman there?—A. They were.

Sir CHARLES DAVIDSON: Your father, I understand, is in the hospital?

The WITNESS: No, he is at home. He was operated upon last Saturday.

Sir CHARLES DAVIDSON: And he cannot come?

The WITNESS: He cannot come.

By Mr. Thompson, K.C.:

Q. Apart from the operation, is your father in good health?—A. No, he is not; he has been ill since last winter.

Q. Did you take the horse to the place of sale?—A. No, I did not, my father did.

Q. Why didn't he sell it?—A. I arrived at Kingston some time late in the afternoon, and my father came to me and said he had the horse examined by the veterinary surgeon, but he had not seen the buyer, and he was in a hurry to get home, and he wanted me to see the buyer.

Q. Did you see McKay?—A. Yes.

Q. Did your father leave before the price was settled?—A. Yes, he did.

Q. And you settled the price?—A. I settled the price with McKay myself.

Q. What price did you arrange with McKay?—A. \$200.

Q. And how was your father paid, by cheque or by cash?—A. I drew the cheque to my father's order.

Q. For \$200?—A. Yes, \$200.

Q. Did he endorse it?—A. No, I endorsed it myself for my father, with my own name underneath.

Q. You endorsed it for your father?—A. I endorsed it for my father with my own name underneath.

Q. What was the age of the horse?—A. I didn't know the age.

Q. How long had your father had him?—A. I don't know that.

Q. Who can speak as to the age of this horse? How can we get at that?—A. If it is necessary, I am not sure about that, I can refer to parties who knew the horse, but I cannot be sure about the age. I don't know where he got it and all that.

Q. Did you hear how old he was?—A. I don't think I did.

Q. I understand this horse was sixteen or eighteen years old?—A. I cannot say. I could only judge by the appearance of the horse. That is all I could go by.

Q. How can we get that?—A. Father can make a statement at his own home as to that; he is prepared to do that.

Sir CHARLES DAVIDSON: Who was the seller?

The WITNESS: J. W. Oakes owned the horse, I actually sold the horse.

Sir CHARLES DAVIDSON: Who sold the horse?

The WITNESS: I myself sold the horse.

Sir CHARLES DAVIDSON: Who was the buyer?

The WITNESS: McKay.

[Kentville, Horses—Oakes.]

Sir CHARLES DAVIDSON: Who was the veterinary?

The WITNESS: Chipman.

Sir CHARLES DAVIDSON: And what was his weight?

The WITNESS: I should judge 1,150 pounds.

By Mr. Thompson, K.C.:

Q. Did you know the horse at all?—A. I had used the horse.

Q. Was he sound?—A. Perfectly sound.

Q. Nothing wrong with him at all?—A. No, nothing at all.

Q. Do you know how long your father had him?—A. No, I don't.

Was he a saddle horse?—A. I have never known of the horse being used in the saddle; it was a roading horse.

Q. Did you see the veterinary give him any examination?—A. I was not there.

Q. How did you come to fix on \$200?—A. I told McKay that my father was in a hurry to get home and wanted him to see the horse, and a few minutes later, when they had seen the horse, I asked him what he would be willing to give, he said: what do you want; I said: he ought to get \$200, and he agreed to that.

Q. Did you pay that money to your father?—A. I did.

Q. All of it?—A. All of it.

Q. Anything to McKay?—A. Nothing.

Q. Anything to Chipman?—A. Nothing.

Q. Did your father think it rather a high price?—A. Not that I know of, he never made any complaint.

Q. It is not the usual sort of complaint that one hears about. What did he say when you offered him the \$200?—A. He made no comment.

Q. Did he ask you what you had sold him for?—A. Yes.

Q. Did you tell him \$200?—A. I did.

Q. Wasn't he rather unwilling to take that amount?—A. No, he had no objections whatever.

Q. I will have to call another witness as to that. Did you pay your father any additional sum of money in respect to that horse?—A. No, nothing.

Q. You didn't pay him \$160 additional in cash?—A. No.

Q. Nothing whatever in addition?—A. Nothing whatever in addition to the \$200.

Q. Either directly or indirectly in connection with the sale of the horse?—A. Neither directly nor indirectly.

Sir CHARLES DAVIDSON: Is the cheque here?

Mr. THOMPSON: Yes.

Sir CHARLES DAVIDSON: Your residence is Berwick?

The WITNESS: My residence is Kentville.

By Mr. Thompson, K.C.:

Q. I now produce cheque, Remount Department, No. 27, dated Kentville, September 4, 1914, signed by A. W. Foster and John W. Wood, was Wood the veterinary surgeon?—A. No. Dr. Chipman was the veterinary surgeon, the reason for that—

Q. That is the cheque?—A. That is the cheque.

Q. To J. W. Ookes for \$200?—A. Yes.

Q. For one horse?—A. Yes.

Q. Then it is endorsed J. W. Oakes and G. H. Oakes, is that signature "J. W. Oakes" your father's signature, or did you sign that?—A. No, I signed that myself.

Q. You say the veterinary surgeon at Kingston on that occasion was Chipman?—A. Was Chipman. That cheque was drawn at Kentville.

Q. This cheque here, which is payable to your father, is signed by John F. Wood, Veterinary Inspector?—A. Yes.

Q. What was the date sale at Kingston?—A. September 4.

Sir CHARLES DAVIDSON: G. H. Oakes is your own name?

The WITNESS: My own name, yes.

[Kentville, Horses—Oakes.]

By Mr. Thompson, K.C.:

Q. Why did you add your endorsement?—A. I presume I cashed the cheque. My father did not endorse the cheque, therefore, I considered it necessary to add my endorsement as it was not his signature.

Q. Why did he not endorse it?—A. This cheque was drawn at Kentville after my return from Kingston. There is no bank at Kingston and I drew the cheque on my return to Kentville and it was cashed there.

Q. Where does your father live?—A. At Kingston.

Q. How far from the place of sale?—A. About a mile.

Q. Why didn't you get him to endorse it?—A. I made no arrangement with my father about the price at that time and he left the matter in my own hands and I drew the cheque on Kentville on my return.

Q. Why didn't you get him to endorse it if it was his cheque?—A. It was not convenient; he was 26 miles away.

Sir CHARLES DAVIDSON: And the bank insisted on your signature.

The WITNESS: I don't know about that. I don't remember the incident of going to the bank, but I presume the bank accepted it all right; there was no trouble about it.

By Mr. Thompson, K.C.:

Q. Why did you get Wood to countersign instead of Chipman?—A. The cheques were signed by the veterinary surgeon in advance of purchase, most of the cheques were signed in advance of the purchases, and the veterinary surgeons had to sign the cheque. That was probably a cheque that was left over. So far as possible the cheques issued for the horses that were examined by Chipman were signed by Chipman, but it was not always possible to arrange for that.

Mr. THOMPSON: I am just simply examining Mr. Oakes now with reference to this one horse. I am going to examine him later in the day generally.

Sir CHARLES DAVIDSON: Ask him why there was an exception made in this case and a separate cheque issued instead of a combined cheque.

By Mr. Thompson:

Q. Why was there a separate cheque issued to your father for this one horse and not in any other case?—A. I was acting as Mr. Foster's agent and as in a sense I sold this horse I wanted to make it a matter of record. This was a transaction affecting my father and I felt I ought to put it on record and I did so in that way.

Q. Did you sign a receipt for it?—A. A receipt, separate from the cheque.

Q. Yes?—A. No, I did not.

Q. Such as the other vendors signed?—A. No.

Q. Was there a ticket put on the horse?—A. I presume so, I did not see the horse.

Examined by Mr. Sangster:

Q. Why did you not sign a receipt, Mr. Oakes?—A. The cheque was a receipt sufficient.

Q. You considered it so?—A. I would consider the cheque as a receipt for the horse.

Q. How long is it since you have been living at home?—A. I had not been living at my father's home for fifteen years.

Q. You were away in Ontario?—A. I have been away travelling in insurance.

Q. You had your father's permission, your father had no objection to your putting his name on the cheque?—A. No, sir, certainly not.

Sir CHARLES DAVIDSON: When did you hand him over the money?

The WITNESS: I think it was fully a week after that.

Sir CHARLES DAVIDSON: As soon as you saw him?

The WITNESS: No, I cashed the cheque in Kentville and I gave the cash to my father the next time I went home, about a week after that.

[Kentville, Horses—Oakes.]

Sir CHARLES DAVIDSON: What was the date of the cheque?

The WITNESS: The 4th of September.

Sir CHARLES DAVIDSON: The sale was on the 4th of September?

The WITNESS: On the 4th of September, at Kingston.

Sir CHARLES DAVIDSON (To Mr. Fraser, Auditor General): What was the day the cheque was cashed, Mr. Auditor General?

Mr. FRASER: It looks like September 8; the figure is punched out but there is the remains of a figure that looks like an "S".

Sir CHARLES DAVIDSON: Do you remember the date you cashed the cheque?

The WITNESS: No, I don't remember.

Sir CHARLES DAVIDSON: Probably some time in two or three days after.

The WITNESS: Probably some time in two or three days after. It may have been that day, I don't know.

By Mr. Sangster:

Q. One more question I wanted to ask the witness: between the time you received the money and the time you paid your father, had you seen your father?—

A. I saw him, I think it was the Sunday following the sale.

Q. Was that the only time?—A. That is the only time.

Q. Had you the money with you then?—A. No, I had not the money with me.

The witness retired.

ARTHUR GILL, veterinary surgeon, Kentville, sworn:

Examined by Mr. Thompson, K.C.:

Q. You examined the horses which were being purchased by Woodworth at Windsor for military purposes, last August or September?—A. Yes, sir.

Sir CHARLES DAVIDSON: I suppose he sold none.

Mr. THOMPSON: Did you sell any horse?

The WITNESS: No.

Sir CHARLES DAVIDSON: Where was the sale?

The WITNESS: At Windsor.

Sir CHARLES DAVIDSON: Last August?

The WITNESS: I think it was September.

Sir CHARLES DAVIDSON: Can you give the approximate date?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: Have you a record of it?

The WITNESS: I think that is in my book at home.

Sir CHARLES DAVIDSON: Why did you not bring it? Is there any information in that with reference to the horses?

The WITNESS: I made no reference about any horses, I simply put in the day I examined.

Sir CHARLES DAVIDSON: There is nothing else in your book which would be of any assistance to us?

The WITNESS: Nothing.

Sir CHARLES DAVIDSON: Who appointed you to examine the horses?

The WITNESS: I believe it was a Mr. Neill from Ottawa; I would not be quite positive of that. I received a letter saying I was appointed veterinary inspector to examine military horses at Windsor.

Sir CHARLES DAVIDSON: Where is that letter?

[Kentville, Horses—Gill, V.S.]

The WITNESS: I destroyed it, your lordship, after I was through with the work. I did not know there was going to be any further business connected with it, and I destroyed it.

Sir CHARLES DAVIDSON: Do you know who recommended you?

The WITNESS: I believe Mr. Tremaine.

Sir CHARLES DAVIDSON: Who is Mr. Tremaine?

The WITNESS: Member of Parliament for Hants.

By Mr. Thompson, K.C.:

Q. Did Colonel Neill send you any forms when he sent you this letter?—A. None.

Q. What instructions did he send you?—A. None.

Q. None whatever?—A. None.

Q. No documents to be filled up?—A. No, not that I remember at all.

Q. Did he send you any book in which the particulars of the various horses were to be entered?—A. No.

Q. No documents of any sort?—A. No documents of any sort.

Q. Is that your signature to this cheque dated at Windsor, September 2?—A. Yes, that is my signature.

Q. It is a Remount cheque dated second September, at Windsor?—A. Yes.

Q. On the second of September?—A. I did not receive a cheque on the second of September. I did not receive my cheque from the Government.

Q. This is not your cheque, this is a cheque for the purchase of the horses; that is your signature, is it not?—A. Yes, but I did not remember having signed it.

Q. What are the initials after your signature?—A. M.R.C.V.S.L., that is, Member of the Royal College of Veterinary Surgeons, London.

Q. The buying was on the second and third of September at Windsor?—A. Yes.

Q. This cheque is dated September second; it is a cheque for \$5,000, payable to F. D. Keever, for 29 horses?

Sir CHARLES DAVIDSON: I suppose the initials after your name are: Member of the Royal College of Veterinary Surgeons, London?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Who presented this cheque to you for signature, Dr. Gill?—A. I really have forgotten the cheque being presented, but I remember, on second thought, when I presented my letter to Keever, showing my appointment as inspector, he asked me to sign—I expect it was that cheque. That would be a time before I had looked at the horses.

Q. Before you looked at the horses, he presented this to you for signature?—A. Yes, but I really did not notice it was a cheque.

Q. Did you go into Windsor?—A. Yes.

Q. Were you living there at the time?—A. I was living at Mount Denison at the time.

Q. Did you look up Keever?—A. I did not know Keever but I met a man I did know and I said: can you tell me who is the man that is going to buy the horses and he pointed out Keever.

Q. Then you showed your credentials to him?—A. I showed my credentials to Keever. I asked Keever who he was and he told me he came from Ottawa, which led me at once to believe he was a Government official.

Q. Did you say he was authorized to purchase?—A. Yes, sir.

Q. Did he present this cheque to you then?—A. I really must confess that I did not notice it was a cheque.

Q. But now that you see this document, that is your signature?—A. Yes, that is my signature.

Q. And it was signed before you started to buy horses?—A. Yes, sir.

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Q. Was it on the morning of the sale?—A. Yes, sir.

Q. Just before the sale commenced?—A. Yes, the only time I was in the office with him.

Q. Do you recollect whether those particulars were filled up namely, F. B. Keever, \$5,000, 29 and the figures 5,000?—A. I do not, sir.

Q. In other words, do you recollect whether the writing which you see in the cheque was there when you signed it?—A. I cannot say, sir, but had I seen it I would have strongly objected to having anything to do with the money part of the business, because I was not appointed for that purpose.

Sir CHARLES DAVIDSON: You saw you were signing a cheque.

