

COUNSEL SAYS ENEMY AGENTS ARE WATCHING FUSE INQUIRY

Mr. Wallace Nesbitt Suggests Danger in Making Public Information as to Where Work is Being Done on Canadian Fuse Contracts.

HEATED EXCHANGE OVER THE STATUS OF MR. F. B. CARELL AT THE INQUIRY

Some Sidelights on the Investigation by the Royal Commission
—Some Objection to Delaying Inquiry at the Request of Counsel

From the Ottawa Correspondent of The Daily News.

OTTAWA, April 29.—Mr. Wallace Nesbitt, K.C., caused something akin to a sensation at the Fuse Inquiry yesterday afternoon, stating that German agents were watching closely proceedings of the commission. There were two men in the room at the time, he said, who had little care for the public interest.

Mr. Hellmuth was examining Col. Carnegie with regard to how the Canadian fuse contract was sub-let by the American Ammunition Co. The witness mentioned two or three of the sub-contractors and Mr. Hellmuth showed a disposition to ask for further information, when Mr. Nesbitt interrupted.

"Far be it from me to raise any objection," he said; "but is this not just the information which the German Government has been anxious to get? Should we publicly state where work is being done on Canadian fuse contracts? I happen to know that there are two men in this room who have little care for the public interest and information of this kind might lead to a blow-up by a stick of dynamite or a bomb at any minute. I know what I am talking about."

"The best thing they could do would be to blow up this room," suggested Sir William Meredith, amid laughter.

"I am not ready," said someone.

"I am," declared General Hughes.

A heated exchange between Mr. Wallace Nesbitt, K.C., counsel for Major-General Hughes, and Mr. F. B. Carvell, K.C., M.P., occurred during the afternoon sitting of the Royal Commission in the Fuse Inquiry. Col. Carnegie was explaining the new agreement between the Imperial Munitions Board and the American Ammunition Company. In defending the price for time-fuses Col. Carnegie said that within the past two months the price of \$4.55 had been paid through Messrs. J. P. Morgan & Company to a company in the United States for No. 85 fuse, American pattern, as fitted to an English shell. Mr. Carvell wanted to know the source of the witness' information, but Col. Carnegie said he was not at liberty to state the source.

"Then this should not be put in evidence if the authority cannot be given," declared Mr. Carvell.

Mr. Nesbitt: "It will be given to you as a Member of Parliament, but must not be made public as it is not in the public interest."

Mr. Carvell: "I do not want to see it, then. I represent the public."

Sir William Meredith: "I thought you were representing Mr. Kyte."

Mr. Carvell: "And the public."

Sir William Meredith: "I did not hear of that before."

Mr. Wallace Nesbitt: "Mr. Carvell, this information will be given to you and Sir Wilfrid Laurier privately. It is a secret statement."

Mr. Carvell: "Then do not put this quotation in evidence."

Sir William Meredith: "These discussions between counsel must cease."

Col. Carnegie, however, stated that the information was taken from a list of firms and deliveries. If the War Office gave permission this would be placed before the Commission.

Mr. Hellmuth: "Then we know what the source is."

When Mr. Hellmuth brought out the details of the agreement of April 5, 1916, between the Imperial Munitions Board and the American Ammunition Company, Sir William Meredith asked what was the reason for introducing this contract. He asked if there was any attack on the Imperial Munitions Board.

Mr. E. F. B. Johnston, K.C., replied that he was not making any attack at the present time. Mr. Hellmuth was not sure that the Commis-

operations could properly consider the operations of the new Board.

"Do not be so sure what this Commission can do," said Sir William Meredith.

GENERAL BERTRAM NEXT.

General Bertram will be the next witness called by Mr. I. F. Hellmuth, K.C., next week. After General Bertram, General Sir Sam Hughes will be called immediately.

"I propose to stay here to see what is going on," declared General Hughes. "Make no mistake about that."

NEW YORK WITNESSES.

Mr. Hellmuth announced that the New York witnesses had stated their willingness to come on telegraphic notice.

OBJECTION TO DELAY.

In order to allow counsel to leave for their homes over the week-end, the Royal Commission adjourned yesterday afternoon and will not sit again until 2.30 p.m. on Monday. There was some opposition to the delay. Sir William said he would leave the matter to counsel to decide. It was important, he said, that the inquiry should not be prolonged a minute longer than was necessary. General Hughes remarked that the war was still going on, and he did not want to be "held up by this sort of thing."

NO. 85 TIME FUSES.

Col. Carnegie stated that as a factory manager he would not want to equip a factory to handle a contract for 2,500,000 No. 85 time fuses at a price lower than \$4.60 or \$4.70 each.

WHY THERE WAS URGENCY.

Counsel for the old Shell Committee will attempt to show that there was real urgency about placing the order for fuses. The whole order for 5,000,000 shells amounting to over \$80,000,000, they claim, depended on the ability of the Shell Committee to supply fuses, hence their anxiety to let fuse contracts. Had they failed to let the fuse contracts the \$65,000,000 of shell contracts let in Canada would have had to be cancelled.

LOADED AND UNLOADED.

Col. Carnegie said that the difference in price of loaded and unloaded time fuses No. 80 was \$1.25 or \$1.50, depending on ability to procure the correct powder. Mr. Hellmuth questioned about the prices at which the Russell company could manufacture fuses. No No. 80 fuses mark 5 had been made in Canada, said the witness, as the War Office had only recently sanctioned their manufacture. Mark 7 fuses were 25 cents cheaper than mark 5. Mr. Hellmuth calculated that if the Russell company could produce a fuse mark 7 at \$2.75 and get it loaded at \$1.25, the cost would be \$4.00 for mark 7, or \$4.25 for mark 5. This would be 25 cents lower than the price in the United States. Col. Carnegie pointed out, however, that this was taking his minimum estimate as to the cost of loading.