

## THE SHELL SCANDALS.

**PROCEEDING** upon the principle laid down by the Opposition that the political truce did not mean abstention from criticism of Governmental acts, Hon. Wm. Pugsley devoted most of his speech in the debate on the address in reply to the Speech from the Throne, to an exposé of the shell scandals which have been the talk of the whole Dominion for many months. The case calling for investigation as presented by him constitutes a formidable indictment against the Shell Committee and the Government who are responsible for it, and it is difficult to see how the Government can refuse the investigation asked for. So far, however, they have not shown any inclination to grant the enquiry; on the contrary they appear to have set their faces against it.

The history of the War shows that the British Government was quite unprepared with supplies of necessary munitions when War broke out, and when they realized this, shortly after the outbreak of hostilities, strenuous efforts were made to manufacture quickly large quantities of shells to cope with the enormous reserves which Germany had piled up for years. The Canadian Government were asked to get shells made on the British Government's account and an initial order for 200,000 shells was given to be placed by the Borden Government. The Government appointed a Committee to deal with the matter consisting of four military and four civilian members, **all the latter being connected with iron and steel manufacturing establishments.**

For a time after the organization of the Committee little or nothing was heard of its operations, and beyond the knowledge that shells were being made somewhere by someone the public learned nothing. Months went by and gradually rumors began to circulate, these became almost common talk on the street and finally blossomed out in veiled but unmistakable hints and rumors in the newspapers, including some Conservative papers. At first no definite charges were made but the idea was plainly conveyed that all was not right with the methods and the business of the Dominion Shell Committee. Then came more definite charges indicating patronage abuses, the activities of middlemen and hints that members of the Committee connected with large manufacturing concerns were taking first care of these concerns in the placing of contracts.

Evidently word of this reached England, because Mr. D. A. Thomas was sent out here as the personal representative of Mr. Lloyd George to look into the situation, with the result that he practically forced the disbandment of the Shell Committee and the appointment of a new Committee. "**Public sentiment,**" Mr. Thomas said, "**would be met by the retirement of the manufacturing members of the Shell Committee.**"

### Prices High and Delivery Slow.

Mr. Thomas also compelled the adoption of the principle of competitive tendering in awarding con-

tracts. "**The cost of shells in Canada,**" he said, "**had been higher than at what he would call competitive points; prices so far have been higher here than in the United States and Great Britain.**" He also pointed out that in June, 1915, (nine months after the War broke out), Canada was behind in making good in point of time on the orders that had been placed for shells, "**only 2% of the orders made good.**"

Following the action and disclosures of Mr. Thomas, all the prominent newspapers of the country, Conservative and Liberal alike, vied one with the other in criticism of the Shell Committee and in demands for an investigation.

### Liberal Indictment.

In the course of the debate in Parliament last month many definite and explicit charges were made by Liberal speakers and it may safely be left to the judgment of the reader to decide whether or not they made out a strong prima facie case. We quote first from the speech of Hon. Wm. Pugsley, who spoke on January 19th:

**This Shell Committee proceeded to give orders for millions of dollars to companies with which their members were closely associated.**

**The Shell Committee gave the firm of John Bertram & Sons, a company of which Sir Alexander Bertram, (the Chairman), is vice-president, orders amounting to upwards of one million dollars.**

**The Shell Committee gave to a company with which Mr. E. Carnegie, another member of the Shell Committee, is not only closely connected, but is directing head, orders of upwards of one million dollars.**

**That the Shell Committee gave orders for other vast amounts to companies with which the members of the Shell Committee are closely connected.**

**That the Shell Committee in giving these orders did not call for competitive prices, and that they fixed the prices far higher than would be reasonable to pay even if the shells were being turned out in large quantities.**

**That the Shell Committee were giving the same prices to firms producing one million shells, as to the firms who could only produce 5,000 shells.**

**That by the bungling of the Shell Committee the prices paid for shells were far beyond what was reasonable and fair and that the Allies had been called upon to pay vastly larger sums than would have been necessary if proper organization had taken place.**

**That these prices were fixed by the creature of this Government, the Shell Committee.**

**That the Shell Committee in paying these enormous prices for shells appeared to have been animated by a desire to distribute favors to friends of the party in power and to give**