The WITNESS: I remember perfectly now when I showed my letter, Keever saying: you are appointed by the Government. I said: yes, and he said: will you sign that and I signed it. I confess I should have read, but I did not.

Sir CHARLES DAVIDSON: Surely you did.

The WITNESS: I did not. This is the first idea ever I had that I had anything to do with money in any way whatever, in this transaction.

By Mr. Thompson:

Q. You see the idea in getting the veterinary surgeons to sign was to show that the number of horses specified in the cheque were passed by him?—A. He cannot have known the number—that number could not have been known because I had not examined the horses.

Q. You signed it before you examined the horses?—A. Yes.

Q. And it was presented to you by Keever?—A. Yes.

Q. And you were requested by Keever to sign it?—A. Yes.

Q. And that was early in the morning on the first day?—A. That was the only time I signed a paper, to my knowledge.

Q. And there is nothing by which you can refresh your memory, is there, to enable you to state whether the cheque was filled out before you signed it or whether it was in blank?—A. I really cannot say.

Q. Was Mr. Oakes present on the day of the sale?—A. No, sir.

Q. Was Mr. Foster?—A. No, sir.

Q. Have you a record to show how many horses you examined?—A. No, sir. I was examining the whole of two days. I think I must have examined, probably, I should say, from 150 to 200 horses possibly.

Q. Were you paid so much per day?—A. Yes, sir.

Q. You were not paid according to the number of horses you examined?—A. No, sir, ten dollars per day.

Q. How many days were you working?—A. Two days.

Q. Did you send in your account to the Department at Ottawa?—A. I sent it to Mr. Foster.

Q. How were you paid eventually?—A. I was paid by cheque from Ottawa.

Q. Did you receive any remuneration from Keever?—A. Not one cent.

Q. Or from any one?—A. From no one whatever, your lordship.

Sir CHARLES DAVIDSON: You kept no record of the horses you passed?

The WITNESS: No, sir, I was so busy I could not. These horses were being brought to me so quickly that I had no time to make any private notes, in fact, I was not allowed to make the notes I wished to on my tags.

By Mr. Thompson:

Q. Who prevented your doing that?—A. Mr. Keever.

Q. What did you want to fill out on the tags?—A. I wanted to put the description of each animal so that any one as well as myself could have known the horse from the description.

Q. What did he say to you?—A. He said it was perfectly unnecessary and asked me to put "b. horse" or "b. mare" which I objected to, and I was only allowed to put

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the colour, such as brown or bay and particularly I pointed out to Mr. Keever that I would not be able to recognize the animals I had examined because I was practically a stranger there and did not know the animals.

Sir CHARLES DAVIDSON: You were only allowed to put on what?

The WITNESS: The colour and the sex, and I put on the age and the weight.

Sir CHARLES DAVIDSON: And the markings?

The WITNESS: No, sir, I wanted to put on the markings; I wanted to put on some identification on every animal I examined.

By Mr. Thompson, K.C.:

Q. Did you negotiate at all with the vendors as to the price?—A. Never, sir.

Q. Did you know anything about the prices being paid?—A. Not one cent.

Q. Did you put a ticket on the horses after you examined them?—A. No, sir.

There was a man by the name of MacInnes who took the tags and put them on the horses.

Q. Who is MacInnes?—A. He lives in Kentville; I did not know him at the time, but I have known him since I have been here.

Q. What was MacInnes doing there?—A. He was assisting Keever.

Q. Did Keever tell you to take any instructions from MacInnes?—A. I took no instructions from MacInnes.

Q. From any one?—A. My instructions all came from Keever. I felt that as he was a Government official I was supposed to take my orders from him.

Q. Did MacInnes have all the tags?—A. Yes, sir. I had the tags and made them out and MacInnes took them from me and put them on the horses.

Q. Why did you entrust them to MacInnes?—A. MacInnes stood close to me and as I examined one horse it would go away and I would give MacInnes a tag, and I would go straight and examine another.

Q. Why did you entrust MacInnes with the tags, if you had not known him before?—A. Because he was with Keever.

Q. Were Keever and MacInnes on the ground when you arrived?—A. Yes, sir, this was in the livery stable the first day and I was at the armouries the second day.

Q. The first morning when you arrived on the ground, were they already there?—A. They were there.

Q. MacInnes was in company with Keever?—A. Yes, sir.

Q. What MacInnes is that?—A. He was a harness-maker in Kentville at the time I was there.

Q. What is he doing now?—A. He is driving in one of the cars.

Q. What is his first name?—A. I cannot tell you, sir.

Q. Were you on the ground the second morning before they arrived?—A. No, sir, they were there before I arrived.

Q. How did they arrive, do you know, by train, or motor, or did they drive?—A. I cannot tell you, they were there when I arrived.

Q. You saw the military posters, I presume?—A. No, sir. Keever, when I was introduced to him, said: "We are wanting a number of horses as soon as possible; I can give you the descriptions" and he read off this poster to me.

Q. Did he read all the poster?—A. Yes, it was a big sheet and he read about the animals being sound, and I told him: "Well, look here, Mr. Keever, it is useless for me to start examining horses, if you want to find many sound horses, because you can find very few sound horses."

Q. You could not find sound horses?—A. Of absolutely sound horses you would not find five per cent.

Q. Is that a peculiarity of this county?—A. No, sir, that is a peculiarity of all horse-flesh.

Q. What else?—A. I said: "If you wish me to examine and select you serviceably sound horses, that is horses that will be capable of fulfilling the duty required of them, I can do that." He said: "I will leave it all to you," and he said something about ten

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years of age and I said: "You know as well as I do, Keever, that you will get very few horses practically sound at ten years of age for the money you tell me, which is your price, which is \$165," and he said: "I must leave it to you, Gill, a few years must not stand in the way, so long as you feel that the animals are serviceably sound and will fulfil the duties we want them for."

Sir CHARLES DAVIDSON: You were addressing each other as "Keever" and "Gill", were you old friends?

The WITNESS: Well, my lord, I had never met the man in my life before. I never knew there was such a man. In fact, I did not know his name until sometime after I had been with him.

By Mr. Thompson, K.C.:

Q. What was the age of the oldest horse you passed, do you recollect?—A. About thirteen, I should think, by his teeth.

Q. And you evidently passed, according to your conversation with Keever, horses which were not absolutely sound?—A. Yes, sir.

Q. To what extent did you allow departure from the specifications?—A. It would take a long time to give you the full details, but take the case of a spavin——

Sir CHARLES DAVIDSON: How many horses did you pass at Windsor and how many at the armoury?

The WITNESS: I cannot tell your lordship, I could not recollect now, I kept no record myself but for every animal I passed I gave a tag for it.

By Mr. Thompson, K.C.:

Q. Did you give a tag for all the horses you passed?—A. Yes, sir.

Q. On which you entered particulars?—A. Yes, sir.

Q. Did you give any tags for horses which you did not pass?—A. No, sir.

Q. Were all the particulars always filled out in your own writing?—A. Yes, sir, I would not give a tag for any horse that was over ten years of age before I drew Keever's attention to it.

Q. You had in your possession many tags which were not used?—A. I had at the time.

Q. You had a surplus?—A. I had at the time, but directly I finished I handed them all back to Keever.

Q. We have heard from various witnesses of certain diseases. For the purpose of having a description of them on the record, I will cite some of them to you. Thickening in the wind?—A. I take it that that means broken-winded. I am not quite conversant with all of the terms they use here as regards unsoundness.

Q. Apparently, thickening of the wind and touched in the wind, are used interchangeably?—A. We don't use these terms, we use "broken-winded."

Q. Thickness in the wind would be the same?—A. I should think it would.

Q. And pricked in the wind, would that be the same?—A. I have never heard that expression before.

Q. Then the heaves—how would you describe the heaves?—A. Just broken-wind.

Q. So thickness of the wind, broken-winded, and heaves, are all the same disease, with a slight modification, is that correct?—A. I expect that is what they wish to infer, sir.

Q. Suppose a horse were coughing for two or three months, what do you say would be wrong with him?—A. I could not tell until I examined the animal.

Q. What are the causes of a cough?—A. Chronic catarrh of the larynx, some may be broken-winded, which I could detect by hearing the cough, which is a peculiar cough they have.

Q. Is that an indication of the heaves?—A. Yes, broken-wind.

Q. Could a cough which comes from the heaves be cured?—A. No, sir. It could be modified greatly.

Q. Did you ever hear of a horse called a "roarer"?—A. Yes, sir.

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Q. Is that a horse affected with the heaves?—A. No, sir, that is a disease of the larynx.

Q. Does that make him unfit for service?—A. No, sir, I have known many roarers, that have been good hunting horses, but of course they make a noise.

Q. Which makes it painful to ride or drive them?—A. Yes.

Q. How would you describe a wind-gall?—A. That is an enlargement of a sac between the tendons and the ligaments of the leg.

Q. Is it near the hoof?—A. No, sir, it is above the fetlock.

Q. It is an enlargement of the sac?—A. Yes, sir, due to excessive synovia.

Q. On which leg do you find it?—A. On the fore-legs.

Q. And as to the extent to which it grows?—A. I have seen them as large as a good-sized orange.

Q. Does that incapacitate a horse for work?—A. None whatever, except in the acute stage, the inflammatory stage.

Q. Will an incipient case of wind-gall necessarily or probably develop into the acute stage?—A. Not likely, sir.

Q. How long after the horse has wind-gall can you tell whether it will develop into the acute stage, which will render him unserviceable?—A. About a month.

Q. Then it becomes fixed?—A. Yes, it sometimes increases greatly in size, but not so as to be detrimental to the animal.

Q. How would you describe side-bone?—A. That is a calcareous deposit in the lateral cartilages.

Q. Is it in the hoof?—A. Partly in the hoof and partly out.

Q. Would you describe it as a slight arch of the hoof?—A. No, sir, instead of the cartilage being pliant it is stiff and hard; it is generally found in heavy horses.

Q. Does that render a horse unserviceable?—A. Sometimes; it is according to the shape and the extent of the side-bone.

Q. Do they increase in size as time goes on?—A. Frequently they increase in size; sometimes you will get a small side-bone that will remain small.

Q. So that it might not be possible to tell on examining a horse with a side-bone whether that would increase or not?—A. I would be guided greatly by the age of the animal.

Q. What about side-bone in a young horse?—A. I would not buy him.

Q. What about side-bone in an old horse or one 12 years of age?—A. If the whole of the foot was not contracted and it gave me the idea that there was plenty of room in the hoof for side-bone, I would not object to it, but I would always draw a customer's attention to the fact of it being there.

Q. What are wind-puffs?—A. Those are wind-galls sir, you have just asked me about them.

Q. What causes a horse to be either tipped in the knees or spring in the knees?—A. Contraction of the back tendons, sir.

Q. What causes that?—A. Sometimes strain, sometimes it is natural to the animal. I have known animals foaled with bent legs that never do come straight.

Q. If the animals is foaled with bent legs, would he be a perfectly serviceable horse?—A. It would be according to the extent of the contraction.

Q. Supposing a horse had grown out of his childhood, and become some twelve or thirteen years of age, having been foaled with bent knees, would you say he was still a serviceable horse?—A. I could not say that. I would have no proof the animal had been foaled that way. I might be told that.

Q. Supposing you took it for granted a horse was foaled with bent knees, and a good serviceable horse for twelve years, apart from the bent knees, would you say the bent knees would affect him?—A. I would examine the knees to see if he had been down. If I found he had gone twelve years without scratching his knees, I would think he was a pretty safe animal.

Q. Apart from being foaled with bent knees, what causes a horse to be sprung in the knees?—A. Contraction of the tendons.

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Q. What causes the tendons to contract?—A. Sometimes strain. Fast driving and more frequently pulling up suddenly so that the weight is thrown on the back tendons and strains them.

Q. Does that cause tenderness of the feet?—A. Not in the feet, sir, in the tendons.

Q. What causes tender feet?—A. There are many causes for tender feet.

Q. If a horse is tender in the feet, will he likely be over in the knees a little?—A. Not necessarily.

Q. Let us take the fore-feet?—A. If the animal had fever in the feet, in all probability, the tendons would be relaxed; they would be a little slack.

Q. What would cause fever like that?—A. That is a congested condition of the vessels inside of the foot. When we say the "foot" we mean the sensitive foot; we call the outside, the hoof.

Q. In ordinary simple language, what would cause that inflammation?—A. Sometimes over-driving; sometimes over-feeding.

Q. Driving on hard pavements?—A. That would cause it sometimes.

Q. How would you describe a sloe?—A. I never heard the expression until I heard it in this Court, and I have been inquiring and I could get nobody who could tell me what a sloe is. I do not think it appears in any of our technical books.

Q. What would you say as to corns rendering a horse unserviceable?—A. By no means, unless they are suppurating. Many horses have corns and are perfectly serviceable.

Q. Just a question of treatment, is it not?—A. Yes, and the extent of the disease.

Q. Would you describe a spavin?—A. It is a bony deposit on the small bones of the hock, what we call the metatarsal bones, the shin bone of the hind leg, and the lower and the front and the inside part of the hock.

Q. What causes a spavin?—A. They are sometimes hereditary, and they are sometimes caused from a jar, some are caused from the high caulking of the shoe throwing the leg out of position and throwing a jar on the front part of the hock.

Q. Are they a menace to the horse's serviceability?—A. That is all according to the position; if they are solely on the bone without interfering with the articular surfaces, or in some cases you get the deposit on two bones and so long as these deposits do not touch each other the animal will be sound, as soon as the primary congestion is out of the bone.

Q. That is the congestion caused by the growing of the spavin?—A. Yes to get this bony deposit. There is an inflammation which causes the bony deposit.

Q. Is the bony deposit always attached to the bone?—A. Always attached to the bone.

Q. You said something about it being attached to the bone?—A. If the growth is on the bone and free from the articular surfaces, as soon as the congestion is out of the bone there would be no lameness.

Q. Will you say that a spavin will injure a horse if it is firmly attached to the bone?—A. Not if firmly attached; if it is on the bone itself, without interfering with the articular surfaces by protrusion; that is upward and downward protrusion, the bones lying one on top of the other.

Q. What about a jack spavin, is a thoroughpin about the same thing as a blind jack?—A. Oh, no.

Q. What is a thoroughpin?—A. There are a lot of these terms I have never heard of before.

Q. What is a thoroughpin?—A. It is something similar to a wind-puff only on a different part of the leg. It is above the hock, underneath the large tendon, against the point of the hock.

Q. What causes thoroughpin?—A. Strain, as a rule.

Q. What is a blind jack?—A. I have never heard of it. I never heard the term before; I do not know whether it would be referring to an incipient spavin but I do not think the average man would ever be able to detect that.

Q. Do you know what a blind spavin is?—A. No sir, I do not.

Sir CHARLES DAVIDSON: How far would the family of spavins interfere with the serviceability of a horse?

The WITNESS: So long as the spavin is either wholly on the bone or the joints and fixed by the deposits joining each other, so as to prevent movement in the hock joint, the animal would not be lame and would be serviceably sound.

By Mr. Thompson, K.C.:

Q. Do you know what a bog spavin is?—A. Yes.

Q. What is that like?—A. That is excessive joint oil in the large joint of the hock. It comes about where a bone spavin would be, but it is too much joint oil in the large joint. It does not make them lame except when it first grows.

Q. Might you have a spavin, and a blind jack, and a bog spavin, all on the one leg?—A. I do not know anything about the blind spavin.

Q. What are the usual tests as to eyesight?—A. My test for the examination of eyesight is to put some dark object at the side of the horse's head and look across the eye and by that means you get the light reflected, and you can see whether there is cataract or other diseases.

Q. Many of the horses purchased had bar shoes, would you describe them, and what they are used for?—A. They are frequently put on horses that never should have them. A bar shoe is a shoe that has a piece of metal, from heel to heel, across the back of the shoe. They are more frequently detrimental than useful.

Q. What are they put on for?—A. The idea is when animals show a tenderness in the feet, that it stops jarring, but I have never been able to see how it would.

Q. Up to what age can you tell the age of a horse?—A. Up to ten years old, you can tell pretty accurately. From ten to twenty it would be more difficult to tell, because the way in which we tell the age is more limited.

Q. And from twenty to thirty?—A. Twenty to thirty is still more difficult, but it is quite possible to be done.

Q. And when do you get into time immemorial?—A. I think I would give it up.

Q. At thirty?—A. I think I could tell you within three years. Some of them do not tell the age accurately, but taking the average animal, I could tell within a couple or three years after ten years of age. I would never like to pledge my opinion within two years, from ten to thirty.

Q. From ten to thirty, you think you can come within two years?—A. Two or three years.

Sir CHARLES DAVIDSON: What is the average lifetime of a horse?

The WITNESS: I can say, your lordship, that it is according to the treatment they get. I really cannot strike an average. I have known some horses thirty-five years of age, but very few.

Sir CHARLES DAVIDSON: When does a horse cease to be a young horse?

The WITNESS: I cannot say.

Sir CHARLES DAVIDSON: A witness called a horse ten or twelve years old a young horse?

The WITNESS: I have been a hunting man a good many years and I have ridden horses over twenty years of age that would give me as safe a ride across difficult country as a young horse, and perhaps better.

Sir CHARLES DAVIDSON: When do you say a horse would cease, on the average, to become serviceable for military purposes?

The WITNESS: I should think that plenty would be quite serviceable up to sixteen years of age.

By Mr. Thompson, K.C.:

Q. At what age does a horse turn grey?—A. I am afraid, sir, that some of the animals I have seen were grey comparatively young.

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Q. Perhaps they were foaled grey?—A. I am not speaking of the all-coloured grey, I am speaking of the grey markings in the face.

Q. I am referring to a black horse turning grey from age. What age would he begin to show signs of grey?—A. I have never seen a black horse that turned grey all over his body. I have seen it around the muzzle and the eyes.

Q. Have you seen a bay horse turn grey?—A. No, sir.

Q. About what age do they turn grey?—A. I do not think greyness is a sign of age in a horse at all.

Q. Is it not?—A. No, sir, excepting in black horses. I have seen them grey around the mouth and eyes but no other horses that I know of.

Sir CHARLES DAVIDSON: You say a horse of twenty; was that a horse that was submitted during the South African War?

Mr. THOMPSON: That horse would be eighteen now; eighteen and a half when he was sold. There was a horse which was three and a half or four years old at the time of the South African War, that was foaled with a long back. He was rejected as a saddle horse at the time of the South African War; would that horse now be serviceable in 1914 for military purposes?—A. I do not know what they rejected him for.

Q. They said his back was too long for a saddle horse?—A. His back would not get shorter certainly. I would have liked to see the animal to see if he was unsuitable for the saddle.

Q. Would he be suitable as an artillery horse?—A. No, sir.

Q. Would the length of the back interfere with him as a draught horse?—A. Certainly not, sir. We like them short-backed as saddle horses.

Q. What would you say about a sloping rump horse being unsuitable for service?—A. No detriment for service; you are speaking of a horse cut off on the hind quarters.

Q. No detriment whatever?—A. In fact some of them are the finest jumpers we have. They are very strong on their hind legs as a rule.

Sir CHARLES DAVIDSON: A horse was described as having been born with sprung knees; he had a long back and sprung knees.

The WITNESS: I have an animal under treatment now, four years old, and he has the worst bent legs I have ever seen in my life.

Sir CHARLES DAVIDSON: Is he serviceable?

The WITNESS: Certainly not. I would not pass a case like that.

By Mr. Thompson:

Q. This horse evidently was serviceable and useful after fifteen years?—A. I could not say without seeing the animal, it is according to the extent of the bending and the condition of the tendons.

Q. We heard yesterday of the examination which you made of these horses at Windsor. Did you make such an examination as you would make for a private owner if he was asking your advice on a horse?—A. Exactly the same.

Q. Did you reject horses which you thought were unsuitable?—A. In every instance, sir.

Q. Did any person request you to pass horses which you considered unsuitable?—A. Many sir, and while I was examining them.

Q. Did you pass any as a result of any pressure by anybody?—A. Certainly not, sir. I have made a great many bad friends in consequence of their asking me to do things of that kind.

Q. Did you see Wood or Chipman make any examination of horses?—A. No, sir.

Q. You were not present at any examinations they were making?—A. No, sir.

Q. Were you instructed to examine horses in other places for the Government?—A. I had a phone message one morning from Mr. Keever, I think, it was after I had finished at Windsor. I had a phone message from him asking me whether I would come to Kentville and examine horses for him and I said: "Yes, what is the matter."

He said: "Things are not satisfactory up here," and I told him I would be up in the train the next morning. He said: "No, don't do that, come up to-night. I want to start early in the morning and I would like you to be up here." I came here in the morning as directed and when I saw Mr. Keever, he told me he had a telegram saying not to buy any more horses.

Q. Had they been buying in Kentville?—A. Yes, they were just finishing them.

Q. What day did you arrive in Kentville and found they had finished buying?—A. I think it was the 5th or 6th of September, it was just a few days after I finished at Windsor. I can let you have those dates, sir, they are in my book.

Sir CHARLES DAVIDSON: As a matter of fact, did he stop buying horses?

The WITNESS: Yes, sir, so far as I know. I went to Mount Denison on the afternoon train, so I did not examine any horses here.

By Mr. Thompson:

Q. One of the witnesses from Windsor yesterday told us that when you were examining his horse, he pointed out to you that his horse had a jack spavin and you said you did not mind a jack spavin but you would not stand for a bog spavin?—A. I should like to see the man that said he told me that. I should like to have him tell me that. I objected to any man speaking to me when I was examining a horse; I did not want any owner to give me advice about a horse.

Sir CHARLES DAVIDSON: What was the name of the man?

Mr. THOMPSON: William Rourke.

By Mr. Thompson, K.C.:

Q. My information is that Rourke said that Dr. Gill would not mind a jack spavin but that he would not stand for a bog spavin? Do you deny that you told him that?—A. Absolutely, sir.

Q. I think the witness also stated yesterday that this spavin had run its course and that the veins were over it and that, therefore, there was no danger from it?—A. As I say, I would pass some conditions of spavins without hesitation, and others I would not pass at all. I believe I do know Rourke, I think I have met him, but I did not give any information about what I would pass or what I would not, because, I strongly objected to the people speaking to me at all during my examination.

Q. Did you make any return whatever of the horses you passed?—A. None whatever.

Q. You made no report?—A. No, sir.

Q. You simply sent in your bill?—A. For two day's examination at Windsor.

Q. Did you have any trouble with Keever when you were examining these horses?—A. I cannot say I had trouble, sir, there was a bay mare, I think, that was brought to me to examine and she was considerably up in years and I rejected her. I did not examine the mare at all, after I looked in her mouth I rejected her. The mare stood off in one corner of the field. Some time after, this mare was brought to me again. Mr. Keever was not in the neighbourhood when the mare was brought to me again, and I told the man that if he tried it again I would take steps to have him punished for trying to pass a horse back on me. It was put immediately back in the field where all the others were tied up. It was a fine good-looking horse, but it was a little too old for me to pass.

Q. What was the name?—A. I cannot say. I tried not to know. I scarcely knew the men who brought me the horses because, I tried not to know them because I would be accused of partiality. I was afraid.

Q. Did you, when you were making your examining at Windsor, follow the same procedure in reference to all the horses?—A. Yes, sir. Of course, when the animals were brought to me, I had a glance over them and if I saw anything particularly wrong I would not examine it, that animal would be thrown out. If I considered a horse good enough to examine it, it would take me probably ten minutes for the examination.

[Kentville, Horses—Gill, V.S.]

Q. If you kept no notes, how could you tell whether they would not drive the horse out of the yard and then bring him in by another gate?—A. They did that.

Q. They did?—A. Sure, they did.

Q. They apparently know a trick or two down in Hants County?—A. I do not think there are many people realize what we are up against when we are examining horses like this.

Q. Had you any means of identifying those horses which you once rejected?—A. There was one horse I recognized that was brought back to me three times by a different man each time. That is another incident. I said to the man the third time: "If he is brought here another time there will be trouble."

Mr. SANGSTER: That must have been in Kentville.

Dr. GILL: Unfortunately, it was in Hants.

By Mr. Thompson, K.C.:

Q. You think that none of the horses rejected eventually got past you?—A. I do not think so.

Mr. THOMPSON: Doctor; apparently Windsor was the only place that any examination of any sort appears to have been made.

By Mr. Sangster:

Q. You remember you were asked about a spavin with a vein over it, would you say a horse in that condition might be serviceably sound?—A. The vein had nothing to do with the lameness whatever.

Q. Might the horse be serviceably sound with a spavin with a vein over it?—A. There is no horse with a spavin that has not a vein over it.

Q. Might a horse be serviceably sound that has a spavin with a vein over it?—A. Certainly.

Q. Is a horse under five years old necessarily unsuitable for military purposes?—A. I would not pass one under that age, because they would be more liable to develop unsoundness. I do not think their teeth would hurt them but the tissues are soft and are apt to be easily strained.

Q. You spoke of things not being satisfactory in Kentville, have you any knowledge of what was the matter?—A. I had no interest in what went on in Kentville.

Q. Where were you practising?—A. I am farming at Mount Denison and to oblige the people if they want me to attend a case I go, but I was not really in practice.

Q. Where is Mount Denison?—A. About eighteen miles from here.

Q. You were a veterinary in England before you came to this country?—A. I have been a veterinary for thirty-one years.

By Mr. Thompson, K.C.:

Q. Did you hear anything about Dr. Wood being discharged for incompetency at Kentville and that you were to take his place?—A. No, sir, I did not.

Q. You heard nothing of that sort?—A. Keever did not tell me I was replacing anybody; he said: "Things are not satisfactory up here," and he would be greatly obliged to me if I came.

Q. Not satisfied with the veterinary?—A. He did not say with the veterinary, but I took it that is what he meant.

Sir CHARLES DAVIDSON: You could give us no idea as to how many horses were passed and paid for in Windsor?

The WITNESS: There were thirty-two horses in the barns. I was asked to inoculate them to prevent them having distemper, and I inoculated thirty-two.

Sir CHARLES DAVIDSON: Had they all tickets on them?

The WITNESS: I could not say. I was so tightly packed in among the horses that I did not notice.

By Mr. Thompson, K.C.:

Q. The cheque states twenty-nine horses?—A. I do not think that the thirty-two horses were all passed by me.

Sir CHARLES DAVIDSON: Did you examine, I just wish to emphasize this, elsewhere than at Windsor?

The WITNESS: No, your lordship.

Sir CHARLES DAVIDSON: Can you state who the veterinaries were at the different places where the horses were bought?

The WITNESS: I only heard of Chipman and Wood, your lordship.

Sir CHARLES DAVIDSON: Where was Chipman?

The WITNESS: At Kentville.

Sir CHARLES DAVIDSON: What about Berwick?

The WITNESS: I really do not know much about this part of the country. I have only been up here some six weeks and I did not know this country then.

Sir CHARLES DAVIDSON: This town?

The WITNESS: Yes, sir and this part of the country generally. Dr. Wood I have heard was examining horses here.

Sir CHARLES DAVIDSON: In this town?

The WITNESS: Yes, he did not come into my district. I was the only veterinary surgeon there.

Sir CHARLES DAVIDSON: Do you know Dr. Chipman?

The WITNESS: No sir, I have never met him.

Sir CHARLES DAVIDSON: Do you know his reputation as a veterinary?

The WITNESS: Well sir, I have certainly heard, since I have been working in this district, things that I would not care to refer to.

Sir CHARLES DAVIDSON: Was he practising here?

The WITNESS: Yes.

Sir CHARLES DAVIDSON: He was practising as a veterinary in Kentville?

The WITNESS: Yes.

By Mr. Thompson, K.C.:

Q. Do you know if he had received a degree as a veterinary?—A. I believe so.

Q. Did the reports you heard affect his professional standing only. Was he regarded as competent?—A. By some people, no.

Q. By others; do you know where he was graduated?—A. I think he graduated at Toronto.

Q. He is not here?—A. No.

Q. By some he was not regarded as competent?—A. No, but I do not place much importance on that. If we ask a man for his bill sometimes, he will say we are no good. They have said that to me already since I have been here.

Sir CHARLES DAVIDSON: Perhaps they say that to lawyers sometimes, when bills are presented.

The WITNESS: Perhaps so.

Sir CHARLES DAVIDSON: Are the heaves curable?

The WITNESS: No sir, they are not curable, but, unfortunately, they are rather easily masked for a short time. I may say I have been caught myself and passed a horse with the heaves.

Sir CHARLES DAVIDSON: For how long can they masked them?

The WITNESS: It will last some twelve hours, and there are many cases in which they use injections under the skin.

[Kentville, Horses—Gill, V.S.]

By Mr. Sangster:

Q. Are burdock leaves good for heaves?—A. I do not think I should use it. It would be only for a short time and it would be done with no other object than fraud.

Sir CHARLES DAVIDSON: Did you pass any horse which was not serviceable?

The WITNESS: No sir, conscientiously I believe every animal I passed I would risk myself on it.

By Mr. Thompson, K.C.:

Q. What was the standard of the horses that went out of Windsor?—A. You mean, as regards the quality of the horses?

Q. Yes?—A. I think they were a fair lot of horses, considering the money paid for them. They told me they were limited to \$165 and I could not buy the horses myself for the money.

Q. What is your belief as to the prices paid, do you know the prices paid?—A. No sir, I cannot say, except what I heard.

Q. You have heard?—A. I cannot say except what I have heard in two or three cases, and I think they were certainly quite low enough. The animals were well worth the money.

Q. You have a book of some kind, would you be good enough to bring it back with you?—A. As regards the dates?

Q. Your residence is near?—A. It is only a small note-book.

Q. Perhaps it would be better for me to have it?—A. It just contains the dates of my attendances.

Q. Does it contain anything else?—A. Nothing else except ordinary professional work.

Q. You might bring it back at two o'clock?—A. I will.

Sir CHARLES DAVIDSON: I must say, doctor, it has been a pleasure to have listened to your evidence.

Dr. GILL: I am much obliged to your lordship.

Sir CHARLES DAVIDSON: It deserves my high commendation, and it as well might be said of the evidence, in largest measure, with one or two possible exceptions, given at Wolfville yesterday and the day before.

The witness retired.

HOWARD M. COFFIN, retired farmer, of Auburn, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. I did, sir, on the 4th of September.

Q. Are you sure it was the 4th of September?—A. Yes, sir.

Q. Quite sure?—A. Quite sure, yes sir.

Q. Where was the sale?—A. At Kingston.

Q. Did you only sell one?—A. Only one.

Q. Who was the buyer?—A. I cannot tell you.

Q. Who was the veterinary surgeon?—A. I cannot tell you that either.

Q. What price did you receive for your horse?—A. \$165.

Q. What was the age of your horse?—A. Six years old.

Q. Were you paid by cheque or by cash?—A. By cash.

Q. What time of the day were you paid?—A. Well, somewhere between noon and two o'clock; I would not be positive.

Q. Did they put a ticket on your horse?—A. Yes, sir.

Q. Did you sign a receipt?—A. Yes, sir.

Q. What examination was made of your horse by the veterinary surgeon?—A. No examination at all.

Q. Did they ask you if the horse was sound?—A. No, sir.

Q. Did they look at his mouth?—A. No, sir.

Q. Did they feel his legs?—A. No, sir.

Q. Was he sound?—A. Yes, sir.

Q. Quite sound?—A. So far as I know, yes, sir.

Q. Nothing wrong with his wind?—A. No, sir.

Q. How long had you had him?—A. About a year.

Q. What did you pay for him?—A. I paid \$250 for him.

Q. Cash?—A. Yes, sir.

Q. Why did you sell him at such a reduction?—A. Because I had two more and I did not want him.

Q. Was he a particularly fine horse?—A. Yes, sir.

Q. And there was nothing wrong with him whatever so far as you know?—A. Nothing wrong whatever.

Q. Did you give any commission to anybody for passing that horse?—A. No, sir.

Q. What was his weight?—A. 925 pounds.

Q. Did you buy him for \$250 cash?—A. I paid good cash, \$250 for him.

Q. Was he as good a horse when you sold him as when you bought him?—A. Yes, sir, better.

Q. What were you asking for the horse?—A. I asked \$200, and then I asked them \$175, and he said: "I will give you \$10 less."

Sir CHARLES DAVIDSON: What was the matter—a bad horse market?

The WITNESS: I had two others and I did not want him.

Sir CHARLES DAVIDSON: Weren't horses saleable?

The WITNESS: Yes, sir.

Sir CHARLES DAVIDSON: Why could you not sell that horse elsewhere?

The WITNESS: He was not heavy enough for general use.

The witness retired.

ARTHUR GILL, Veterinary Surgeon, already examined, recalled:

By Mr. Thompson, K.C.:

Q. You were to look up your note-book during recess for luncheon?—A. Yes, sir.

Q. Did you find any entries in it relating to the purchase of the horses?—A. Nothing except: "Visit to Windsor, examining horses."

Q. What do you find there?—A. That is all I have, sir.

Q. On what date?—A. "Wednesday, the 2nd and Thursday, the 3rd of September, at Windsor, examining horses."

Q. You have no other entries in your book relating to these horses?—A. No, sir.

Q. Or in any other book?—A. No, sir.

The witness retired.

S. A. BOWSER, Grandpré, sworn:

Examined by Mr. Thompson, K.C.:

Mr. THOMPSON: I have not subpoenaed this witness; he is here at the request of Mr. Shearer, who was examined at Wolfville, yesterday, Mr. Shearer having sold a horse to the Government which he purchased in Halifax for \$75. Mr. Shearer has asked me to call this witness to examine him as to the horse which he, Shearer, sold.

Sir CHARLES DAVIDSON: That is about the horse bought in Halifax for \$75 or \$80.

Mr. THOMPSON: I have not subpoenaed him; Mr. Shearer produces this witness and asks me to examine him.

[Kentville, Horses—Bowser.]

By Mr. Thompson, K.C.:

Q. You know Mr. George Shearer?—A. Yes, sir.

Q. Do you know the horse which he sold for military purposes last August or September?—A. Yes, sir, I have known him very well.

Q. How long had you known that horse?—A. From the day he arrived in Grand Pré; I think it was some time in February, 1914.

Q. Had you looked him over or examined him?—A. I looked at him the first day when he arrived, when he came off the car; in fact, I helped Mr. Shearer to take him home; I had a team there and led the horse behind the team on the day of his arrival.

Q. Was the horse sound?—A. Apparently at the time, he came along very nicely. I understood the horse had been a little sore on the pavements in Halifax before that. When he came up there I saw the horse every few days after that and I saw Mr. Shearer using the horse.

Q. Was he a little lame when he was unloaded?—A. Not apparently. At times, I did see him flinch a little on the hard road.

Q. How long did Mr. Shearer have him?—A. That was some time in February he got the horse.

Q. How did he go after Shearer had had him for some time?—A. He would go along very nicely.

Q. What would you say was the matter with the horse?—A. He was just what we call a little pavement sore.

Q. Is that tender feet?—A. He was a little sore on his forward feet from driving over hard pavements. The horse had been used in a livery stable in Halifax.

Q. Was he sprung in the knees?—A. No, sir.

Q. What about his wind?—A. His wind was good.

Q. No spavins?—A. No, sir.

Q. Was the action of his hind legs normal?—A. Practically.

Q. There was nothing wrong with the horse otherwise than the tenderness of the feet?—A. No, sir.

Q. Was he able to go on all right at the time of the sale to the Government?—A. He was going fine.

Q. If the horse once has that soreness from hard pavements is there ever a permanent cure?—A. In nine cases out of ten, a horse coming from the city to the country and working on a farm would be all right in a little while.

Q. Suppose after being on the farm all summer you sent him back to the city to the hard pavement, would he go lame again?—A. It would be a question as to how the horse was taken care of. A horse in the city is fed up on hard high feed and it causes fever and when they get out to the country on soft ground the fever leaves them, particularly when a horse can get out on pasture for a while.

Q. After having that relief, if he were sent back to the city and used for livery and such purposes would he go bad again?—A. It would be a question as to how he was handled. The way he was shod would have a great deal to do with it.

Q. You think apart from the tenderness of the fore-feet, that the horse was quite sound?—A. Yes, sir.

Q. About what age would you consider that horse to be?—A. I understood he was bought for eight years old and I know he was not an old horse. I am not a judge of a horse's age by the teeth like some fellows; I never made a study of that. I know he is not an old horse. I used the horse for four months myself last summer.

Q. That horse?—A. Yes, sir.

Q. You used him for three or four months, did you?—A. Yes, sir.

Q. Did he show any signs of weakness during that time?—A. No, sir.

The witness retired.

THOMAS HISCOE, farmer, of Grand Pré, sworn:

Examined by Mr. Thompson, K.C.:

Q. Did you sell a horse for military purposes last August or September?—A. Yes, sir.

Q. Where was the sale?—A. At Berwick.

Q. How many did you sell?—A. One.

Q. Did you sell any for any other person?—A. No, sir.

Q. Was it your own horse?—A. Yes, my own horse.

Q. Who was the buyer?—A. I did not just know who the buyer was, I did not ask his name.

Q. Did you hear what his name was?—A. Mr. Woodworth, I think.

Q. Who was the veterinary surgeon?—A. I don't remember the name.

Q. What price did you receive for your horse?—A. \$165.

Q. What was the age of the horse?—A. Five years.

Q. What was his weight?—A. I never had him weighed but I believe he would weigh 950 pounds as near as I can tell.

Q. Were you paid by cheque or by cash?—A. Cash.

Q. What time of the day were you paid?—A. It was somewhere along, I would say, about three o'clock in the afternoon or four o'clock.

Q. Did they put a ticket on your horse?—A. Yes.

Q. Did you sign a receipt for your money?—A. Yes, sir.

Q. What were you asking for your horse?—A. \$165.

Q. That is what they paid you?—A. Yes.

Q. What examination did the veterinary surgeon make of your horse?—A. They told me to step him around a little and they brought him back and put a ticket on him.

Q. Did they ask you if he was sound?—A. Yes.

Q. Was he sound?—A. He was perfectly sound.

Q. How long had you had him?—A. I got him some time about the first of June.

Q. What did you pay for him?—A. \$175.

Q. Cash?—A. Yes.

Q. You were willing to take less for him?—A. Yes, I lost ten dollars on him.

Q. Was he as good a horse when you sold him as when you bought him?—A. Yes, he was better. He was in better flesh.

Q. There was no unsoundness about him?—A. He was perfectly sound.

Q. Did you give anything to the veterinary surgeon for passing this horse?—A. No, sir, I did not.

Q. Or to the buyer?—A. No, sir.

Q. Did you pay any commission?—A. No.

Q. Neither directly nor indirectly?—A. No.

Sir CHARLES DAVIDSON: Did they make you an offer?

The WITNESS: No, they asked me what I wanted for him, and I told them \$165, and they paid it.

By Mr. Thompson, K.C.:

Q. Did you see Mr. Foster present on the day of the sale?—A. No, sir.

Q. Did you see Mr. Oakes there?—A. I would not know the man at all.

The witness retired.

DON WILSON, farmer, of Kentville, sworn:

Examined by Mr. Thompson, K.C.:

Q. You sold a horse for military purposes last August, didn't you?—A. Yes, sir.

Q. You offered him at Kentville first?—A. Yes, sir.

Q. And he was refused?—A. No, sir.

[Kentville, Horses—Wilson.] ..

- Q. Was he sold at Kentville?—A. Yes, sir.
- Q. Are you sure?—A. Yes, sir.
- Q. Did you offer him in any other place first?—A. No, sir.
- Q. Only in Kentville?—A. That is all.
- Q. How many did you sell?—A. I sold one.
- Q. Are you sure you did not sell one at Berwick?—A. No, sir, I did not.
- Q. Will you swear he did not sell him at Berwick?—A. No, sir, I did not sell him at Berwick.
- Q. You only offered him once at Kentville?—A. Yes, sir.
- Q. You are sure?—A. Quite sure.
- Q. Did you give him to anyone else to sell at Berwick?—A. No, sir.
- Q. To your knowledge, was the horse offered for sale only once?—A. Only once.
- Q. And that was at Kentville?—A. That was at Kentville.
- Q. Before you offered her at Kentville, did you offer her to McKay?—A. No.
- Q. Did you know McKay?—A. No.
- Q. When you sold her at Kentville who was the buyer?—A. Keever.
- Q. And who was the veterinary surgeon?—A. Dr. Wood.
- Q. What price did you receive?—A. \$150.
- Q. Are you sure it was \$150?—A. Yes, sir.
- Q. Did you sign a ticket?—A. No, sir.
- Q. Did you sign any receipt?—A. Not to my knowledge.
- Q. Were you asked to sign a ticket?—A. No, sir.
- Q. Are you sure it was not \$140?—A. No, sir.
- Q. You are perfectly sure?—A. I am perfectly sure.
- Q. You say you did not offer that horse at Berwick?—A. No, sir, I did not.
- Q. The horse was not sold at Berwick?—A. It was not.
- Q. And you did not authorize anyone else to offer her at Berwick?—A. Not while I had her.
- Q. How long had you had her?—A. About five months.
- Q. Did you sell her yourself?—A. Yes, sir, I did so.
- Q. Did not Seth Kinsman sell her for you?—A. No, sir, he did not.
- Q. Did Seth Kinsman have anything to do with selling the horse?—A. No, sir, he did not.
- Q. You are quite sure?—A. I am quite sure.
- Q. Did you raise this horse yourself?—A. No, sir.
- Q. Did your family raise the horse?—A. No, sir, they did not.
- Q. Did your family ever own this horse?—A. No, sir, they did not.
- Q. Or any relation of yours?—A. No, sir.
- Q. Who did you buy the horse from?—A. Ernie Margeson of Berwick.
- Q. What examination was made of your horse?—A. They put a saddle on her and started her down the road and brought her back, and that was all.
- Q. Did they examine her teeth?—A. I do not think so.
- Q. What was her age?—A. Eleven years old.
- Q. What was her weight?—A. About 1,000 pounds.
- Q. Were you paid by cheque or by cash?—A. By cash.
- Q. What did you pay Margeson for the horse?—A. I paid him \$200.
- Q. Cash?—A. Yes sir.
- Q. Five months before?—A. Five months before.
- Q. You are perfectly sure?—A. Yes, sir, I am perfectly sure.
- Q. And you never owned two horses?—A. Yes sir, I owned two horses.
- Q. At this time?—A. At this time.
- Q. Did you sell the other horse?—A. I sold the other horse, yes.
- Q. Whom did you sell the other horse to?—A. Seth Kinsman.
- Q. When did you sell the horse to Seth Kinsman?—A. The day of the sale in Berwick.
- Q. Were you at Berwick on the day of the sale?—A. Yes sir, I was.

Q. Did Seth Kinsman pay you cash before the sale, before he sold to the Government?—A. I cannot tell you that; he paid me for the horse before he got him.

Q. Before he took the horse away from you?—A. Before he took the horse away from me he paid me \$125.

Q. Let us get the horse you sold at Kentville, was that horse sound?—A. Yes, sir, he was.

Q. How sound?—A. He was perfectly sound.

Q. Any spavins?—A. No, sir.

Q. Anything wrong with his feet?—A. No, sir.

Q. Anything wrong with his wind?—A. No, sir.

Q. Did he kick?—A. No, sir.

Q. Was he perfectly sound, so far as you know?—A. So far as I know he was perfectly sound.

Q. Did you give any commission to the veterinary surgeon?—A. No, sir.

Q. Or to the buyer?—A. No, sir.

Q. Or any money?—A. No, sir.

Q. Or any rebate of the purchase price?—A. No, sir.

Q. Neither directly nor indirectly?—A. No, sir.

Q. Why did you not sell the other horse at Berwick?—A. He came along and wanted to know what I would take for the horse.

Q. Where do you live?—A. I live in Kentville.

Q. Why did you not sell the Kinsman horse in Kentville when you were selling the other horse?—A. I did not have him in with me.

Q. Where did you have him?—A. I had him at home.

Q. How far did you live from here?—A. I lived at Wolfville at the time.

Q. And you only brought the good horse in?—A. That is all.

Q. Which sale took place first, the Berwick sale or the Kentville sale?—A. The Kentville sale.

Q. You are quite sure of that?—A. Yes, sir, I am sure.

Q. Why did you not sell the other horse in Berwick?—A. He came along and asked me what I would take for the horse.

Sir CHARLES DAVIDSON: I thought we had evidence that Kingston came next after Berwick, and now he speaks of Kentville coming before Berwick.

By Mr. Thompson, K.C.:

Q. Did you take the other horse to Berwick?—A. Yes, I took the other horse to Berwick.

Sir CHARLES DAVIDSON: For the purposes of selling him?

The WITNESS: I did not have much intention of selling him when I arrived.

By Mr. Thompson, K.C.:

Q. Did you take him to Berwick at the request of any person?—A. No, sir, I did not.

Q. Did you go there thinking you might make a sale?—A. I thought maybe I might.

Q. Did you offer him for sale?—A. No.

Q. Was he snatched up by Kinsman before you were able to sell him?—A. No, sir.

Q. How long after you arrived at Berwick did Kinsman make you the offer?—A. I suppose maybe an hour or a half.

Q. Was he on the lookout for you?—A. No, sir.

Q. Was he waiting for you?—A. Not that I know of.

Q. Did he say he was expecting you?—A. No, sir.

Q. Was your horse in the same place as the other horses, waiting for the sale at Berwick?—A. In the same place.

Q. There were other horses waiting for that sale?—A. Yes, sir, they were all in the same place.

[Kentville, Horses—Wilson.] . .

Q. They were all in a bunch together?—A. Yes, sir, they were all in a bunch together.

Q. Had they looked at your horse for the purpose of purchasing it?—A. Not that I know of.

Q. Had the veterinary surgeon looked at him?—A. Not that I know of.

Q. Did McKay make any offer for him?—A. Not that I know of.

Q. Hold now—you know whether he made you an offer or not; did he not offer you \$75 for the horse?—A. No, sir, I do not think so, Keever offered me \$100 for him.

Q. Did you sell to him?—A. No, sir, I did not.

Q. Why?—A. I told him I thought the horse was worth more.

Q. How much did you get from Kinsman?—A. \$125.

Sir CHARLES DAVIDSON: You did not know he made \$40 on your horse that day?

The WITNESS: No, sir, I did not.

Mr. THOMPSON: Kinsman sold this horse for \$140 to the Government the same day. Kinsman said he had bought it from this man for \$125 and sold it for \$140 and Kinsman also states that the horse was not sound.

By Mr. Thompson, K.C.:

Q. That was an old family horse, wasn't it?—A. Yes, sir.

Q. He was in the family for many years?—A. For fourteen years, we raised him.

Q. You are perfectly sure?—A. I am perfectly sure he was fourteen years old, we raised him.

Q. It was not seventeen years?—A. I am perfectly certain, we raised him.

Q. How did you fix the age?—A. I do not know as they have any special date.

Q. Did you take that horse to Kinsman's house before the sale, or did some of the members of your family?—A. No, sir, I do not think so.

Q. Are you sure you did not?—A. I am perfectly sure I did not.

Q. Are you sure you did not take it to Chipman shortly before the sale and Chipman told you the horse might die at any moment?—A. No, sir, Chipman never told me any such words.

Q. Did any other member of your family take the horse to Chipman shortly before the sale?—A. Not that I know of.

Q. Who else in the family might have taken the horse?—A. There is no one to take him except my mother, and I do not think she did.

Q. Are you and your mother living together?—A. Yes, sir.

Q. Nobody else could have done so?—A. No, sir.

Q. Did you authorize anybody to take the horse to Chipman?—A. No, sir, I did not.

Q. That horse had a spavin?—A. Yes, sir, he had so.

Q. And was not that horse so ill that you had difficulty in getting him out of the pasture?—A. I worked that horse about six weeks in the spring and he took lame forward and I put him on pasture.

Q. You had some difficulty in getting to the pasture?—A. No, sir, I did not.

Q. Was he lame when you sent him to the pasture?—A. Yes, sir, he was so.

Q. Are you sure you did not ask Seth Kinsman to sell that horse for you?—A. No, sir. Mr. Kinsman asked me what I would take for the horse, and I told him.

Q. Did he pay you there and then for the horse?—A. He paid me about maybe ten minutes after that.

Q. Had the horse been examined between the time Kinsman spoke to you and the time he paid you?—A. I cannot say.

Q. Was the veterinary surgeon or the buyer near when Seth Kinsman made that offer to you?—A. No.

Q. What time of the day did Kinsman make that offer?—A. The middle of the afternoon, I should think.

Q. Did you see your horse with a ticket on it afterwards?—A. Yes, sir.

Q. That is the Kinsman horse?—A. Yes, sir, I did.

[Kentville, Horses—Wilson.]

Q. How long after the conversation with Kinsman was the ticket put on him?—
A. I could not say.

Sir CHARLES DAVIDSON: Had he been sold between the time of the sale and the payment by Kinsman to him?

Mr. THOMPSON: That is what I wanted to get at, sir.

By Mr. Thompson:

Q. Do you know, as a matter of fact, whether the Government had bought the Kinsman horse before Kinsman paid you?—A. Whether he was bought from Kinsman?

Q. Yes?—A. I cannot say whether he was or not; I cannot tell you.

Q. Did Kinsman tell you?—A. No, sir, Kinsman did not tell me.

Q. You say it was an out-and-out sale?—A. To Mr. Kinsman for \$125.

Q. And it was not conditional on the Government accepting that horse?—A. From Kinsman?

Q. Yes?—A. I do not know about the Government.

Q. Was the sale by you to Kinsman conditional on the Government buying the horse from Kinsman?—Oh no, sir.

Q. Not in any way?—A. No, sir.

Q. What made the horse lame?—A. I do not know, I think he sprained his ankle as well as I could tell. I could not find out what was the matter with him.

Q. How long had he been lame?—A. About four weeks.

Q. No more?—A. No, sir.

Q. Was that in the front legs?—A. Yes sir, the forward leg.

Q. And the hind leg had a spavin?—A. Yes, sir.

Q. Did that make him go bad?—A. He was not lame.

Q. What about his wind?—A. He was all right.

Q. What about his eyesight?—A. It was all right.

Q. What about his knees?—A. His knees were all right.

Q. And you swear positively the horse was not sick?—A. No, sir, the horse was not sick, he was lame.

The witness retired.

LEO BURKE, butcher of Cambridge, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Mr. THOMPSON: This is not an additional horse, sir.

Sir CHARLES DAVIDSON: What horse is it?

Mr. THOMPSON: His own horse.

Sir CHARLES DAVIDSON: Is this the \$75 horse?

Mr. THOMPSON: I do not know what he received.

By Mr. Thompson, K.C.:

Q. What did you get for your horse?—A. \$135.

Q. That is for your own horse?—A. Yes.

Q. Is that the horse you bought from William McMillan?—A. Yes, sir.

Q. You bought this horse from McMillan and you bought him on the day you sold him to the Government?—A. Yes, sir.

Q. Do you remember McMillan telling you he was afraid of the horse's wind?—A. No, sir.

Q. Do you swear he did not tell you that?—A. No, sir.

Q. Did he tell you that and you replied you did not care if she was rotten to the heels as she was going to the front?—A. No, sir, no such stuff at all.

Q. Do you remember having a conversation with McKay on that day?—A. No, sir, I did not.

Q. On the day of the sale?—A. No, sir, I did not know the man at all.

[Kentville, Horses—Burke.]

Q. McKay, the buyer, you did not know him?—A. No.

Q. Did you not meet McKay at any time during the day?—A. No, sir, I did not know the man at all.

Q. Who was it you told at the place of sale that you had a horse for sale? Was it not McKay?—A. Dr. Chipman, I think he was the first man I met.

Q. Was it Chipman that said to you: it will cost you something to get that horse sold?—A. No, sir.

Q. Did anybody say that to you?—A. No, sir.

The witness retired.

FRED. MAHONEY, carpenter, of Cambridge, sworn:

Examined by Mr. Thompson, K.C.:

MR. THOMPSON: This is not an additional horse, sir, just a corroboration or dissent from the evidence of the last witness.

By Mr. Thompson, K.C.:

Q. Were you present at Berwick when the horses were being sold for military purposes?—A. No, sir.

Q. Were you present at the sale when Leo Burke sold his horse?—A. No, sir, I was not at no sale at all.

Q. Are you Fred. Mahoney of Cambridge?—A. Yes, sir.

Q. Are there two Mahoneys in Cambridge?—A. No, sir.

Q. Do you know Leo Burke?—A. Yes, sir.

Q. Did you have any conversation with him with reference to this?—A. No, sir.

Q. None whatever?—A. None, sir.

Q. Did you hear any conversation between Leo Burke and any of the Government purchasers last August or September?—A. No, sir.

Q. None whatever?—A. I did not see Leo Burke last summer until late in the fall.

Q. What time?—A. About October.

Q. How long was it before that that you had seen him?—A. I cannot tell, I think three or four years.

Q. You know nothing about the sale of that horse that he has spoken of?—A. Nothing at all; I never knew he sold one.

Q. And you had no conversation with him recently in reference to that horse?—A. No, sir.

The witness retired.

A. B. HARVEY, butcher, of Aylesford, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. After you were first examined on August 11, I refer to the day on which you were first examined, did you have any conversation with Vinott before he was examined on the 12th?—A. No, sir.

Q. You say you had no communication with him whatever?—A. No, sir, I never spoke to him.

Q. By telephone?—A. No, sir.

Q. Or directly?—A. No, sir.

Q. Did you get or request any other person to see Vinott for you?—A. No, sir.

Q. Or to telephone to him?—A. No, sir.

Q. Or to speak to him?—A. No, sir.

Q. With reference to the evidence he was to give?—A. No, sir.

Q. Did you tell Henry Robinson that you had given ten dollars to Chipman?—A. Who?

[Kentville, Horses—Harvey.]

Q. Henry Robinson?—A. I do not know him at all.

Q. I ask you if you did tell that and you deny it?—A. Yes.

Q. You renew your denial?—A. Yes, sir, I paid nothing to anybody.

By Mr. Sangster:

Q. How many horses did you sell for military purposes?—A. Five.

Q. Now, in the affidavit which you made before you went to Ottawa, did you say it was four or five?—A. I do not remember.

Q. You do not remember which?—A. No, I know I sold five horses.

Q. I am asking you which number it was you mentioned in the affidavit before Robinson, of Aylesford?—A. That had only reference to one, I think.

Q. Which one?—A. The sorrel horse.

Q. What did it say about the sorrel horse?—A. I do not remember now.

Q. Where is the affidavit?—A. I do not know.

Q. What did you do with it?—A. I left it in Mr. Dodge's hotel.

Q. Where?—A. On the table.

Q. Where is Dodge's hotel?—A. In Aylesford.

Q. How long ago?—A. I do not know.

Q. Was it before you went to Ottawa you left it there?—A. Yes.

Q. Who was there when you left it there?—A. I do not think there was anybody right there at the time, Mr. Dodge was there.

Q. Did you leave it there on the occasion on which you had drawn it up?—A. I left it there with Mr. Dodge.

Q. That was on the same evening that you had signed it?—A. Yes.

Q. Who had drawn the affidavit up for you to sign?—A. I wrote it out myself.

Q. Where?—A. In the hotel there.

Q. In Dodge's hotel?—A. Yes.

Q. Who asked you to write it up?—A. I think Mr. Wickwire.

Q. What did he ask you to write it out for?—A. I suppose he wanted to find out about the horses.

Q. And he would not believe you unless you swore to it, is that what you mean?—A. I do not know, I did not ask him.

Q. Was that the reason you think he wanted it?—A. I do not know.

Q. Did you suspect that was the reason?—A. I did not.

Sir CHARLES DAVIDSON: What is the motive of this?

Mr. SANGSTER: I want to show by the witness bias in this matter as to some of the statements he has made—will your lordship permit me to continue?

Sir CHARLES DAVIDSON: Let me hear your question.

By Mr. Sangster:

Q. Did this affidavit refer to any other matter than this one horse?—A. I do not know.

Q. Do you remember what it referred to?—A. To one horse.

Sir CHARLES DAVIDSON: I think that will do.

Mr. SANGSTER: I want, my lord, to get at the object of making this affidavit and find out the circumstances of its being made and contrast the evidence he has given before the Committee of the House and his evidence here. I want to show his bias in making this statement.

Sir CHARLES DAVIDSON: What bias?

The WITNESS: The bias that the witness has towards magnifying the decrepitude of this horse.

Sir CHARLES DAVIDSON: So far as he did, it is to his own dishonour.

Mr. SANGSTER: Quite so, but still he has done so with apparent glee.

Mr. THOMPSON: I do not wish to interfere, your lordship, with my learned friend in his cross-examination, I have no idea as to the object of it or the purpose of it, and [Kentville, Horses—Harvey.]

I would suggest that the decrepidness of these horses sold by A. B. Harvey has been established by the persons who sold them to him.

Sir CHARLES DAVIDSON: You cannot imagine a witness making statements and admissions which he did in general without having been compelled to do it.

Mr. SANGSTER: I can look upon these admissions as voluntary statements which he made, and which appear in the first instance in the affidavit, by some prior arrangement, concerning which I wish to cross-examine him.

Mr. THOMPSON: One was the Duck and Drake horse which we followed back to the year of the flood.

Mr. SANGSTER: I am instructed regarding that horse that he was not the kind of horse he would make him out to be.

Sir CHARLES DAVIDSON: Which horse?

Mr. SANGSTER: The Duck and Drake horse, as he is called.

Sir CHARLES DAVIDSON: I thought it was a drake and two ducks.

Mr. SANGSTER: Your lordship puts in two ducks, but I only had one noted.

Sir CHARLES DAVIDSON: Don't make it worse than it was.

Mr. SANGSTER: I did not state the whole of the consideration.

Sir CHARLES DAVIDSON: Do you claim that there was other consideration?

Mr. SANGSTER: I claim that the horse became more valuable after that time and before he was sold.

Sir CHARLES DAVIDSON: He was sold on the day of the sale.

Mr. SANGSTER: Yes, but he was not sold for a duck on the day of the memorable sale to the Government. It was long before that that the duck walked into the transaction.

Mr. THOMPSON: I think we proved that he sold for about \$75 cash.

Mr. SANGSTER: I was not here when this witness was examined.

Sir CHARLES DAVIDSON: You can go on, Mr. Sangster, as to that.

By Mr. Sangster:

Q. Did you speak of a duck and two drakes or a drake and two ducks in the affidavit?

Sir CHARLES DAVIDSON: Don't confuse him, which was it? We will have it right for all time, a drake and two ducks or a duck and two drakes.

The WITNESS: I think it was two ducks and a drake.

By Mr. Sangster:

Q. Did you tell the story of the two ducks and the drake in that affidavit?—A. I do not know.

Q. You don't remember?—A. No, sir.

Q. Have you tried to get this affidavit since?—A. No, sir.

Q. Did you tell the story about the horse Lincoln in this affidavit?—A. No, sir.

Q. To whom did you tell this story; how was it found out that you knew about the duck and drake horse?—A. I do not know about it.

Sir CHARLES DAVIDSON: What has this to do with it?

Mr. SANGSTER: It has this to do with it, I do not wish to urge the cross-examination against your lordship's wishes, but I do submit this: if this man makes an affidavit and in that affidavit makes no mention of matters which he afterwards brings out with such gusto before the House, that is a fact to be taken into consideration.

Sir CHARLES DAVIDSON: You seem to know more about the affidavit than he apparently does.

Mr. SANGSTER: That is naturally the case, because my instructions are fuller on it. Perhaps your lordship will allow me to go into this affidavit for a moment?

Sir CHARLES DAVIDSON: It must be very short and precise.

By Mr. Sangster:

Q. This affidavit in which you mention the horse, was drawn up at the hotel?—
A. Yes, sir.

Q. By yourself?—A. Yes, sir.

Q. Rewritten by anybody?—A. By somebody.

Sir CHARLES DAVIDSON: What has that to do with it?

Mr. SANGSTER: I want to identify the affidavit.

By Mr. Sangster:

Q. Did you swear to the facts in it?—A. Yes, sir, before the justice of the peace there.

Q. Before Mr. Robinson?—A. Yes, sir.

Q. How long before you went to Ottawa was that?—A. I cannot tell you. It was before, but I do not know how long before.

Q. Was it a month before?

Sir CHARLES DAVIDSON: What has this to do with it?

Mr. SANGSTER: I have endeavoured to take as little time as possible with the cross-examination.

Sir CHARLES DAVIDSON: You can take all the time you wish with pertinent questions.

Mr. SANGSTER: I submit my question is pertinent.

Sir CHARLES DAVIDSON: I rule that I do not think so.

Mr. SANGSTER: If your lordship refuses me permission to go further regarding identification of this affidavit.

Sir CHARLES DAVIDSON: I have not so ruled, Mr. Sangster, as to that question, put the question again.

By Mr. Sangster:

Q. Did you take the affidavit with you to Ottawa?—A. No, sir.

Q. Did you see it after you left it on the table at the hotel?—A. No, sir.

Q. Who induced you to make the affidavit?—A. I have told you, Mr. Wickwire.

Sir CHARLES DAVIDSON: He has already stated that.

Mr. SANGSTER: I did not so understand it. I understood him to say some one had drawn it up, but I did not understand him to say before who induced him to make it.

By Mr. Sangster:

Q. Then outside of the affidavit you now say there were four horses which you sold or were there five?—A. Four outside of the one that was mentioned in the affidavit.

Q. And you thought of those after you made the affidavit?—A. Thought of what?

Q. The four; you only mentioned one in the affidavit?—A. That is all they wanted to know about.

Q. Who wanted to know about?—A. The man that asked me to write it.

Q. Who was that?—A. Mr. Wickwire.

Q. Which one was that?—A. That was the sorrel horse, the duck and drake horse, that's the fellow.

Q. How long had you known this duck and drake horse?—A. I did not know him very long.

Q. He was one time owned by Mr. Uhlman?—A. They tell me he was.

Q. That was when he was hurt was it not?—A. I do not know, he possibly may have been.

Q. Was that the time the sale took place for the two ducks and the drake?—A. I do not know.

Q. Do you know anything about this sale yourself personally?—A. Which?

[Kentville, Horses—Harvey.]

Q. The two ducks and the drake?—A. I had heard afterwards.

Q. Then what you are telling us about—something you have heard—you have no personal knowledge of it at all?—A. The horse that I got—

Q. I am talking about the horse you got, I am asking you when Mr. Uhlman owned him was he sold for two ducks and a drake?—A. They told me he sold for two ducks and a drake.

Q. How long previous to the time you owned him was it?—A. I do not know.

Q. Who bought the horse from Mr. Uhlman?—A. Why it was—

Q. Do you know yourself or have you heard it?—A. Daniels, was that the man?

Q. I am asking you?—A. Daniels.

Q. Who told you it was Daniels?—A. Daniels told me himself.

Q. Who told you the story about the two ducks and the drake?—A. Mr. Daniels himself.

Q. And he is your only authority for it?—A. I do not know, most anybody will tell you.

Q. Did anybody else tell you besides Mr. Daniels?—A. I think likely.

Q. Who did?—A. I don't know.

Q. How long previous to your making the affidavit did Mr. Daniels tell you about the ducks and the drake?—A. How long before?

Q. Yes?—A. Well, I suppose three or four hours, the same day.

Q. At the hotel there?—A. No.

Q. Where?—A. Down to Wilmot.

Q. That was the first you heard of it?—A. No, I had heard it before that.

Q. How long before that had you heard it?—A. I do not know, right after I sold the horse.

Q. After you heard it from Mr. Daniels you told it to somebody else, I suppose?—A. Likely.

Q. Where did you go?—A. I went home, I think.

Sir CHARLES DAVIDSON: What has this to do with it?

Mr. SANGSTER: The evidence that has gone out all over this county wide-spread as being the evidence of this witness, is, apparently, mere gossip and of which the witness personally knows nothing.

Sir CHARLES DAVIDSON: He stated that.

Mr. SANGSTER: With your lordship's permission, I would like to go further and I think, perhaps, I can fix the source of the hearsay.

Mr. THOMPSON: Daniels himself said that was what was paid for the horse.

By Mr. Sangster:

Q. You are the one that was selected to swear to it in the affidavit?—A. I never mentioned the ducks and drake in the affidavit.

Q. Do you know about Tom Baltzer buying this horse?—A. Do I know?

Q. Yes?—A. Yes.

Q. At what age did he get him?—A. Somewhere about fifteen, I guess around there, that is what he said, anyway.

Q. Didn't Tom Baltzer trade a \$130 horse for this horse after he had been injured when Uhlman owned him?—A. I do not know.

Q. I will ask you again as to whom Tom Baltzer sold the horse?—A. A man named Mader, I think.

Q. Do you know what price he got for the horse?—A. I only know what he swore to himself.

Q. What did Mader do with him?—A. He traded him with me.

Q. Now, will you tell us what you gave for him?—A. I gave him a little old bay horse for him.

Q. What did you do with the horse?—A. I sold him.

Q. To whom?—A. To McKay.

Q. Did you not own the horse before that, previous to the time you sold it to the Government. Did you own the horse twice?—A. No.

Q. You only owned the horse once?—A. Yes.

Q. Now, I suppose you have read over the evidence taken before the Public Accounts Committee?—A. My evidence?

Q. Yes?—A. Yes.

Q. You have read over the whole thing?—A. No.

Q. And Dr. Chipman's evidence?—A. Yes.

Q. Do you know that Dr. Chipman denies that you offered him any horse for examination over ten years of age?—A. Yes, sir.

Q. He denied that on his oath before the Committee there?—A. Yes, sir.

Q. What do you say as to that?—A. I say that he got them, somebody got them; I got the money.

Q. You say that Dr. Chipman examined him?—A. Yes, sir. He examined him the same as he examined the rest.

Q. And passed him?—A. Passed him.

Q. Notwithstanding the fact that he denies it?—A. Yes, sir, I do not care how many times he denies it, he did it just the same.

Q. How long have you known Dr. Chipman?—A. I have known him on and off for quite a while.

Q. Have you known him pretty well?—A. Not overly well, I knew him when I saw him.

Q. You have known him since you went to school together?—A. I never went to school with him.

Q. He says you did?—A. That is all right, he says a lot of things that are not correct; I never went to school; he said I went to school in Horton with him; you ask Mr. Anderson if I ever went to school in Horton. I say I did not, that is the substance of it, I say I did not.

Q. Did you go to the public school at Grandpré?—A. No, sir, I did not.

Q. Did you sell at Kingston?—A. Yes, sir.

Q. The sale took place at Kingston, did it not?—A. Yes, sir.

Q. And after the sale you were in the stable?—A. Yes, sir.

Q. You walked in the back part of the stable?—A. I do not know that I did, I was in the stable.

Q. Dr. Chipman was in there with you?—A. No, Dr. Chipman was not in with me.

Q. Let yourself think?—A. Dr. Chipman was not in the stable that day with me. He was in that day, I suppose he was there with some one else when I went in there.

Q. He was not in there alone with you?—A. No, sir.

Q. Not at all?—A. No.

Q. Did you not tell Mr. Robinson when you had made out the affidavit that you had paid ten dollars to Dr. Chipman?—A. No, sir.

Q. I am referring now to Henry Robinson?—A. No, sir, I do not know the man at all.

Q. He is the justice of the peace in Aylesford—A. No sir, I told him nothing of the kind.

Q. What about this chestnut horse that you sold, how old did you tell us he was?—A. What chestnut, there were two.

Q. Both chestnuts, how old were the chestnut horses?—A. I think I said I did not know exactly their age.

Q. Will you say they were over ten years?—A. Yes, sir, so far as my judgment goes, they would be.

Q. You are aware of the fact that Dr. Chipman denied they were over ten years of age on his oath before the Committee?—A. Yes, sir.

Q. How old do you say now that Lincoln was?—A. Well, I suppose Lincoln would be ten or eleven years old, I do not know exactly.

[Kentville, Horses—Harvey.]

Q. Then it is quite probable you told Dr. Chipman he was ten, when Dr. Chipman examined him?—A. What did I have to do with Lincoln?

Sir CHARLES DAVIDSON: You are not here to ask questions; you are here to answer them.

By Mr. Sangster:

Q. You are aware of the fact that Dr. Chipman says that you told him that Lincoln was ten, you have read his evidence?—A. Yes, Lincoln was ten.

Q. Then it is quite probable you did tell him that?—A. That I told him Lincoln was ten?

Q. Yes?—A. I do not know that he asked me about Lincoln.

Q. I am asking you now it is quite probable you told him?—A. That Lincoln was ten the day of the sale in Berwick.

Q. Did you tell Chipman at any time that Lincoln was ten years old?—A. I do not remember telling him he was ten years old.

Q. Will you say you did not tell him that?—A. Yes, sir.

Q. You are quite aware of the fact that Dr. Chipman swore you did, before the Committee?—A. Yes, sir.

Q. You gave a receipt for the money for your horse, didn't you?—A. I think I did, but I do not remember.

Q. One for each horse?—A. Yes.

Q. And those receipts would show the amount which you received for the horses?—A. I do not know what they would show. I did not keep them.

Q. Did you read the receipts over before you signed?—A. No.

Q. You know it was a receipt for something?—A. I knew it was something. I did not know it was a receipt, particularly, they said it was a receipt.

Q. What did you get for the horse you sold at Berwick?—A. \$150.

Q. What did you ask for him?—A. I did not ask anything.

Q. You just offered the horse?—A. Yes, sir.

Q. Do you tell us you did not ask \$175 for him?—A. Yes, sir.

Q. I want you, please, just to write your name on a piece of paper. (Witness does so.) Then this is your signature on this ticket?—A. Yes.

Q. Under the word "paid" are the figures "175" on the same tag, you see that, don't you?—A. Yes.

Q. Does this correspond with your horse?—A. Age eight.

Q. The age was eight?—A. Age seven.

Q. Height?—A. 15.2.

Q. Is that the height?—A. He was quite a tall horse.

Q. Weight 1,000?—A. Somewhere about that.

Q. After you signed the receipt for \$175 you got how much?—A. \$150.

Sir CHARLES DAVIDSON: Do you propose to recall Mr. Harvey?

The WITNESS: Excuse me, now if you will examine me so far as to what I got for that horse in Berwick, I can prove what I got for him because there was a man standing right alongside of me when they offered me the money, the same man was in the hotel office when I was paid. He did not count the money but he heard what they offered for the horse and heard them when they were telling me I could have it, \$150, and I can bring the man here if you want him.

Mr. THOMPSON: I have brought out the value of these horses which Harvey sold, by the persons who sold to him and by previous owners, and I traced the history of the duck and drake horse through from the time that he was a valuable horse to the time he was sold for a drake and two ducks, up to the time of the sale. I have no further questions to ask Harvey, sir.

Sir CHARLES DAVIDSON: Is there any doubt as to what Mr. Harvey received for the horse?

Mr. THOMPSON: No, sir.

Sir CHARLES DAVIDSON: \$150?

Mr. SANGSTER: I have no doubt about it.

[Kentville, Horses—Harvey.]

Mr. THOMPSON: Did you read the receipt before you signed it?

The WITNESS: No.

Sir CHARLES DAVIDSON: Well, Mr. Harvey, I will speak to Mr. Thompson and ascertain if it is fair to your interests to have this witness brought up and examined for you.

Mr. HARVEY: I could have him here if you want him.

Sir CHARLES DAVIDSON: Mr. Thompson does not want him.

Mr. THOMPSON: If you do, I will examine him.

Mr. SANGSTER: Who is the witness?

The WITNESS: Charles Loomer. He will show what I got for the horse.

Mr. THOMPSON: All the witnesses swore they did not see what they signed. It was the reverse side of the ticket that was presented to them apparently in every case, but one.

Sir CHARLES DAVIDSON: Several of them have stated that they saw the correct amount on the receipts.

Mr. THOMPSON: Possibly there may have been one or two.

Sir CHARLES DAVIDSON: Perhaps two or three.

Mr. THOMPSON: I called Harvey to-day for the purpose of asking him about any conversation with Vinott, and I understand he denies having absolutely had any conversation or any telephone communication with him.

The WITNESS: No sir, I have never seen him at all.

Mr. THOMPSON: No telephone conversation with him?

The WITNESS: No, sir.

Mr. THOMPSON: Or never requested any person to communicate with him?

The WITNESS: No, sir, I have not seen him at all.

Mr. THOMPSON: I gave my friend, Mr. Sangster, an opportunity to cross-examine him.

The witness retired.

GIFFORD H. OAKES, already sworn, recalled:

Examined by Mr. Thompson, K.C.:

Q. What was the first intimation you had that horses were to be purchased in Kings county?—A. The first I knew of it was a conversation I had with Mr. Foster on the boat coming from St. John to Digby.

Q. Did you not receive a telegram from him before that?—A. I did.

Q. Have you got that telegram?—A. I have not.

Q. What did you do with it?—A. I don't know what became of it.

Q. What was the purport of it?—A. He asked me to meet him at St. John on a certain day.

Q. Did he state what for?—A. No.

Q. Did you go to St. John?—A. Yes, I did.

Q. Was anybody with you on the way?—A. No, sir.

Q. That is, anybody from this county?—A. No one accompanied me on the way.

Q. At St. John did you meet Mr. Foster?—A. I did.

Q. Did you meet Keever at St. John?—A. I met Keever on the boat.

Q. Did you meet Woodworth at St. John?—A. No.

Q. Did you meet McKay?—A. Yes, I met Mr. McKay on the boat.

Q. Where did you meet Mr. Foster?—A. I met Mr. Foster at St. John at the I.C.R. dock.

Q. Did you go from there to the boat?—A. No, I went from there to the hotel.

Q. Did Mr. Foster explain the object of the meeting?—A. On the boat, he did.

[Kentville, Horses—Oakes.]

Q. Not at the hotel?—A. No, he didn't go with me to the hotel.

Q. How long after you met him at the depot was it when you met him at the boat?—A. It would probably be twenty minutes perhaps. I went right to the hotel from the depot and got my luggage and took a cab to the boat.

Q. Did Mr. Foster accompany you down?—A. No.

Q. On the boat did you meet Mr. Foster again?—A. I did.

Q. And Keever?—A. Yes.

Q. And Woodworth?—A. No, Woodworth was not there.

Q. Woodworth was not there, was he on the boat?—A. No, not that I know of. He was not.

Q. Was McKay on the boat?—A. Yes.

Q. So it was McKay, Keever, yourself and Mr. Foster?—A. Yes.

Q. What time does the boat leave St. John?—A. Well, I think it was somewhere around noon, I am not positive.

Q. Did Mr. Foster explain to you the purpose for which he had sent for you?—A. He did.

Q. Was Keever present?—A. Not during the first conversation.

Q. How far did Mr. Foster explain to you the object of his visit in the first conversation?—A. He merely outlined the nature of his mission.

Q. He merely outlined it?—A. Yes.

Q. Was McKay present when he outlined that?—A. No.

Q. When did you call Keever into consultation or when did Keever join in the consultation?—A. I think Mr. Foster called Mr. Keever in.

Q. In where?—A. Into the gentlemen's cabin. It may have been half an hour later or 25 minutes later.

Q. Was McKay called in?—A. No, McKay came in later.

Q. Was he called into consultation?—A. I don't know, I don't think so.

Q. You didn't call him in?—A. No.

Q. So that you, Foster, and Keever, were together in the cabin when he outlined the object of his visit?—A. Yes, sir.

Q. Did he show you his cheque books?—A. Yes.

Q. Did he show you any written instructions?—A. Yes.

Q. How many cheque books were there?—A. There were two.

Q. Were any of the cheques signed?—A. No.

Q. Are you quite sure?—A. Sure.

Q. Did you examine them?—A. I saw Mr. Foster sign on a number of cheques he gave to me.

Q. Did you or he count the number of cheques?—A. Yes, we counted the number of cheques in the cheque-book.

Q. Did you make any comment as to the number?—A. I remember the number.

Q. Did he make any comment on the number?—A. Yes.

Q. What?—A. He said that there were only 200 cheques and he was authorized, or the Government had authorized the purchase of 800 horses.

Q. Was Keever present during that conversation?—A. Yes.

Q. During the whole of it?—A. Yes, sir.

Q. Was he present during the whole interview?—A. I had an interview with Mr. Foster previous to that.

Q. Did he show you the cheque-book on the first occasion?—A. No.

Q. During the interview, when the cheque-book was produced, Keever was present?—A. Yes, sir.

Q. During the whole of that interview?—A. Yes.

Q. And McKay during part of it?—A. Yes.

Q. How long after you three met in consultation did McKay enter?—A. I cannot say exactly, it might have been ten minutes.

Q. How long did McKay remain with you?—A. I am not sure whether McKay remained through the whole of it. I think he did, but I am not positive of that.

[Kentville, Horses—Oakes.]

Q. What other documents did Mr. Foster produce, apart from the two cheque books?—A. There were written instructions from Colonel Neill, letters from Colonel Neill, and, if I remember rightly, there was a sample poster.

Q. Were the letters from Colonel Neill the originals of the ones which have been produced in Court, the originals of the ones which have been produced before this Commission?—A. I think so, yes, they were.

Q. These are produced before the Commission, marked as one of the exhibits, produced by Mr. Foster before this Commission?—A. Yes.

Q. Will you look through this correspondence, Exhibit 70, and say whether that is the correspondence which Mr. Foster produced to you on the boat, the correspondence and instructions?—A. It is the same, at least part of it. This is at least part of it; there may have been some more.

Q. Did Keever know that you were going to be on the vessel?—A. I don't know.

Q. Did Keever know that Foster was going to be on the vessel?—A. I don't know.

Q. Did he express surprise when he met you on the vessel?—A. No.

Q. Had you known Keever before?—A. No, I never met him before.

Q. Did you know Woodworth before?—A. No.

Q. Woodworth was not on the vessel, I understand, but had you known him before?—A. I had never known him before, no.

Q. What were Mr. Foster's instructions to you?—A. Well, Mr. Foster gave me instructions in regard to the issuing of cheques to the buyer, Mr. Keever.

Q. What instructions did he give you?—A. He instructed me to issue cheques to Mr. Keever in block, that is, for a number of horses at the time, that I was to take the receipts, or rather the price-tags in my hands at the time of purchase and to make out the cheque according to the receipts, that is the number of horses recorded on the cheque would correspond with the number of price-tags in my hands and the amount of the cheque would correspond with the sum total of the amount of the price-tags, and after these price-tags were received I was to verify it.

Q. How?—A. By comparing the sum total on the receipts with the sum totals on the cheques.

Q. Did he hand you the cheque-books?

Sir CHARLES DAVIDSON: What cheques?

Mr. THOMPSON: The block cheques what the witness called a block cheque.

The WITNESS: Not for the particular cheque but for the receipts altogether.

By Mr. Thompson, K.C.:

Q. The sum total?—A. The sum total.

Q. And you were not to verify the individual cheques?—A. No, sir.

Q. Or the tags for the individual cheques?—A. No, sir.

Q. You are quite sure about that?—A. I don't think so. I was to verify the work by comparing the receipts, the sums total of the receipts, with the cheques.

Q. What were his instructions as to issuing cheques?—A. His instructions were to issue the cheques to Mr. Keever for the number of horses.

Q. How many?—A. No specified number.

Q. Was that in your own judgment?—A. Well, it would be according to how many were required or how many there were purchased.

Q. I would like to know just what his instructions on that point were?—A. Well, after Mr. Keever had bargained for a number of horses, no matter what the number was, he produced me the price-tags. I was to make out the cheque according to those price-tags.

Q. Exactly. That is what I wanted to get at; so that you were to have the price-tags in your hands before you issued a cheque?—A. Yes, sir.

Q. And then you would total up the prices entered on the price-tags?—A. Yes.

Q. You would total up the number of horses?—A. Yes.

Q. And you would issue a cheque for the amount, exactly in the sum total of the price-tags, is that right?—A. Yes.

[Kentville, Horses—Oakes.]

Q. So that the block cheques, or the various cheques, which ever you like to call them, would correspond with the number and prices, that is the totals of the cheques?—A. Yes, that is it.

Q. I wanted to get that definite?—A. That is quite correct.

Q. And the tags at the end of the purchases involved would total or equal the grand total of the cheques issued?—A. Well, his purpose was for me—

Q. Now just let me have that clear?—A. I want to get that clear myself, just what I mean.

Q. Let me see if I understand the instructions. Supposing Keever were to come to you for \$6,500?—A. To ask for \$6,500?

Q. Yes, to ask for a cheque for \$6,500 from you?—A. Now, these are Mr. Foster's instructions to me—

Q. And Keever were to ask you for \$6,500, as I understand Mr. Foster's instructions to you were that you were to sign cheques which would equal \$6,500?—A. No.

Q. That is not what you explained a minute ago; do you go back on that, Mr. Oakes?

(Answer read as follows):

“He instructed me to issue cheques to Mr. Keever in block, that is, for a number of horses at the time, that I was to take the receipts, or rather the price tags in my hands at the time of purchase and to make out the cheque according to the receipts, that is the number of horses recorded on the cheque would correspond with the number of price-tags in my hands and the amount of the cheque would correspond with the sum total of the amount of the price-tags, and after these price-tags were received I was to verify it and compare the sum total on the receipts with the sum totals on the cheques.”

A. No, that is quite correct. But you asked me if Mr. Foster instructed me that Mr. Keever asked for a particular amount.

Q. I was only taking it by way of illustration. I am not taking any particular amount, just what Mr. Foster's instructions were to you, what instructions he gave you?—A. Except I used the word “receipt” in one place, where I meant to say “price-tag.”

Q. Did Mr. Foster hand you the correspondence which you have referred to?—A. Yes.

Q. Did you read it?—A. Yes, I read it over.

Q. Did you and Mr. Foster and Keever discuss it together?—A. Well yes, we discussed it.

Q. All three of you?—A. Yes, sir.

Q. At any rate, you and Mr. Foster did?—A. Yes, sir.

Q. And probably Keever?—A. Yes, sir.

Q. And possibly McKay?—A. I don't remember that Mr. McKay entered into the conversation at all.

Q. Then he handed the cheque-books and correspondence to you. Did he give this in your keeping, this correspondence, not this identical document, but the correspondence relating to the purchase of horses which I have here and the cheque-books?

—A. He gave me one cheque-book.

Q. Only one?—A. Only one cheque-book; he kept the other himself.

Q. And did he give you the correspondence?—A. I don't think he did.

Q. Did he take it back to Ottawa or wherever he went?—A. I think he took the correspondence with him.

Q. Did he give you a copy of it?—A. It is my impression that he did, I have some of the circular letters, there may have been more than one copy of instructions. I am not clear on that.

Q. And he may have given you one of the copies?—A. He may have given me one of the copies.

Q. At any rate, you discussed it on the boat?—A. The three of us discussed the specifications of the horses.

Q. And you were familiar with the conditions?—A. Yes, and in addition to the specifications of the horses, there was this letter from Colonel Neill as to the nature of the record that was to be made.

Q. You read it, and, I suppose, discussed it generally?—A. Yes.

Q. And what other instructions did Mr. Foster give you?—A. He told me that Mr. Keever, of course, was a stranger to the country, and that in arranging for the itinerary he wanted me to assist Mr. Keever and he also informed me that the horses were to be delivered to me.

Q. That they were to be delivered to you?—A. Mr. Foster told me that Mr. Keever would deliver the horses to me and that I was to be personally responsible for their care and shipment, and he gave me a number of instructions, I think they were prepared by Mr. Keever, and a letter from Colonel Neill, and I think there were some verbal instructions, in addition.

Q. And did Mr. Foster tell you why he didn't come to Kings county and attend to that himself, instead of appointing you to act for him?—A. No, sir, he did not.

Q. Do you know why he didn't come on instead of appointing you?—A. I didn't at that time.

Q. Did he tell you he was not coming on here?—A. Yes, he told me where he was going, where he planned to go.

Q. How far did he accompany you?—A. He came as far as Digby.

Q. Did he return?—A. I presume he did, he told me he was going to return.

Q. Did he say he was going to Ottawa?—A. Yes.

Q. Did Mr. Foster sign any cheques before you left him?—A. Yes, sir.

Q. Did he sign them on the boat?—A. Yes, sir.

Q. Were they signed in blank?—A. Yes, sir, in blank.

Q. No signature except Mr. Foster's?—A. Yes.

Q. How many did he sign?—A. I didn't count them at the time, but I should judge from 25 to 30.

Q. How many blank cheques in the whole two books?—A. 200.

Q. Why did he not sign all the 200?—A. Well he said that; he told me in our conversation that he understood that the cheques were to be issued to the vendors and that when we discovered there were only two cheque-books, it was necessary to make other arrangements and in signing these cheques I understood it was a temporary arrangement only until he got back to Ottawa.

Q. The twenty-five cheques?—A. Whatever number there was, yes.

Q. Did he give you both cheque-books?—A. No, only one.

Q. Although, even with both cheque-books, and all the cheques finally signed, you would still be far short of cheques, would you not?—A. The Government was to buy 800.

Q. The Government had authorized the purchase of 800, and the instructions in the circular letter were to issue a cheque for each horse?—A. I don't remember that the instructions were to issue a cheque for each individual horse in the circular letter; that is what Mr. Foster said Colonel Neill told him.

Q. And although Colonel Neill told Mr. Foster there were to be individual cheques issued for each horse, only twenty-five were issued?—A. Only twenty-five or so, were signed by Mr. Foster.

Q. So that he left a book of twenty-five cheques signed?—A. Yes.

Q. Mr. Foster took back to Ottawa one book and 100 cheques unsigned, so far as you know?—A. Yes.

Q. And you were aware at the time that there should be individual cheques for each horse?—A. Mr. Foster informed me, I think.

Q. Such as the cheque issued to your father, for instance?—A. Yes.

Q. I presume, generally speaking, Mr. Foster asked you to act in his place?—A. Yes, he asked me to act as his agent.

[Kentville, Horses—Oakes.]

Q. Did McKay and Keever, when you landed at Digby, come to Kentville with you?—A. They did.

Mr. THOMPSON: Before I proceed further with Mr. Oakes' examination, I would like to interrupt the sequence of it for the purpose of asking him about a remount cheque, dated at Berwick, N.S., September 4th, 1914, for \$2,050, covering 12 horses, signed by Mr. Foster and John F. Wood, payable to Gifford H. Oakes and endorsed G. H. Oakes; is that your signature, Mr. Oakes?

The WITNESS: That is.

By Mr. Thompson, K.C.:

Q. Did Mr. Foster authorize you to purchase the horses?—A. No.

Q. Or any horses?—A. No.

Q. Did he authorize you to purchase any whatsoever?—A. No.

Q. Did you purchase 12 horses with this cheque, payable to G. H. Oakes?—A. No, I did not.

Q. The cheque is dated at Berwick and cashed at Berwick. Was it cashed by you?—A. It was

Q. On the 4th of September?—A. On the 4th of September.

Q. Is the body of the cheque filled out in your writing?—A. It is my writing.

Q. All of it?—A. All of it.

Q. Why did you fill in the word "twelve" horses?—A. I filled in the word to indicate the number of horses. I filled in the word "twelve" just before the word "horses."

Q. The cheque reads: "Pay to G. H. Oakes or order the sum of \$2,050 being for twelve horses." Why did you fill in 12 horses?—A. Because that particular amount of money or that amount of money could buy about 12 horses.

Q. Would buy about twelve horses?—A. Yes, sir.

Q. Was it for the purpose of buying about twelve horses?—A. Yes.

Q. Or was it for twelve horses which had been purchased?—A. Twelve horses that were to be purchased possibly before the bargain that was to be made had been made by Mr. McKay at the time.

Q. Why did you make out the sum of \$2,050, why not a round sum, \$2,000?—A. I don't remember the circumstances of that particular cheque, Mr. Thompson, as to why it was made out for that particular amount. I presume it was on a calculated average.

Q. Did you fill out a number of other cheques or was this the only cheque you made?—A. To my own order?

Q. Did you fill out a number of other cheques?—A. Yes.

Q. And in the case of the other cheques, did you always just strike the sum total at which a certain number of horses ought to cost?—A. Yes. Not in all cases, but in a number of them.

Q. And whom did you pay the proceeds of this cheque to?—A. Mr. McKay.

Q. Did you pay it to him on the 4th of September?—A. I did.

Q. Did you pay the whole of the \$2,050 to him?—A. The whole of it.

Q. All of it?—A. All of it.

Q. Was McKay at Berwick on the 4th of September?—A. No, he was at Kingston.

Q. And did you go from Berwick to Kingston?—A. I did.

Q. With the money?—A. Yes.

Q. And you handed it to McKay at Kingston?—A. Yes.

Q. On that day?—A. Yes.

Q. In the afternoon or evening?—A. It was late in the evening.

Q. Was there any bank at Kingston?—A. No.

Q. Were you in Kingston when the sale was going on?—A. I arrived late in the afternoon.

Q. And McKay called for funds?—A. Yes.

[Kentville, Horses—Oakes.]

Q. In consequence of that call for funds, did you go to Berwick?—A. I was at Berwick when he called me.

Q. By telephone?—A. By telephone.

Q. Did he know you were at Berwick?—A. Yes.

Q. You left previous instructions as to where you would be?—A. He knew where I would be.

Q. You told him?—A. I don't remember telling him, but he knew where I was.

Q. And he telephoned to you in the late evening that he wanted more funds?—A. He telephoned some time that afternoon but I don't remember what time it was.

Q. And then you filled out the cheque for \$2,050?—A. Yes.

Q. Did he tell you how much he would require in the way of funds?—A. Mr. McKay either told me the number of horses he wanted cheques for or he told me an approximate amount.

Q. Did you give McKay a cheque in the early morning for the purchases which were going on during the morning?—A. My impression is, I cannot be positive as to that, my impression is that I did give McKay a cheque before that, but I have not that clear in my mind.

Sir CHARLES DAVIDSON: Have you a book in which you made the entry of your payments?

The WITNESS: No, I had the stubs of my cheque-book, that is all I had.

Sir CHARLES DAVIDSON: Where are they?

The WITNESS: I presume the Auditor General has them.

By Mr. Thompson, K.C.:

Q. Will you look at all these Foster cheques and say how many were filled out in the same manner that you filled out the cheque for \$2,050?

Sir CHARLES DAVIDSON: Have you the stub cheque-book, Mr. Thompson?

Mr. THOMPSON: It may be at Ottawa; I have not got it here.

Sir CHARLES DAVIDSON: I asked the witness if he kept an account book or an entry book and he said he made the entries on the stub of the cheque-book and he presumes the Auditor General has it.

By Mr. Thompson, K.C.:

Q. That would be returned to Ottawa?—A. But you asked me if I had issued others in the same way as I had issued these cheques and my answer is, that this is the only one I filled in in this way.

Q. I want to know how many cheques you filled out for amounts representing the number of horses stated on it?—A. The balance of these cheques which I have in my hand apparently belong to Halifax or New Glasgow.

Q. Did you have anything to do with these?—A. No, I had nothing to do with these.

Q. Just look at the next batch of cheques and say what they are?—A. The first cheque here is dated September 3rd to McKay, for \$3,060. I think that is the date of the sale in Berwick. I made out one or two cheques at the time of purchase.

Q. After the purchase or before?—A. At the time of the purchase.

Q. After or before?—A. After the bargain would be made by Mr. McKay. I took the price-tag.

Q. We had better leave these out if that is the case. I wish to know the cheques that were made out and calculated on?—A. Yes, I am not sure.

Q. You have looked over these 49 or so cheques signed by Mr. Foster?—A. I have.

Q. Will you tell me which cheques were issued or handed out by you to any of the purchasers in blank, without the amounts being filled in?—A. Cheque dated Middleton, 2nd September, F. B. Keever, for \$6,500, covering 38 horses.

- Cheque dated Windsor, 2nd September, F. B. Keever, for \$5,000, covering 29 horses.

[Kentville, Horses—Oakes.]

Cheque dated Kingston, 4th September, payable to F. B. Keever, for \$3,500, covering 20 horses.

Q. These, you say, are the only three which were signed by Foster in blank and issued, signed, the Windsor cheque, by Arthur Gill, and the other two by J. W. Wood, is that correct?—A. Yes.

Q. Were the amounts left blank?—A. Yes.

Q. Was the payee's name inserted?—A. No, I gave him a blank cheque.

Q. That is signed only by Foster and Wood, as to two cheques, they are signed only by Foster and as to the Windsor cheque, it was subsequently countersigned by Arthur Gill?—A. That is correct.

Q. Let us take the other cheques, which cheques were issued by you as to an estimated amount and an estimated number of horses?—A. Cheque dated Kentville, September 2nd, payable to W. P. McKay for 7 horses, amount \$1,344, countersigned by Dr. Chipman. Cheque dated Kentville, September 2nd, payable to W. P. McKay, for 12 horses, amount \$2,000, countersigned by Dr. Chipman. Cheque dated September 2nd, payable to W. P. McKay, for 40 horses, amount \$6,841, countersigned by Dr. Wood. Cheque dated Kentville, August 28th, payable to F. B. Keever, for 52 horses, amount \$8,750, countersigned by Dr. Chipman.

Q. As to the other cheques, signed by Foster for these horses, with which you had nothing to do, you say that these were issued for a definite amount representing a definite purchase price of a definite number of horses?—A. A definite purchase price.

Q. That is the actual purchase price paid for these horses?—A. No, I will not say that.

Q. What do these cheques represent?—A. There were two or three at Berwick.

Q. There are two cheques, one dated 3rd September at Berwick for \$2,000, payable to W. P. McKay for 11 horses, countersigned by Chipman and one at Berwick, dated September 3rd, payable to W. P. McKay, for \$3,060, and countersigned by Dr. Chipman; what do you say as to these cheques?—A. I think they were issued at the time of purchase and that I had the price-tags in my hand. I am pretty sure of that. I do not mean that the total amount of the cheques would correspond with the total of the price-tags, but the cheque was issued at the time of purchase.

Q. The cheque was issued at the actual time of purchase?—A. Yes.

Q. And the cheque made up for more or for less than the amount of the tags?—A. Yes,

Q. And it might have represented the actual purchase price or it might not?—A. I do not think it would represent the actual purchase price but they were issued at the time when the horses were actually being or just after the purchase was concluded.

Q. After the purchase was concluded?—A. After the bargain was made, yes. That is the best of my memory; I cannot be positive of that.

Sir CHARLES DAVIDSON: If for more, why, and if for less, why?

The WITNESS: My object was to get my cheque average to correspond to the actual purchasing average.

By Mr. Thompson, K.C.:

Q. Let us see how much that was?—A. Well, the purchasing average would vary from day to day, and my cheque average would vary from day to day.

Q. What do you mean by the average from day to day, how could you tell what the average would be unless you totalled the thing up?—A. In issuing cheques in advance of purchase, I would be governed particularly by the average price up to that date.

Q. As to these cheques that were issued at the time of purchase at Berwick, how could you arrive at the amount unless you actually totalled up the cheques?—A. Well, I would be guided by the actual average up to that day.

Q. The average up to that day?—A. I would anticipate the average in advance.

[Kentville, Horses—Oakes.]

Q. If you had the cheques in your hands, would not you issue the exact amount?
—A. That was my motive in issuing the cheques to get a general idea of the average that was running.

Q. Could you not total the cheques up when you only had eighteen horses to pay for?—A. I suppose that could be done but that was not my method.

SIR CHARLES DAVIDSON: Did you follow the instructions of Mr. Foster?

The WITNESS: Mr. Foster did not give specific instructions.

SIR CHARLES DAVIDSON: Now, answer my question.

The WITNESS: I followed Mr. Foster's instructions, so far as circumstances would permit.

SIR CHARLES DAVIDSON: But what you did was not in precise accordance with the instructions of Mr. Foster?

The WITNESS: No.

By Mr. Thompson, K.C.:

Q. And as to the balance of the cheques filled in by you, or issued by you, when I say issued I mean handed out by you, were these all handed out by you after the actual purchase was made?—A. There were one or two there that I cannot be clear about.

Q. Would these be Kentville cheques or where would they be on?—A. These cheques issued at Kentville and are dated Kentville.

Q. Would these cheques represent the actual amount of the purchase money expended?—A. No, I would not want to make that statement.

Q. They might not be even in that case?—A. No.

Q. Would you state if there were any cases in which the cheques issued corresponded actually to the purchase price paid for the horses and the number of horses indicated in the cheques?—A. There were a few.

Q. These would be, would they not, cases of—take, for example, this cheque for \$165, dated Kentville, 4th September, payable to W. P. McKay—would they be for an individual horse?—A. That would be for an individual horse for which a receipt was given.

The Witness retired.

The commission thereupon adjourned until to-morrow morning, at ten-thirty o'clock, August 20, 1915.

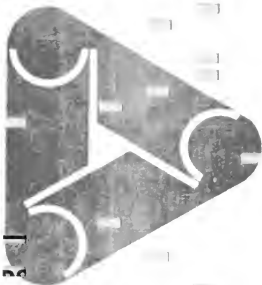


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